

Company Registration No.06237630 (England & Wales)

Great Academies Education Trust

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

GREAT ACADEMIES EDUCATION TRUST
FINANCIAL STATEMENTS
Year ended 31 August 2019

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GREAT ACADEMIES EDUCATION TRUST

Reference and Administrative Details

Year ended 31 August 2019

Members & Trustees

Annette Hall (Interim Chair)
Michael O'Hare
Ian Munro (Chair)

Christine Amyes

Tony Powell

Date of change

Appointed 08/07/19
Appointed 14/12/19
Resigned as member on
08/07/19 & as trustee on
05/4/19
Resigned as trustee on
04/07/18 & member 14/12/18
Resigned as Trustee 20/12/18

Trustees

Allison Crompton*
Annette Hall
Sue Hutchinson*
Chris Bowes #
Helen Curran* #
Gregory Suligowski
Catherine Sullivan-Williams#

Resigned 13/11/18

Resigned 16/10/19

member of the Remuneration Committee
* member of the Finance & Audit Committee

Senior Managers:

B Loughran
A Crompton

Chief Executive Officer (from 01/09/19)
Chief Executive Officer (Resigned
31/08/19)

K Mohammed
J Langley
D Mason

Director of Finance & Estates
Principal Great Academy Ashton
Principal Silver Springs Primary
Academy

K Paddy
J Kellett

Principal Copley Academy
Principal Middleton Technology School

Principal and Registered Office:

Cavendish 249
Cavendish Street
Ashton-under-Lyne
OL6 7AT

Company Number:

06237630 (England and Wales)

Independent Auditor:

RSM UK Audit LLP
3 Hardman Street
Manchester, M3 3HF

Bankers:

Co-operative Bank
1 Balloon Street
Manchester M60 4EP

Yorkshire Bank
58 Spring Gardens
Manchester M2 1YB

Solicitors:

Davis Blank Furniss
90 Deansgate,
Manchester, M3 2QJ

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operated three secondary academies and one primary academy during the year. The academies have a combined pupil capacity of 3,925 ranging from 3 to 16 years old and had a roll of 3,701 in Autumn 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (company number 06237630) and an exempt charity. The charitable company's memorandum and articles of association dated April 2007 as amended December 2016 and September 2019 are the primary governing documents of the Trust. The Trustees of Great Academies Education Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the company information section on page 3. The four academies within the Academy Trust during the financial year are Great Academy Ashton (formally New Charter Academy), Copley Academy, Middleton Technology School and Silver Springs Primary Academy.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Academy Trust is a member of the Department for Education risk protection arrangement (RPA) which includes risk protection for Governors Liability with a liability limit of £10m.

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust currently has five Trustees who may appoint committees to be known as Local Governing Bodies for each Academy. The constitution, membership and proceedings of any committee shall be determined by the Trustees. Appointments will be in accordance with the Trust's Memorandum and Articles of Association and Governor Recruitment Policy.

The members may appoint up to nine Trustees and any number of staff Trustees so long as the number does not exceed one third of the total number. The Trustees may also co-opt up to three Trustees onto the Board.

Trustees with the appropriate skills and experience are sought out to ensure a good balance of knowledge and expertise on the Board. The Academy Trust uses a combination of the Academies Ambassadors programme, printed press and on-line adverts to attract suitable candidates.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board has developed a number of documents to support Trustees in their role including a handbook, code of conduct, role profile and competency framework.

A flexible induction process takes place taking into account the skills and experience of the trustee but includes, as a minimum, meetings with the Chair of the Board and the Chairs and Principals of each Academy and a day within the organisation spending time in each of the academies.

Trustees receive no remuneration or benefits in respect of their duties as Trustees but are reimbursed for expenses incurred in carrying out their duties. During the year, the Trustees held five Trust Board meetings and two additional telephone calls.

Organisational structure

The Trustees meet at least four times a year to receive reports and manage its strategic objectives. In addition to the Academy Trust Board, there are subcommittees for finance and audit and academic outcomes. Each academy has a local governing body and two sub-committees which meet to review and discuss key areas in more detail and make recommendations to the governing body.

The day to day management is delegated to the Chief Executive Officer and the Principals who are each supported by a Leadership Team. The scheme of delegation clarifies those decisions that must be referred to the Trustees.

Arrangements for setting pay and remuneration of key management personnel

Each local governing body has a pay sub-committee to agree the decisions of the Principal with regard to their local staff and the Academy Trust has a Remuneration Committee which is responsible for setting the pay and remuneration of the Trust's senior managers. The Committee consists of three Trustees.

Related Parties and other Connected Charities and Organisations

The Academy Trust works to advance, for public benefit, the education of all pupils within our academies. Working with our teaching school, the Department for Education (DfE), Education and Skills Funding Agency (ESFA), Rochdale and Tameside Local Authorities, Tameside Sports Trust, local primary schools and other local organisations to establish links with the local community.

The Academy Trust entered into a secondment agreement with Rodillian Multi Academy Trust (RMAT) during the year. RMAT are a related party to the Academy Trust through common trustees.

New Charter Housing Trust lost its ability to sponsor the Academy Trust upon its merger into the Jigsaw Group. We have now received our deed of variation from DfE which gives us authority to operate as a standalone multi academy trust. The Academy Trust is confident it can achieve its objectives.

Trade union facility time

The Academy Trust does not employ any trade union representatives, instead this service is provided via the local authority.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's objects are specifically restricted to the following:

Advancing education by:

- Establishing, maintaining, managing and developing schools offering a broad and balanced curriculum
- Promoting the physical, intellectual and social development of all children and young people, especially those who are socially and economically disadvantaged
- Developing the capacity and skills of those who are socially and economically disadvantaged in such a way that helps meet their needs and enables them to participate more fully in their communities and society at large
- Providing recreational and leisure time facilities in the interest of social welfare for the local communities in which the academies reside, especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

Our aim is to provide outstanding schools to improve the academic achievement of all our children and young people and increase their life chances and opportunities for successful and fulfilled lives as well educated future citizens.

Objectives, Strategies and Activities

The main objectives of the Academy Trust are summarised below:

- Deliver maximum value-added academic progress for each student from their starting points
- Provide a high achieving and disciplined environment in each academy
- Improve standards of attainment in literacy and numeracy for all children and young people
- Raise aspirations for individual students, parents and the wider community
- Develop an enriched and extended curriculum with a focus on active citizenship and cultural entitlement
- Using the Teaching School and Great Academies Improvement and Support Team (GIST) to create a training school culture of continuous professional development for all staff
- Using the teaching school and GIST to establish a centre of excellence in school leadership
- Provide high quality buildings, designed to minimise impact on the environment and which encourages learning, self-discipline and community involvement
- Meet the needs of local and regional employers for workforce of the future
- Work in collaboration with the local authorities, schools, colleges and universities.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Objectives, Strategies and Activities (continued)

The Academy Trust has a number of strategies to aid the achievement of the stated objectives including:

- The strategic recruitment of five board members to improve the capacity of the Academy Trust to hold to account the Chief Executive and senior leaders
- The development of a school improvement arm of the Academy Trust namely GIST (Great Academies Improvement and Support team) to support and develop teachers and leaders within our academies
- The use of the Teaching School attached to the Academy Trust to support and develop teachers and leaders within our academies
- The use of our SCITT (school based initial teacher training programmes) to train new teachers that we are able to recruit into our academies
- Tuition and learning opportunities for all students to attain appropriate academic qualifications, including after hours, weekend and holiday classes
- A programme of sport, music and other enrichment activities for all students
- Opportunities for student placements with industrial and commercial partners
- Training opportunities for all staff and especially teaching staff
- A Community Team focussed on links with parents and the community.

Among the activities undertaken to achieve the objectives of the Academy Trust are:

- The use of the Teach Like a Champion (TLAC) programme as the basis of our teacher professional development programme. The programme is run by GIST.
- The introduction of a new teaching and learning rubric used across our secondary academies, again run by GIST.
- The further development of the Every Child A Reader (Literacy) and Every Child Counts (Maths) programmes to provide targeted support for children before they reach year 6.
- Enrichment activities that have included trips to Europe.
- Free and/or very low cost music and singing tuition.

Public Benefit

The Trustees have considered the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The main activities of the Academy Trust are to advance for public benefit:

- Education for pupils of different abilities between the ages of 3 and 16
- Develop the capacity and skills of those who are socially and economically disadvantaged in such a way that helps meet their needs and enables them to participate more fully in their communities and society at large
- Provide recreational and leisure time facilities in the interest of social welfare for the local communities in which the academies reside, especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The Academy Trust welcomes applications from candidates with a disability. Applicants are advised to contact HR if they have any specific requirements to enable them to apply.

Selection panels are not provided with information about whether candidates have a disability at the shortlisting stage, as the equal opportunities monitoring information is removed prior to shortlisting taking place. New starters complete a health questionnaire which enables us to assess whether any adjustments are needed to the working environment.

The Academy Trust makes use of an occupational health provider. Any employee can request self-referral, and the Academies make regular referrals, most often for staff returning to work after a period of sickness absence, but also for employees who may be encountering difficulties at work, either due to a disability or due to other reasons. The Academies endeavour to act on the advice provided wherever possible, and will consult with the employee to ensure reasonable adjustments are provided.

Disabled employees are entitled to the same opportunities for training, development and promotion as other employees. Opportunities for promotion are advertised within the Academy, and staff wishing to be considered would be entitled to the same adjustments as candidates coming for interview and to have other adjustments considered, thus ensuring there are no barriers to their promotion.

Employee Consultation

The Academy Trust recognises and regularly consults with a number of trade unions for both teaching and non-teaching staff. Regular scheduled meetings are held with full time union officials, and both the Academies and the trade union representatives also request additional meetings whenever the need arises. In addition to consultation with full time officials, local meetings are also held with the internal representatives both on a regular scheduled basis and on an ad hoc basis as required.

Consultation also takes place through staff events, staff questionnaires and a general culture of leaders being available and open to staff feedback.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

STRATEGIC REPORT

Achievements and Performance

Overview

Academic year 2018/19 has been a year of great challenge and change, but also a year of focussed determination to get things right for our academies and the young people we serve. We continue to align the Academy Trust and its academies into more successful and effective ways of working. The external evaluation of our academies tells us we have much to do to secure good standards of education for the children we serve, and we are still very much on our improvement journey as an Academy Trust.

At the end of the Year, the CEO retired and after a rigorous recruitment and selection process our new CEO was appointed to take up post in September 2019.

Our Academies

Great Academy Ashton (GAA), formally New Charter Academy, had been subject to an Ofsted Section 5 Inspection on 28th February and 1st March 2018 and placed into Special Measures. The subsequent Ofsted monitoring visits in the year (September 2018, January 2019) noted the strong leadership in place and steady, continued positive improvement reflected in the strong support of the Academy Trust. A successful milestone for the Trust was in July 2019 when GAA underwent a section 5 inspection, came out of Special Measures, and was graded overall as Requires Improvement. The inspection also judged the sections of Leadership and Management and Teaching and Learning to be good.

The five key issues Ofsted identified were worked on assiduously and the academy transformed its staffing structure including all key leadership posts. The HMI noted in the report; "Without any doubt, leaders' efforts and actions have brought about noticeable differences to all areas for improvement identified in the previous inspection. Leaders are unrelenting in their focus on improving the quality of teaching and learning and their belief that this is the key factor which underpins providing a good education for pupils. Attendance and punctuality are improving. The work to improve behaviour has transformed the atmosphere and relationships in lessons and around the school."

Great Academy Ashton has had a positive year and has made some modest improvements in academic outcomes for students, although academic progress measured by the Progress 8 score has declined.

The academy is a vibrant place with an interesting enrichment offer. Student leadership continues to be an emerging strength of the academy. Attendance figures remain close to national average and this is a clear indicator of very positive student attitudes and their enjoyment of academy life.

Copley Academy (CA) has had a difficult year. It was subject to an Ofsted Section 5 Inspection on 9th and 10th of October 2018 and was graded as Inadequate. The HMI monitoring visit on 2nd April 2019 found that leaders and managers were not taking effective action to remove Special Measures.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Copley Academy (continued)

They judged the school improvement plan not to be fit for purpose, although the Trust's statement of action was deemed to be fit for purpose. The Principal and a Vice Principal left the academy during the summer term 2019. The Trust entered a Service Level Agreement with Rodillian Multi Academy Trust (RMAT) and seconded in an Interim Principal and Interim Vice-Principal for the remainder of the academic year. This brought some stability to the Academy and the interim leadership arrangements remain in place for the academic year 2019-20.

The academy outcomes in 2019 were broadly in line with those in 2018, with some modest improvements in measures such as Attainment 8 and English and Mathematics, at key thresholds.

Middleton Technology School (MTS) was inspected by Ofsted in March 2019 and graded as Good. Although it hadn't been inspected previously for thirteen years, MTS had held its prior grading as an outstanding school for this period. The Academy continues to be popular in the area, and will have increased its numbers on roll by a third in the last 3 years.

MTS has attainment in line with national averages, but progress in the EBACC subjects remain static. Progress was in line with previous years at -0.03 and is, by national comparison, judged as close to average for this year. The academy has a rich and extensive extended curriculum with many opportunities for students including annual European cultural visits and snow sports opportunities.

MTS also has a Teaching School and School Centred Initial Teacher Training (SCITT) programme. The SCITT was inspected by Ofsted in the summer of 2019 and graded as good.

Silver Springs Primary Academy (SSPA)

SSPA were subject to an Ofsted Section 5 Inspection on 26th and 27th of September 2019 and graded as Requires Improvement. Previously, SSPA was judged good. Throughout 2018-19 SSPA developed and implemented plans to retain its previous grade.

Its provision and outcomes in Early Years and Key Stage 1 are good. In 2019 there was a marked improvement in Year 1 phonics outcomes, reflecting a targeted strategy through the year. Outcomes in Key Stage 2 reading declined in 2019, and this was a limiting factor in the KS2 combined score. However, mathematics outcomes are well above national average at Key Stage 2 and progress scores in Reading, Writing and Mathematics are positive.

CA and SSPA draw students mainly from the Stalybridge area of Tameside. GAA pupils come mainly from homes in Ashton-under-Lyne in Tameside but also from bordering areas in Oldham LA. MTS pupils live predominantly, but not exclusively, in the Middleton area of Rochdale. Each of our academies' admission policies is drawn up in collaboration with the LA in which the academy is located. Our over-subscription criteria aim to match those of the LA.

Going concern

After making appropriate enquiries, the Academy Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

FINANCIAL REVIEW

Financial report for the year

The principal sources of funding for the Academy Trust are grants from the ESFA, donations and investment income. Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102 SORP), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund generally when they are awarded, as set out in the Academy Trust's accounting policies. In addition to the grants received, the Academy Trust has previously recognised fixed asset transfers as voluntary income in the financial statements and during 2017 recognised the value of land and building occupied by Middleton Technology School. In prior years Great Academy Ashton (previously New Charter Academy), Copley Academy and Silver Springs Primary Academy have all been recognised. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

No voluntary donations were received from related parties in the current year (2018: nil). £2,000k permanent endowment fund and other cash not required to meet day to day running expenses is invested in short-term deposit accounts with the Academy's banks. Interest received on these deposits was £55k compared to £41k in the previous year.

During the year ended 31 August 2019, total expenditure exceeded income by £4,890k. This included depreciation charges on land and buildings of £1,182k and actuarial pension losses relating to the Local Government Pension Scheme of £3,298k. The net decrease in total funds in the year was £4,890k. 2018: net increase in funds of £293k including depreciation charges on land and buildings of £1,182k and actuarial pension gains of £1,804k.

The results for the year excluding FRS102 pension adjustments and depreciation on donated assets was a surplus of £537k (2018: £536k). This is a strong performance particularly in light of the significant cost pressures experienced within the Academy Trust and the sector.

Non-teaching staff are members of the Local Government Pension Scheme (LGPS). The deficit as at 31 August 2019 is £9,358k (2018: £5,134k). Middleton Technology School remained pooled with Rochdale Metropolitan Borough Council upon conversion and therefore employer contribution rates for MTS non-teaching staff (20.5%) differ from the rest of Great Academies Education Trust (17%).

The Academy held fund balances at 31 August 2019 of £57,261k comprising £2,000k Permanent Endowment Fund, £3,824k Unrestricted Fund, £58,553k Restricted Fixed Asset Fund, £2,243k Restricted General Fund and a pension reserve deficit of £9,358k.

The Academy Trust monitors cash flow and prepares financial forecasts to anticipate and manage financial risk and meet financial objectives.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of general reserves should be equivalent to £1,911k (10% of GAG income). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, falling student numbers or no-notice changes in schools funding methodology. Variances to the appropriate 10% target are closely monitored. Balances higher or lower than this target are expected to be supported by appropriate spending or recovery plan. The general reserves balance at the end of the year was higher than the target. To ensure compliance with this policy, the Trust are working with the academies to develop an informed spending plan. To enable this, the Trust have commissioned condition surveys and a three year rolling ICT refreshment plan which together with other areas of investment requested by the academies will form the crux of the spending plan and ensure that the reserves are used effectively and in the best interests of the Trust.

Areas currently identified include development of the secondary buildings (to provide adequate appropriate accommodation for the growing pupil numbers) and investment in school improvement (to accelerate improvements in attainment at Great Academy Ashton and Copley). Copley Academy has a deficit reserve position at 31 August 2019 (as a result of historic falling pupil numbers and three years of protected teacher pay following staff restructure) and Trust reserves are supporting Copley whilst the financial recovery plan eliminates the deficit.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted and endowed funds) is £3,824k (2018: £3,731k). The balance on this reserve mainly comprises charitable donations received from Great Neighbourhoods (previously related to GAET by virtue of common directors) and is used to fund development of the Trust.

Investment policy

The Academy Trust has a preference for banking institutions that have strong ethical values and a low risk profile. In order to manage risk whilst maximising returns, deposits are placed with more than one institution. Only those institutions which meet the criteria set out in the Trust's Treasury Policy are used for the placing of deposits.

Performance Indicators

The Academy Trust Board received reports on financial performance and management at each meeting. Key information monitored by the Academy Trust Board and Governing Bodies include:

- balanced budget approved by the Academy Trust Board and reported on throughout the year along with regular forecasts (along with assessment of reserves position to address any in-year deficit budget)
- cash balance - surplus cash placed on deposit and sufficient available funds to meet operational needs
- staff costs as a percentage of total income less donations which is in line with the target level of 76% in 2018/19 (75% in 2017/18).
- pupil attendance- Attendance for MTS is above the national average, GAA and SSPA are below national average levels and CA significantly below.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Achievements and Performance

Silver Springs Primary Academy had a largely successful year with notable improvement in EYFS Good Level of Development (GLD) and the KS1 phonics screening test. The GLD increased from 60% in 2018 to 72% in 2019, and the phonics score increased from 58% in 2018 to 80% of pupils reaching the expected standard in 2019.

At Key Stage 1, there were improvements in reading, writing and mathematics attainment and although these fell below national average, there were very strong outcomes in progress scores placing SSPA in the top 6% of schools nationally for KS1 combined progress scores. At KS2, there was strong performance in mathematics placing the academy in the top 9% for progress, with progress scores in reading and writing also being positive. Attainment in mathematics and writing was above national average, although below national average in reading, and consequently below national average in the combined attainment score.

Middleton Technology school had a successful year with 69% of students gaining 4+ Basics (Standard Pass) and 39% gaining 5+ Basics (Strong Pass), with a Progress 8 figure of +0.03. These outcomes are classed as 'broadly average', although in its last Ofsted inspection in March 2019 the school was judged to be Good in every category.

Great Academy Ashton was successfully taken out of Special Measures in June 2019. The Ofsted report concluded that Leadership and Management and Teaching and Learning are Good. The overall outcomes in 2019 place GAA in the Well Below Average category with a Progress 8 score of -0.55.

Copley Academy had a difficult year and experienced several changes in leadership, as the academy worked to remove the Special Measures Ofsted category. However, in the 2019 results, although the outcomes place the Academy in the Well Below Average category overall, with a Progress 8 score of -1.01, there were signs of improvement, notably with increases in the scores at the L4 and L5 thresholds in mathematics and English.

Principal risks and uncertainties

The Trustees formally review the risk register and matrix on an annual basis and key risks are discussed at Trustee meetings as required. The major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy Trust and its finances have been assessed and appropriate processes and controls have been implemented to minimise and manage risk, including an effective system of internal financial control which is further detailed in the Governance Statement. The main risks identified include:

- * Financial
- * Market and Sector
- * Personnel
- * Business Continuity
- * Safeguarding
- * Health and safety
- * Legal and compliance

A key risk to the Academy Trust is the outsourced Facilities Management contract in place at Great Academy Ashton.

The Academy Trust also monitors and manages risk through the Self Evaluation Framework (SEF) which reports key risks and challenges. Action planning to address areas highlighted and impact of actions taken is reported to the Academy Trust Board directly or via the individual Academy Governing Bodies. The management of financial risk centres on

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2019

Principal risks and uncertainties (continued)

continuing to have strong student numbers and therefore attract maximum funding. This risk is addressed by a marketing programme aimed at prospective students and by driving improvement in academic standards.

The on-going changes in funding methodology and associated reduction in grants received, combined with rising staff costs (in particular significant increases in pension costs for both teaching and non-teaching staff) and high fixed cost of the managed service charges for the building at Great Academy Ashton present major financial risk and uncertainty for the years ahead.

Plans for future periods

The immediate plans for the Academy Trust continue to be centred on driving significant improvement in educational standards in all academies.

The Academy Trust will continue to strive to improve the performance of all its students and make efforts to ensure its secondary students successfully secure employment, further education or training upon leaving the secondary academies and its primary students move onto secondary education with the required numeracy and literacy skill levels upon leaving the primary academy. In addition to academic achievement, the Academy Trust aims to ensure that when students leave, they take other life skills with them.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditor is unaware and
- the Trustees have taken all steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The report of the Trustees, incorporating a strategic report, was approved by the Trustees, as the company directors, and signed on their behalf by:



Chair of Board: A Hall

Date: 16th Dec 2019.

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2019

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Great Academies Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met five times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Annette Hall (Chair)	5	5
Ian Munro (resigned as trustee on 5/4/19)	2	4
Tony Powell (resigned as trustee on 20/12/18)	2	2
Allison Crompton (resigned as trustee 13/11/18)	4	4
Chris Bowes	4	5
Sue Hutchinson (resigned on 16/10/19)	3	5
Helen Curran	5	5
Catherine Sullivan-Williams	4	5
Gregory Suligowski	4	5

To ensure robust governance and effective oversight of funds, the Trustees also took part in two telephone calls in addition to the formal meetings listed above.

Governance reviews

Governor and Trustee appraisals are held on an annual basis to review effectiveness across the boards. Feedback from the appraisals is used to help shape the training and development calendar for the following academic year. There is a termly training session for all GAET members on subjects such as Safeguarding, Admissions and Exclusions, plus academy specific training appropriate to each governing body. In addition, we hold an annual GAET Away Day for all members to look at Governor and Director roles, GAET's vision and objectives and hosts guest speakers. The Trust's Governance Officer provides governors and trustees with a range of information regarding training and online resources to which we have access. We are subscribing members to organisations including the National Governors Association, Governor e-Learning and The Key. Training records are held centrally by the clerk and are reviewed at individual appraisals to ensure attendance and that Governors are playing an active part in their personal training and development needs.

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2019

Governance reviews (continued)

The Trust Chair has concluded her response to an external review of Governance within the Academy Trust and has taken a number of actions to strengthen it including the appointment of Trust Board members with the necessary skills to fill identified skills gaps and the replacement of the Interim Executive Board (IEB) of CA with Governance Powers to be taken by the Trust Outcomes Board to provide the required level of challenge and support to help it move out of Special Measures. The IEB at GAA has also ceased to function with a new LGC in place from September 2019. Governance will continue to be reviewed annually to ensure that the arrangements meet the changing needs of the Trust.

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee financial reporting and review and approve the audit activity. In addition to the Finance Director, Sue Hutchinson and Helen Curran are chartered accountants and were members of the committee. Attendance at meetings in the year is as follows:

Trustee	Meetings attended	Out of possible
Sue Hutchinson (resigned on 16/10/19)	4	5
Tony Powell (resigned as trustee on 20/12/18)	2	2
Helen Curran	5	5
Allison Crompton (resigned as trustee 13/11/18)	4	5

The Chair of the Board will be joining the Finance and Audit Committee up until new additional permanent trustees are appointed to serve this committee.

Review of Value for Money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- **Targeting resources to focus on improving educational results**

The Academy Trust regularly reviews its staffing structure to ensure that staffing levels are appropriate to support the delivery of the curriculum. The on-going reduction in funding levels has renewed the focus on ensuring that the right staff are in post to drive improvement in the key areas. Although staff numbers have reduced in response to budget pressures, more flexible and focused deployment of the remaining staff has enabled the Academy Trust to continue driving improvement.

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2019

Review of Value for Money (continued)

- **On-going review and challenge of all costs**

The Academy Trust has an established culture of challenging all requested spend – do we need to spend, is there an alternative, more cost effective way of providing, have we secured the best procurement deal? There has been a renewed focus on this in light of the funding cuts with renegotiation of all service contracts as they have come due, benchmarking and sharing cost data across the Academy Trust and seeking ways to secure better deals Trust-wide.

There are opportunities to further expand group procurement and exploit potential economies of scale, and this will be the value for money focus for the next financial year.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Great Academies Education Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Jackson Stephen LLP, to carry out a programme of agreed upon procedures for the 2018/19 financial year.

GREAT ACADEMIES EDUCATION TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2019

The risk and control framework (continued)

The reviewer's role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The review focused on testing of the payroll, purchase ledger and cash receipts. The auditor reported to the Board of Trustees, through the finance and audit committee, on the operation of the systems of control.

On an annual basis, the auditor reports to the Board of Trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

For the year ending 31 August 2019, the agreed schedule of work was delivered as planned with no control issues arising from the work.

Changes in Trustees

The Trust has experienced a number of changes to its Trustees. In response, the Trust have appointed an interim Chair and have been actively interviewing to fill these posts.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

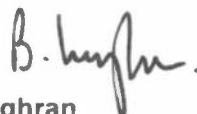
- the work of Jackson Stephen LLP
- the work of the external auditor
- the work of the directors within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 16.12.19 2019 and signed on its behalf by:



A Hall
Chair



B Loughran
Accounting Officer

GREAT ACADEMIES EDUCATION TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2019

As Accounting Officer of Great Academies Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



B Loughran
Accounting Officer
16/12/2019

GREAT ACADEMIES EDUCATION TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES

Year ended 31 August 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as governors of Great Academies Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report, and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 16.12.2019 2019 and signed on its behalf by:



Chair of Board: A Hall

GREAT ACADEMIES EDUCATION TRUST

Independent Auditor's Report to the Members of Great Academies Education Trust for the year ending 31 August 2019

Opinion

We have audited the financial statements of Great Academies Education Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities (incorporating Income and Expenditure account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

GREAT ACADEMIES EDUCATION TRUST

Independent Auditor's Report to the Members of Great Academies Education Trust for the year ending 31 August 2019

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

GREAT ACADEMIES EDUCATION TRUST

Independent Auditor's Report to the Members of Great Academies Education Trust for the year ending 31 August 2019

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

JOHN GUEST (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: *16 December 2019.*

GREAT ACADEMIES EDUCATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 August 2019
(including income and expenditure account)

		Permanent Endowment Fund	Unrestricted Fund	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	2	-	8	-	482	490	84
Charitable activities:							
Funding for the Academy Trust's educational operations	3	-	-	21,524	-	21,524	21,312
Teaching schools	28	-	-	162	-	162	204
Other trading activities	4	-	695	-	-	695	689
Investments	5	-	55	-	-	55	41
Total			758	21,686	482	22,926	23,330
Expenditure on:							
Raising funds	6	-	664	-	-	664	642
Charitable activities:							
Academy Trust educational operations	6 / 7	-	-	22,164	1,499	23,663	22,952
Teaching Schools	6/28	-	-	190	-	190	247
Total		-	664	22,354	1,499	24,517	23,841
Net income / (expenditure)		-	94	(668)	(1,017)	(1,591)	(1,511)
Transfers between funds		-	-	(19)	19	-	-
Other recognised (losses) / gains							
Remeasurement of net defined benefit obligations	24	-	-	(3,298)	-	(3,298)	1,804
Net movement in funds		-	94	(3,985)	(998)	(4,889)	293
Reconciliation of funds							
Total funds brought forward		2,000	3,731	(3,131)	59,551	62,151	61,858
Total funds carried forward		2,000	3,825	(7,116)	58,553	57,262	62,151

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

Company number: 06237630

GREAT ACADEMIES EDUCATION TRUST

BALANCE SHEET

as at 31 August 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	12	58,553	59,551
Current assets			
Debtors	13	966	869
Current asset investments: cash on deposit		3,652	3,622
Cash at bank and in hand		7,791	6,559
		12,409	11,050
Current liabilities			
Creditors: amounts falling due within one year	14	(4,342)	(3,316)
Net current assets		8,067	7,734
Total assets less current liabilities		66,620	67,285
Defined benefit pension scheme liability	24	(9,358)	(5,134)
Total net assets		57,262	62,151
Funds of the academy trust			
Restricted funds			
Permanent Endowment Fund	16 & 17	2,000	2,000
Restricted General Fund	16 & 17	2,242	2,003
Restricted Fixed Asset Fund	16 & 17	58,553	59,551
Pension Fund	16 & 17	(9,358)	(5,134)
		53,437	58,420
Unrestricted funds			
Unrestricted General Fund	16 & 17	3,825	3,731
Total funds		57,262	62,151

The financial statements on pages 24 to 53 were approved by the Trustees and authorised for issue on 16/12/2019 and are signed on their behalf by:



Chair – A Hall

GREAT ACADEMIES EDUCATION TRUST

Statement of Cash Flows

for the year ended 31 August 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by operating activities	20	1,226	1,808
Cash flows from / (used in) investing activities	21	36	(216)
Change in cash and cash equivalents in the reporting period		1,262	1,592
Cash and cash equivalents at 1 September 2018	22	10,181	8,589
Cash and cash equivalents at 1 September 2019	22	11,443	10,181
Represented by:			
Cash at bank and in hand		7,791	6,559
Cash on deposit		3,652	3,622
		11,443	10,181

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

1 STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty is set out below.

General information

Great Academies Education Trust is a Charitable Company (the "Academy Trust"). The principal place of business is noted on page three. The nature of the Trust's operations are set out in the Trustees' Report.

Basis of preparation

The financial statements of Great Academies Education Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are presented to the nearest £1,000, except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, receipts are probable and the amount can be measured with sufficient reliability.

- Grants receivable are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

Income (continued)

- Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.
- Interest income on cash balances is included in the statement of financial activities on a receivable basis or on an accruals basis where it is probable and is receivable at the balance sheet date.
- Where assets are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.
- Endowment income is held in a separate Endowment Fund. The funds are invested to retain their value and generate additional income. Endowment funds are classified as restricted or unrestricted by reference to the conditions documented by the donor. Restricted endowments are to be used only for the specific purpose or activity. Unrestricted endowments are to be used for the general purposes of the Academy Trust.

Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

Tangible fixed assets

All assets of a capital nature costing more than £500 and with an expected useful life exceeding one year are capitalised. Tangible fixed assets are stated at cost less depreciation.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:

Leasehold land	0.8%p.a. (reflecting 125 year lease)
Leasehold buildings	2% p.a.
Furniture and equipment	10% - 20% p.a.
ICT equipment	20% - 33% p.a.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank and current asset investments classified as basic financial instruments and measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits for employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency and Department for Education Group.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds on behalf of the ESFA and Teacher Training Bursary Payments on behalf of the National College of Teaching and Learning (NCTL). Related payments received from the ESFA and NCTL and subsequent disbursements to students/trainees are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. A maximum allowance of 5% of the total bursary funds received from the ESFA may be recognised as a contribution to administration costs in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included within creditors for distribution to students/trainees in the following year. The funds received and paid any balances are described in note 27.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trustees deem the key area of estimation in the accounts to be useful economic lives of assets and estimated residual value, which would impact the depreciation rates used as outlined in the accounting policies section.

Included within accruals is a £2.4m estimation of utility and hard facilities management costs incurred and not yet settled. The estimate is based on a combination of actual costs communicated by the provider, utility use and charges calculations provided and average historic charges where information has not been provided.

Critical areas of judgement

There are no critical areas of judgement.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted funds £'000	2019 £'000	2018 £'000
Capital grants	-	482	482	75
Donated fixed assets				-
Donation in kind – office space	7	-	7	8
Other donations	1	-	1	1
	<u>8</u>	<u>482</u>	<u>490</u>	<u>84</u>

3 Funding for the Academy Trust's charitable activities

	Restricted Funds £'000	2019 £'000	2018 £'000
DfE / ESFA grants			
General Annual Grant (GAG)	19,113	19,113	18,947
Pupil Premium	1,463	1,463	1,495
Other DfE/ESFA grants	323	323	119
National College Grants	162	162	204
	<u>21,061</u>	<u>21,061</u>	<u>20,765</u>
Other Government Grants			
Local authority grants	625	625	751
	<u>21,686</u>	<u>21,686</u>	<u>21,516</u>

4 Other trading activities

	Unrestricted Funds £'000	2019 £'000	2018 £'000
Catering	582	582	529
Hire of facilities	19	19	13
Other income	94	94	147
	<u>695</u>	<u>695</u>	<u>689</u>

5 Investment income

	Unrestricted funds £'000	2019 £'000	2018 £'000
Short term deposits	55	55	41
	<u>55</u>	<u>55</u>	<u>41</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

6 Expenditure

	Staff Costs	Non-Pay Expenditure		2019	2018
	£'000	Premises	Other	£'000	£'000
Expenditure on raising funds	385	-	279	664	642
Academy's educational operations:					
Direct costs	15,079	-	1,811	16,890	16,356
Allocated support costs	2,778	3,122	873	6,773	6,596
Teaching School	85	-	105	190	247
	<u>18,327</u>	<u>3,122</u>	<u>3,068</u>	<u>24,517</u>	<u>23,841</u>

Staff costs reported above include FRS102 accounting for the Local Government Pension Scheme.

Net income / (expenditure) for the period includes:	2019	2018
	£'000	£'000
Operating leases	32	42
Depreciation	1,499	1,590
Fees payable to auditor for:		
Statutory audit	19	13
Other services	6	6
Net interest on defined benefit pension liability	151	161
Compensation	17	-

7 Charitable activities

	2019	2018
	£'000	£'000
Direct costs – educational operations	16,890	16,356
Support costs – educational operations	6,773	6,596
	<u>23,663</u>	<u>22,952</u>

Analysis of support costs	2019	2018
	£'000	£'000
Support staff costs	2,778	2,549
Depreciation	1,386	1,478
Technology costs	168	160
Premises costs	1,735	1,722
Other support costs	681	667
Governance costs	25	20
	<u>6,773</u>	<u>6,596</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

8 Staff

Staff costs

Staff costs during the period were:	2019	2018
	£'000	£'000
Wages and salaries	12,982	12,682
Social security costs	1,195	1,225
Operating costs of defined benefit pension schemes	3,016	2,836
Apprenticeship levy	50	48
	17,243	16,791
Supply staff costs	974	758
Staff restructuring costs	110	71
	18,327	17,620

Staff restructuring costs comprise:

Redundancy payments	13	48
Severance payments	17	0
Other restructuring costs	80	23
	110	71

Non statutory / non-contractual staff severance payments

The Severance payment made in year was wholly non-contractual. The actual amount was £17,232. There were six non-statutory/non-contractual payments included in staff restructuring totalling £1,200 (2018: £400). Individually, the payments were: £100 on 15/07/19, £200 on 26/11/18, £200 and three payments of £100 on 13/12/18 and four lots of £100 on 15/03/2019. These relate to confidentiality and nominal payments as per legal advice.

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2019	2019	2018	2018
	No.	No.	No.	No.
	Actual	FTE	Actual	FTE
Teachers	229	219	229	217
Administration and support	265	188	243	166
Management	6	6	5	5
	500	413	477	388

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

8 Staff (continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£60,001 - £70,000	6	9
£70,001 - £80,000	1	1
£80,001 - £90,000	-	2
£90,001 - £100,000	2	0
£100,001 - £110,000	1	0
£140,001 - £150,000	1	1

All of the employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £139,433 (2018: £166,819). None of the highest paid staff participated in the Local Government Pension Scheme, so pension contributions amounted to nil (2018: nil). The above employee benefits include staff restructuring payments to one staff member.

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team roles as listed on page 3. The Trustees do not receive remuneration for their services as Trustees. The total cost of the senior management team (including employer national insurance and pension contributions) to the Academy Trust was £749,117 (2018: £629,171). This includes exit payments of £51,966 (2018: £nil). The Principal at CA is on secondment from Rodillian Multi Academy Trust and services are being provided under a secondment agreement. The costs associated with this post are included in the total above and amount to £18,535.

9 Related Party Transactions – Trustees' remuneration and expenses

Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The previous Chief Executive Officer (CEO) was a Trustee for part of the year and was the only Trustee who was an employee of the Academy Trust and only received remuneration in respect of services provided in undertaking the role of CEO under their contract of employment.

The value of Trustees' remuneration and other benefits was as follows:

A Crompton (CEO and trustee):

Remuneration £140,000 - £150,000 (2018: £140,000 - £150,000)
Employer's pension contributions £20,000 - £25,000 (2018: £20,000 - £25,000)

A Crompton was only a Trustee up until 13/11/18. Total remuneration received by A Crompton during the year was £150,000 and employer's pension contributions were £24,720.

During the year ended 31 August 2019, travel expenses totalling £81 and professional course fees totalling £240 were reimbursed or paid directly to two Trustees (2018 - £6.67).

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

10 Trustees and officers insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The Academy Trust is a member of the Education Funding and Skills Agency's Risk Protection Arrangement which provides cover for Governors, Officers and Trustees with a liability limit of £10m. The cost of this insurance is included in the total insurance cost.

11 Central Services

The Academy Trust has provided the following central services to its academies during the year:

- Human Resources
- Finance
- Legal
- Governance
- School Improvement
- Health & Safety
- Central funding via intervention funds
- Health Cashback Plan

The Academy Trust charges for these services as a percentage of income and is currently charged at 3.5%. The actual amounts charged in 2019 were as follows:

	2019	2018
	£'000	£'000
Great Academy Ashton (previously New Charter Academy)	242	262
Middleton Technology School	240	235
Copley Academy	133	125
Silver Springs Primary Academy	63	62
	678	684

GREAT ACADEMIES EDUCATION TRUST
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12 Tangible Fixed Assets

	Land & Building £'000	Furniture and Equipment £'000	ICT equipment £'000	Total £'000
Cost				
As at 31 August 2018	64,404	1,570	1,171	67,145
Additions	3	387	111	501
At 31 August 2019	64,407	1,957	1,282	67,646
Depreciation				
As at 31 August 2018	5,902	912	780	7,594
Charge in year	1,182	181	136	1,499
At 31 August 2019	7,084	1,093	916	9,093
Net book value				
At 31 August 2019	57,323	864	366	58,553
At 31 August 2018	58,502	658	391	59,551

Academy land and building for Great Academy Ashton, Silver Springs Primary Academy, Copley Academy and Middleton Technology School have been recognised in the balance sheet on the basis that substantially all the risks and rewards of ownership lie with the Academy Trust and are subject to long leasehold agreements of 125 years.

13 Debtors

	2019 £'000	2018 £'000
Prepayments & accrued income	746	701
HMRC - VAT debtor	188	154
Trade debtors	23	11
Other debtors	9	3
	966	869

Included within Prepayments & accrued income is a provision of £80,000 against income which is due to the trust but may not materialise.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

14 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	656	443
Other creditors	314	233
Accruals	3,020	2,265
Deferred Income	29	66
Other taxation and social security	323	309
	<u>4,342</u>	<u>3,316</u>
Deferred income	2019	2018
	£'000	£'000
Deferred income at 1 September	66	171
Resources deferred in the year	25	193
Amounts released from previous years	(62)	(298)
	<u>29</u>	<u>66</u>

Deferred income at 31 August 2019 include universal infant free school meals first instalment for 2018/19 and Autumn 2019 Nursery funding. Similarly deferred income at 31 August 2018 include universal infant free school meals first instalment for 2017/18 and Autumn 2018 Nursery funding.

15 Financial Instruments

The Academy Trust has the following financial instruments:

	2019	2018
	£'000	£'000
Financial Liabilities		
Financial liabilities measured at amortised cost	3,677	2,707
Financial Assets		
Debt instruments measured at amortised cost	23	11

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

16 Funds

	Balance at 31 August 2018 £'000	Incoming resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	1,619	19,113	(18,827)	(19)	1,886
Pupil Premium	-	1,463	(1,463)	-	-
Other grants	-	948	(948)	-	-
NCTL (Teaching School)	53	162	(190)	-	25
Transfer on conversion	331	-	-	-	331
Pension reserve	(5,134)	-	(926)	(3,298)	(9,358)
	<u>(3,131)</u>	<u>21,686</u>	<u>(22,354)</u>	<u>(3,317)</u>	<u>(7,116)</u>
Endowment	2,000	-	-	-	2,000
Restricted fixed asset fund	59,551	482	(1,499)	19	58,553
Total restricted funds	<u>58,420</u>	<u>22,168</u>	<u>(23,853)</u>	<u>(3,298)</u>	<u>53,437</u>
Unrestricted funds	<u>3,731</u>	<u>758</u>	<u>(664)</u>	<u>-</u>	<u>3,825</u>
Total funds	<u>62,151</u>	<u>22,926</u>	<u>(24,517)</u>	<u>(3,298)</u>	<u>57,262</u>

Historic income generated from endowed investments, donations from previous related parties and Middleton Technology School Fund balance on conversion have been credited to unrestricted funds.

Restricted incoming resources must be used by the academy to deliver and improve educational provision. The restricted fixed asset fund includes the Devolved Formula Capital Grant and land and buildings.

Where assets have been purchased with a cost in excess of capital funding received in the year, funds have been transferred from the general reserve to the fixed asset reserve. In addition, where specific projects have been funded from unrestricted reserves, the value of these projects has been transferred from unrestricted reserves to general reserves.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2019.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

16 Funds (continued)

Total funds analysis by academy

	Balance at 31 August 2019 £'000	Balance at 31 August 2018 £'000
Great Academy Ashton (previously New Charter Academy)	1,737	1,767
Silver Springs Primary Academy	655	655
Copley Academy	(139)	(343)
Middleton Technology School	2,717	2,016
Teaching School	25	53
Trust (including donations and central services)	1,072	1,586
Total before fixed assets and pension reserve	6,067	5,734
Endowment	2,000	2,000
Restricted fixed asset fund	58,553	59,551
Pension reserve	(9,358)	(5,134)
Total net movement in funds for the year ending 31st August 2019	57,262	62,151

Copley Academy is carrying a net deficit of £139k as a result of historically falling pupil numbers. A staff reduction programme is in place however, due to teachers pay protection, the deficit will not be eliminated until the full savings have been realised and pupil numbers improve. The Academy generated an in-year surplus for the second year running. The Academy Trust is supporting Copley during the recovery period.

Analysis of academies by cost:

	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excl Dep'n) £'000	Total £'000
Great Academy Ashton (previously New Charter Academy)	4,967	866	495	1,585	7,913
Silver Springs Primary Academy	1,633	195	153	310	2,291
Copley Academy	2,836	474	280	646	4,237
Middleton Technology School	4,633	778	538	1,138	7,087
Teaching School	85	-	55	15	156
Central Services	494	442	-	155	1,091
Academy Trust	14,648	2,755	1,521	3,849	22,775

Support staff costs exclude amounts relating to FRS102 pension accounting.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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17 Analysis of net assets between funds

	Endowment Fund	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance 31 August 2019					
Tangible Fixed Assets	-	-	-	58,553	58,553
Current Assets	2,000	3,825	6,584	-	12,408
Creditors: falling due within 1 year	-	-	(4,342)	-	(4,342)
Pension scheme liability	-	-	(9,358)	-	(9,358)
Funds	<u>2,000</u>	<u>3,825</u>	<u>(7,116)</u>	<u>58,553</u>	<u>57,262</u>

18 Capital commitments

There are no capital commitments at the year end.

19 Commitments under operating leases

At 31 August 2019 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2019 £'000	2018 £'000
Operating leases in respect of equipment which expire:		
Due within one year	31	24
Due between one and five years	49	43
	<u>80</u>	<u>67</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

20 Reconciliation of net (expenditure) / income to net cash flow from operating activities

	2019 £'000	2018 £'000
Net (expenditure) for the reporting period (as per the statement of financial activities)	(1,591)	(1,511)
Depreciation	1,499	1,590
Donated assets		
Capital grants from DfE Group	(482)	(75)
Interest receivable	(55)	(41)
Defined benefit pension scheme cost less contributions payable	775	627
Defined benefit pension scheme finance cost	151	161
(Increase) / Decrease in debtors	(97)	(4)
Increase / (decrease) in creditors	1,026	1,061
Net cash provided by operations	1,226	1,808

21 Cash flows from investing activities

	2019 £'000	2018 £'000
Interest received	55	41
Purchase of tangible fixed assets	(501)	(332)
Capital grants from DfE/ESFA	482	75
Net cash provided / (used in) by investing activities	36	(216)

22 Analysis of cash and cash equivalents

	2019 £'000	2018 £'000
Cash in hand and at bank	7,791	6,559
Notice deposits	3,652	3,622
Total cash and cash equivalents	11,443	10,181

23 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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24 Pension and similar obligations

The Multi Academy Trust's employees belong to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Greater Manchester Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme (TPS)

The trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,396k (2018: £1,393k) and at the year-end £nil (2018 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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24 Pension and similar obligations (continued)

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2019 was £931,744 (2018: £878,963) of which employer's contributions totalled £699,033 (2018: £623,326) and employees' contributions totalled £232,710 (2018: £218,913). Although all employees within the Local Government Pension Scheme are in the Greater Manchester Pension Fund, Middleton Technology School has remained pooled with Rochdale Metropolitan Borough Council. Consequently, the employer pension contributions included in the statement of financial activities reflect different contribution rates. The agreed employer contribution rates as at 31 August 2019 were 20.5% for Middleton Technology School members and 17% for all others and an average of 6% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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24 Pension and similar obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

The major assumptions used by the actuary were:

	31 Aug 2019	31 Aug 2018
	% p.a.	% p.a.
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions	2.3	2.4
Discount rate for liabilities	1.8	2.8

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The average future life expectancies at age 65 are summarised below:

	2019	2018
<i>Males</i>		
Current pensioners	20.6	21.5
Future pensioners	22.0	24.1
<i>Females</i>		
Current pensioners	23.1	23.7
Future pensioners	24.8	26.2

The Academy Trust's share of the assets in the scheme were:

	Value at 31 August 2019	Value at 31 August 2018
	£'000	£'000
Equity Instruments	10,909	9,931
Bonds	2,406	2,336
Property	1,283	1,022
Cash	1,444	1,314
Total fair value of assets	16,402	14,603

The actual return on scheme assets was £803k (2018: £1,851k)

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019	2018
	£'000	£'000
Current service cost	(997)	(1,291)
Past service cost re: McCloud	(232)	-
Net interest cost	(151)	(161)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(238)	-
Total operating charge	(1,618)	(1,452)

Changes in the present value of defined benefit obligations were as follows:

	2019	2018
	£'000	£'000
At 1 September	19,737	19,308
Current service cost	1,229	1,291
Past service cost (including curtailments)	238	-
Interest cost	570	499
Employee contributions	230	219
Actuarial loss/(gain)	3,597	(1,405)
Benefits paid	(200)	(175)
At 31 August	25,401	19,737

Changes in the fair value of Academy Trust's share of scheme assets:

	2019	2018
	£'000	£'000
At 1 September	14,603	13,158
Interest income	419	338
Return on plan assets (excluding net interest on the net defined pension liability)	299	399
Employer contributions	692	664
Employee contributions	230	219
Benefits paid	(200)	(175)
At 31 August	16,043	14,603

Included within the above an adjustment has been made to reflect the outcome of the McCloud judgement.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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25 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. The Academy Trust identified two organisations which fall under this category, three of which ceased to be related parties during the year. These include:-

- Active Tameside (AT) – No longer a related party from October 2018
- Rodillian Multi Academy Trust (RMAT)– Became a related party in April 2019

The building in which Copley Academy resides is attached to Active Tameside (AT). Copley Academy does not have any internal sports facilities, and therefore these are hired from AT. In addition, AT have charged Silver Springs Academy for swimming lessons and sports coaching during the year. Ian Munro, the previous Chair of the Academy Trust was also a Director of AT during the year.

The Academy Trust entered into a secondment arrangement with RMAT to second two staff members to take up key leadership posts at Copley Academy from 24th June 2019 for up to 52 weeks. The posts filled are the Principal and Assistant Headteacher roles. The payments under this arrangement represent the actual salary costs of the staff members, 5% indirect costs and travel costs. The 5% indirect costs represent administrative charges and the costs associated with the employer having to replace these staff within RMAT.

The following is a summary of transactions with related parties:

	2019 £	2018 £
Staff secondment services from RMAT	(38,018)	nil
Premises costs and sports provision invoiced by AT (to Oct 2018)	(24,975)	(151,202)

There was a trade creditor balance of nil (2018: £nil) and £38,018 costs within accruals (2018: £nil) with Rodillian Multi Academy Trust;

In entering into the transactions, the Academy Trust has considered the requirements of the ESFA's Academies Financial Handbook.

The charity Trustees received £321 for expenses (2018: £6.67) and no charity trustee received any emolument or payment for professional or other services.

GREAT ACADEMIES EDUCATION TRUST
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for the year ended 31 August 2019

26 Schools Sports Partnership (SSP)

Schools Sports Partnership are groups of schools working together to develop PE and sport opportunities for young people. In 2010 Great Academy Ashton became host to Tameside SSP comprising a partnership development manager, seven local secondary and thirty four primary schools. Additionally, the academy hosted other smaller community sporting projects. 2011 was the final year for this activity in its previous form, as funding streams for schools sports activities have changed. However the SSP Development Manager remains in post and accesses available funding in order to continue these activities. These sporting projects spent grants of £96,845 in the year (2018: £75,890). The associated expenditure is excluded from the academy's income and expenditure account on the basis that the Academy acts only as host to these projects. The balance contained within Other Creditors for SSP was £124,024 (2018: £140,453).

27 Agency arrangements

Up until 31 August 2018, the Academy Trust distributed 16-19 bursary funds to students as an agent for ESFA and to trainee teachers as an agent for the National College of Teaching and Learning. In the accounting period ending 31 August 2019 the Academy Trust received nil and disbursed nil in respect of 16-19 students and £183,400 in respect of trainee teachers. An amount of £42,702 is included in other creditors relating to undistributed 16-19 bursary funds that is repayable to the ESFA.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

28 Teaching School trading account

	2019	2018
	£'000	£'000
Income		
Other Income	162	204
Total income	162	204
Expenditure		
Direct Costs		
Direct staff costs	85	77
Other direct costs	25	85
	110	162
Other Costs		
Other support costs	80	85
Total Expenditure	190	247
(Deficit) from all sources	(28)	(43)
Teaching school balances at 1 September 2018	53	96
Teaching school balances at 31 August 2019	25	53

Income also includes training monies earned within MTS Academy and not the teaching school. These have been fully offset with expenditure.

GREAT ACADEMIES EDUCATION TRUST
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29 Prior year SOFA

	Permanent Endowment Fund	Unrestricted Fund	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018	Total 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	-	9	-	75	84	182
Donations - transfer on conversion	-	-	-	-	-	13,705
Charitable activities:						
Funding for the Academy Trust's educational operations	-	-	21,312	-	21,312	21,328
Teaching schools	-	-	204	-	204	387
Other trading activities	-	689	-	-	689	685
Investments	-	41	-	-	41	52
Total		739	21,516	75	22,330	36,339
Expenditure on:						
Raising funds	-	642	-	-	642	628
Charitable activities:						
Academy Trust educational operations	-	-	21,362	1,590	22,952	23,286
Teaching Schools	-	-	247	-	247	311
Transfer of pension deficit from Local Authority	-	-	-	-	-	1,857
Total	-	642	21,609	1,590	23,841	26,082
Net (expenditure)/ income	-	97	(93)	(1,515)	(1,511)	10,257
Transfers between funds	-	-	(257)	257	-	-
Other recognised gains / (losses)						
Remeasurement of net defined benefit obligations	-	-	1,804	-	1,804	3,057
Net movement in funds	-	97	1,454	(1,258)	293	13,314
Reconciliation of funds						
Total funds brought forward	2,000	3,634	(4,585)	60,809	61,858	48,544
Total funds carried forward	2,000	3,731	(3,131)	59,551	62,151	61,858

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

30 Prior year funds

	Balance at 31 August 2017 £'000	Incoming resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	1,182	18,947	(18,209)	(301)	1,619
Pupil Premium	-	1,495	(1,495)	-	-
Other grants	-	870	(870)	-	-
NCTL (Teaching School)	52	204	(247)	44	53
Transfer on conversion	331	-	-	-	331
Pension reserve	(6,150)	-	(788)	1,804	(5,134)
	(4,585)	21,516	(21,609)	1,547	(3,131)
Endowment	2,000	-	-	-	2,000
Restricted fixed asset fund	60,809	75	(1,590)	257	59,551
Total restricted funds	58,224	21,591	(23,199)	1,804	58,420
Unrestricted funds	3,634	739	(642)	-	3,731
Total funds	61,858	22,330	(23,841)	1,804	62,151

Total funds analysis by academy

	Balance at 31 August 2018 £'000	Balance at 31 August 2017 £'000
Great Academy Ashton (previously New Charter Academy)	1,767	1,590
Silver Springs Primary Academy	655	597
Copley Academy	(343)	(359)
Middleton Technology School	2,016	1,323
Teaching School	53	96
Trust (including donations and central services)	1,586	1,952
Total before fixed assets and pension reserve	5,734	5,199
Endowment	2,000	2,000
Restricted fixed asset fund	59,551	60,809
Pension reserve	(5,134)	(6,150)
Total net movement in funds for the year ending 31st August 2018	62,151	61,858

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

30 Prior year funds (continued)

Analysis of academies by cost:

	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excl Dep'n) £'000	Total £'000
Great Academy Ashton (previously New Charter Academy)	5,176	816	457	1,594	8,043
Silver Springs Primary Academy	1,534	173	168	264	2,139
Copley Academy	2,619	447	257	617	3,940
Middleton Technology School	4,392	697	584	1,149	6,822
Teaching School	77	-	108	16	201
Central Services	467	434	-	100	1,001
Academy Trust	14,265	2,567	1,574	3,740	22,146

31 Prior year analysis of net assets by fund

	Endowment Fund £'000	Unrestricted Funds £'000	Restricted General Fund £'000	Restricted Fixed Asset Fund £'000	Total £'000
Balance 31 August 2018					
Tangible Fixed Assets	-	-	-	59,551	59,551
Current Assets	2,000	3,731	5,319	-	11,050
Creditors: falling due within 1 year	-	-	(3,316)	-	(3,316)
Pension scheme liability	-	-	(5,134)	-	(5,134)
Funds	2,000	3,731	(3,131)	59,551	62,151

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREAT ACADEMIES EDUCATION TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 6 July 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Great Academies Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Annex B: Regularity Reporting. We are independent of Great Academies Education Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Great Academies Education Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Great Academies Education Trust's funding agreement with the Secretary of State for Education dated 23 August 2016 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation Great Academies Education Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO GREAT ACADEMIES EDUCATION TRUST LIMITED AND THE
EDUCATION AND SKILLS FUNDING AGENCY**

Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Great Academies Education Trust and the ESFA in accordance with the terms of our engagement letter dated 6 July 2017. Our work has been undertaken so that we might state to the Great Academies Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Great Academies Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Rsm UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants
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16 December 2019