

Company Registration No. 07318714 (England and Wales)

ABBAY ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

ABBAY ACADEMIES TRUST

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ABBEY ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr S Haigh
Mrs J Hilder (Vice Chair of Trustees) (Resigned 22 January 2020)
Mr J Kirkman (Chair of Trustees)
Father P Lister
Mr D N Page
Mr D Pickering
Father C Atkinson
Mrs S J Moore (Accounting Officer)

Members

Mrs J Derrick
Mr R Moore
Mr D Pickering
Mrs J Waters-Dewhurst

Senior management team during the financial year

- Executive Headteacher	Mrs S J Moore
- Head of School - BAPA	Mrs S Buttress
- Head of School - BEPPA	Mr S Brunt (resigned 30 April 2020)
- Head of School - Colsterworth	Mrs L Jordan
- Deputy Head	Mr P Bellamy
- Deputy Head	Mrs L Orme
- Deputy Head	Mrs M Shears
- Assistant Head	Mrs L Abbey
- Assistant Head	Miss H Bergmann
- Assistant Head	Mrs R Bradley
- Assistant Head	Mrs S Croxall
- Assistant Head	Miss L Ockwell
- Assistant Head	Mr L Revell
- Assistant Head	Mr J Shore
- Assistant Head	Miss K Swanson
- SENCO	Mrs L Leafe
- Executive Administrator	Mrs S J Bates
- Chief Financial Officer	Mrs J King
- Accounting Officer	Mrs S J Moore

Company secretary

Mrs S J Bates

Company registration number

07318714 (England and Wales)

Registered office

Abbey Road
Bourne
Lincolnshire
PE10 9EP

Academies operated

Colsterworth Church of England Primary School	Colsterworth
Bourne Abbey Church of England Primary Academy (BAPA)	Bourne
Bourne Elsea Park Church of England Primary Academy (BEPPA)	Bourne

Location

Executive Headteacher

Mrs S J Moore
Mrs S J Moore
Mrs S J Moore

ABBAY ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP

Bankers

National Westminster PLC
Market Place
Spalding
Lincolnshire
PE11 1ST

ABBEY ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust.

The trustees of Abbey Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

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

From the articles to provide indemnity insurance to cover the liability of governors which by virtue of any rule of law should otherwise attach to them in respect of any negligence, breach of trust or breach of duty of which they may be guilty in relation to the academy trust. Provided that any such insurance shall not extend to any claim arising from any act or omission, which the trustees knew to be in breach of trust or breach of duty, and provided also that any such insurance shall not extend to costs of any unsuccessful defence to a criminal prosecution against the trustees in their capacity as trustees.

Method of recruitment and appointment or election of trustees

Subject to Articles 48 - 49 and 64, the academy trust shall have the following trustees:

- a. Not less than 9 trustees, appointed under Article 50
- b. Up to 2 Staff Governors, if appointed under Article 50A
- c. 2 Parent Governors appointed under Articles 53-58. A Parent Governor must be a parent of the pupil at the Academy at the time when he is elected;
- d. The Principal;
- e. Any Additional Governors, if appointed under Article 62, 62A or 68A; and
- f. Any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor appointed under Article 59.

The term of office for any Governor (other than Co-opted Governors under Article 59) shall be 4 years, save that this time limit shall not apply to the Principal, the Diocesan Bishop, the Incumbent, the Area Dean. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

A Local Governing Board (LGB) for each individual school is in place to undertake the day to day running of each school in line with the agreed Scheme of Delegation.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary induction provides training on charity and educational legal and financial matters. All trustees and governors are provided with copies of terms of reference, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and governors.

ABBEY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The organisational structure of the trust consists of four levels: The members, trustees, governors and the senior leadership team. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trust is governed by the board of trustees which delegates functions as appropriate to the local governing body of each academy.

The trustees are responsible for all areas covered under the funding agreements and all areas of statutory responsibility appertaining to the trust which include setting general policy, adopting an annual improvement plan for both academies and budget for the trust, monitoring the academies by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The governors of each academy are responsible for monitoring the performance of their academy, focusing on academic standards and leadership. This includes regular scrutiny and challenge of the Executive Headteacher and senior leadership team. The Chief Financial Officer is the lead officer responsible for finance and reports to the local governing body on financial performance against delegated budget levels.

The Executive Headteacher and senior leadership team at each academy are responsible at an executive level for implementing the policies as agreed by the trustees and any local operating procedures as approved by the local governing bodies. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The policy for teacher's pay sets out the framework for making decisions on teachers' pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff.

The policy for support staff pay sets out the framework for making decisions on support staff pay. It has been developed to comply with current legislation and has been consulted on with staff.

In adopting these pay policies the aim is to:

- maintain the quality of teaching and learning at each academy.
- support the academy improvement plans.
- underpin the trust's appraisal policy.
- ensure that all staff are valued and appropriately rewarded for their work contribution in the trust.
- ensure staff are well motivated, supported by positive recruitment and retention policies and staff development.
- demonstrate that decisions on pay are fair and equitable and recognise the principle of equal pay for like work and work of equal value.
- provide flexibility to recognise individual staff performance linked to pay decisions.

Pay decisions at the trust are made by the Finance, Pay & Audit Committee in consultation with the Executive Headteacher.

Trade union facility time

There has been no time spent on trade union facility time during the year.

Related parties and other connected charities and organisations

Transactions with related parties are detailed in note 26.

ABBEY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal objective and activity of Abbey Academies Trust is to provide education for pupils of different abilities between the ages of 2 and 11 years and to further support the national and local school improvement agenda.

Abbey Academies Trust is a Multi Academy Trust (MAT) which includes Bourne Abbey Church of England Primary Academy, Bourne Elsea Park Church of England Primary Academy and Colsterworth Church of England Primary School.

The Executive Headteacher of Abbey Academies Trust leads the partnership of the three schools. Each academy has its own Head of School to oversee its day-to-day running. There has successfully been created a sense of shared identity and common purpose which also promotes and preserves each academy's individual character and ethos.

As Church of England academies, pupils at Bourne Abbey, Bourne Elsea Park and Colsterworth are encouraged to strive for excellence in the core subjects, but to broaden their education, to embrace and develop the concepts of faith and spirituality, of hope and charity and to enable them to make informed decisions later in life as broad-minded and knowledgeable British and world citizens.

The Executive Headteacher is a National Leader (NLE) and Bourne Abbey is deemed a National Support School (NSS). Bourne Abbey as NLE/NSS works on an improvement agenda with other named schools which are often identified by the Local Authority, Diocese and DfE as being in need of support.

The main objectives of Abbey Academies Trust during the year ended 31 August 2020 are summarised below.

- to ensure every pupil enjoys consistently high quality education and that resourcing, tuition and care meets their individual needs to achieve this.
- to continue to raise the standard of educational achievement and attainment for all pupils.
- to improve the effectiveness of both academies by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to comply with all appropriate statutory safeguarding and curriculum requirements.
- to maintain close links with the local community including other local schools.
- to have a role in sharing and developing good practice and training new teachers.
- to conduct Abbey Academies Trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The main strategy across Abbey Academies Trust, which includes both academies, is encompassed in our mission statement which is 'Striving for Excellence – Caring for All within a loving and caring Christian environment'. To this end the activities provided include:

- being proactive in trying to ensure that all pupils' abilities and preferred learning styles are identified with appropriate learning and teaching strategies employed across all areas of the curriculum.
- quality learning opportunities for all pupils to ensure high levels of attainment and achievement in the core subjects and across a broad curriculum, including day/residential visits and many after school sporting, creative, environmental, scientific and leisure opportunities.
- a programme of Personal, Social and Health Education which includes Behaviour and Discipline procedures.
- ensuring all appropriate Safeguarding Procedures are in place and regularly monitored to ensure maximum effectiveness.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

ABBEY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Abbey Academies Trust (previously Bourne Abbey Church of England Primary Academy) is in its tenth year of operation as an academy and continues to set strategic goals related to achievement, attainment, engagement and provision. These goals are monitored closely by the trust body.

Key performance indicators

Unlike in previous years, we cannot provide a data picture for the academic year 2019-2020 due to Covid-19 school closure from 20 March 2020.

We have a data picture up until March 2020, which includes careful monitoring of those in receipt of Pupil Premium. Rigorous analysis of the data from March 2020 Assessment Point has been undertaken. From this, clear provision maps were written, identifying vulnerable groups, in preparation for the children's return in September 2020. These have been updated following detailed baseline assessment of all pupils in September 2020. During lockdown, all pupils were provided with high quality home learning which was monitored by teachers and members of the Senior Leadership Team. For those pupils who were able to return to school on June 1st, learning resumed in smaller bubbles which enabled the children to progress academically, whilst ensuring their mental health and wellbeing needs were also met.

Provision is in place for children to 'Catch-Up' and diminish any difference as a result of school closure due to COVID-19. Regular Pupil Progress Meetings will be held for any pupils not making expected progress. A key focus will be all PP pupils, including those who are more able. Our Pupil Premium Strategy Statement for 2020-2021 which will be on our school website after it has been agreed by the Local Governing Body in October 2020. Attendance of PP pupils will also be closely monitored and children who are absent due to Covid-19, including class bubbles, or if school goes into lock down will receive high quality online learning and pastoral support for those who are vulnerable.

The Trust also has a 'Catch-Up' or 'Flying High' plan. We refer to these strategies and approaches as encouraging children and staff to: 'Fly High.' This is in keeping with our Trust's ethos and will help ensure that our staff, children and parents/carers see such support in a positive light and as an opportunity to achieve and improve.

- Successful year at all three academies navigating unprecedented and challenging coronavirus times since February 2020
- Extremely successful Diocese SIAMs review led by Yvonne Shaw at Colsterworth in October 2019 and Bourne Abbey, January 2020
- 'Excellent' SIAMs inspection judgement for Colsterworth in February 2020, which is a stunning achievement as the school had only been in Abbey Academies Trust for 18 months following an 'Inadequate' Ofsted judgement in 2017
- New leadership structure in the Trust -adds high quality capacity for school improvement and succession planning
- Taken on board new directives from the government, ensuring at least statutory compliance in PREVENT
- Fundamental British Values are fully embedded throughout BAPA, BEPPA and now at Colsterworth school. Pupils can articulate these, they are interwoven into the curriculum and linked with our Christian Values. Plans made for further development in 2020-2021
- Local Authority, Diocese and National College continue to broker our NLE/NSS S2S support
- Assessment and tracking of core subjects **and non-core subjects** introduced throughout the Trust continue to be refined and enhanced. Adaptions have been made throughout the year, even during COVID-19 school closure, as a work in progress and in light of exciting developments to our already dynamic and creative curriculum (See website for more info)
- Preparation for Ofsted 'deep dives' continued with CPD opportunities for subject leaders and all staff (core and non-core subjects)
- Maths Mastery continued to have a huge impact on raising standards in maths throughout the Trust. Megan Shears, Danielle Peck, Sarah Croxall and Luke Revell (AAT maths leaders) have worked with the Maths Hub and through effective dissemination and WAGOLL have provided support and guidance for learning and teaching across the Trust. Danielle Peck is maths SLE

ABBEY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- Positive reinforcement of Christian Values, Christian narrative throughout key policies and a drive and commitment from all stakeholders to ensure the distinctiveness and effectiveness of our schools as Church of England schools are excellent
- Outcomes in Spelling, Punctuation and Grammar closely monitored throughout the year. Embedding use of Active English has continued to have a very positive effect on outcomes in Grammar
- UNICEF Rights Respecting Schools – BAPA were recredited with the Gold award in 2019 (See report). Colsterworth achieved their Bronze award by starting their UNICEF RRS journey with support from BAPA and BEPPA. BEPPA have applied for UNICEF Gold award
- BAPA have submitted an application for Arts Mark Platinum award
- Both BAPA and BEPPA achieved their Eco School's Green Flag awards in 2019. Colsterworth have also embarked on this award
- Colsterworth introduced French to the curriculum
- A huge investment in I pads at Colsterworth including staff CPD following the success of I Pads at BAPA and BEPPA and further investment at both our Bourne schools (See Ofsted report, lesson observations, MSRs for planning/work scrutiny and data/tracking for impact on raising standards)
- Investment and development of new websites for BAPA and BEPPA schools in AAT which were launched throughout 2019-2020 - establish Social Squads amongst the staff, working to raise the school's profile online through social media. All schools set up Facebook pages at the start of school closures to ensure maximum communication with parents and carers and access to online learning

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the trustees continue to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The academy trust held fund balances at 31 August 2020 of £5,271,681 comprising £5,081,690 of restricted funds and £189,991 of unrestricted funds. Of the restricted funds, £7,186,458 is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £2,178,000 in deficit.

ABBEY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Whilst an element of education funding is ring-fenced, in real terms per pupil funding is reducing year on year. Increases in staff salaries and pension contributions are not reflected in GAG income.

Key performance Indicators:

- The trust is on a sound financial footing and follows strict guidelines outlined in its best value statement. All financial decisions are based on providing 'quality provision' and prioritising this to levels of funding available and expected over a three year forecast.
- The trust keeps a regular overview of its finances and details reports to trustees and governors.
- The trust has appointed Rawlinsons to perform the Responsible Officer role. The Responsible Officer meets regularly with the Chief Financial Officer and the Executive Headteacher in line with good practice and academy regulations.
- The trustees and governors regularly monitor, review and approve budget statements and plans. Trustees' and governors' advice and approval is always sought for major financial commitments.
- Key budget allocations and spending decisions are all linked to the Academy Improvement Plan. However, if a new initiative that will improve the academy becomes available, it will be reviewed by all members of the school community, including the financial implications and either approved or not. The trustees have the final approval. The unrestricted funds can be used to offset the financial implications of an initiative and funds raised by the PTFA can also be allocated. There are mini budgets within the main budget, i.e. Professional Development, Phase allocations.

The trustees fully understand what Abbey Academies Trust does well and where it could improve. They have achieved this understanding by receiving clear information from the Executive Headteacher/Senior Leaders/Local authority and national sources in the form of documentation, training, discussions at meetings, and by their own visits to the academies. As a result, they are informed about what happens in school, how this can be compared and benchmarked locally and nationally and are able to provide the necessary support and challenge in making strategically important

Reserves policy

The trustees review the reserves level of the trust annually. The review takes into account the nature of the income and expenditure streams. The trustees have determined that the appropriate level of reserves is £200,000 at trust level and the equivalent of one month's operating expenditure for each academy. The current level of reserves is below this figure but a five year plan is in place to achieve this required level.

The academy is also confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

Investment policy

Under the Memorandum and Articles of Association, the trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The trustees are responsible for identifying risks faced by the trust, establishing procedures to mitigate these risks, and ensuring that employees are aware of the procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

Fundraising

The Student Council vote on and organise fundraising events during the year. The trust does not use professional fundraisers or involve commercial participants. There have been no complaints about fundraising activity this year.

ABBHEY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Abbey Academies Trust will continue to strive and improve levels of achievement and attainment for all its pupils whilst providing a high quality caring and nurturing educational environment for all and working in pursuit of community cohesion. The trust also deems its work in pursuit of sharing and developing good practice and training new teachers through the work of Bourne Abbey as NLE/NSS to be a core part of its activity.

The trust aims to provide opportunity to enhance the educational environment in the academic year 2020/21 by;

Early Years Foundation Stage

- To ensure the children's mental health and wellbeing needs are met, especially in light of a different transition due to COVID-19.
- Throughout EYFS provision, ensure vulnerable groups and those exceeding their age/stage of development are identified and supported in their next steps and develop their vocabulary and cultural capital.
- To continue to regularly monitor the EYFS provision to ensure progression of knowledge, understanding and skills across the whole setting.
- Further enhance outdoor learning provision across the EYFS setting.
- Explore the new Early Years Framework in preparation for implementation in September 2021.

Quality of Education

- Ensure intervention, provision and 'catch-up' is in place for the core areas of the curriculum due to COVID-19.
- To focus on raising standards in oracy so that it positively impacts on all learning.
- To continue to ensure that our curriculum supports the acquisition of core skills in English, Maths and IT, and is relevant to all our learners.
- To further enrich our curriculum; through delivering a broad range of subjects within a curriculum rich in cultural capital; developing our whole school vision; curriculum model and implementation strategies.
- To continue to enhance mathematics provision through developing understanding, knowledge and application of a mastery approach to teaching and learning.
- To review Year 6 SATS preparation in order that all children reach their aspirational targets and full potential in light of COVID-19.
- To continue to raise standards in all curriculum areas through the development of 21st Century ICT provision, teaching and learning.
- To further raise the profile of sustainability and international work by making them an integral part of school life and in doing so, work towards Eco Schools Green Flag and the International School Award.

Personal Development, Behaviour and Attitudes

- Ensure continued focus on the health and wellbeing of pupils and develop further the role of Mental Health and Wellbeing First Aiders.
- Ensure the children's mental health and wellbeing needs are met, especially in light of COVID-19. This will include rebuilding friendships and addressing and responding to issues related to coronavirus.
- Ensure that children at all stages have opportunity to ask and discuss 'big questions' in order to develop an understanding that there are not always definite answers to spiritually challenging questions.
- Continue to integrate the Understanding Christianity resource within the Religious Education curriculum so that children have more opportunities to develop their questioning skills.
- Ensure our charity work, which extends globally and nationally, also has a focus on our locality so that children can see the impact that their efforts are having as agents of change.
- To continue to develop the work of UNICEF in the Trust and to maintain 'The Rights Respecting School Award' - GOLD expectations.

ABBAY ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Leadership and Management

- To continue to provide leadership that is strong, of high quality, having high expectations, motivating all and communicating a vision and direction to everyone with a commitment to raising standards. This shared vision is then understood and articulated by 'all', for 'all'.
- Ensure we have clear Intent, Implementation and Impact for our curriculum and that our children are able to know more and remember more.
- Develop the skills of subject leaders so that they have the maximum impact on the quality of learning and teaching in order to secure aspirational progress for all groups of learners.
- To ensure understanding and compliance with regard to the Prevent Duty, including local issues, in order to further develop effective systems to keep pupils safe from the dangers of abuse, sexual exploitation, radicalisation and extremism.
- Further empower subject leaders to evaluate and lead subject development, ensuring that their subject has clear knowledge and skills progression embedded, allowing children to achieve their personal best with consistently high quality work.
- Leaders to ensure consideration of staff work-life balance and wellbeing and provide opportunities to canvas staff views.

These plans have been presented to the trustees and will be monitored throughout the year.

Funds held as custodian trustee on behalf of others

The trust and its trustees do not act as the custodian trustees of any charity.

Auditor

In so far as the trustees are aware:

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

On 7 September 2020 Group Audit Services Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 24 November 2020 and signed on its behalf by:

Mr J Kirkman

Chair of Trustees

ABBEY ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Abbey Academies 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 Executive Headteacher, 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 Abbey Academies Trust and the Secretary of State for Education. The accounting officer is 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 2 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr S Haigh	2	2
Mrs J Hilder (Vice Chair of Trustees) (Resigned 22 January 2020)	1	1
Mr J Kirkman (Chair of Trustees)	2	2
Father P Lister	2	2
Mr D N Page	2	2
Mr D Pickering	2	2
Father C Atkinson	2	2
Mrs S J Moore (Accounting Officer)	2	2

[The Academies Financial Handbook sets out that the board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. It states that board meetings must take place at least three times a year and larger trusts should consider meeting more frequently. If the board meets less than six times a year it must describe in its governance statement how it maintained effective oversight of funds with fewer meetings.]

The Finance, Pay and Audit committee is a sub-committee of the main board of trustees. Its purpose is to provide guidance and assistance to the Executive Headteacher and the board of trustees in all matters relating to budgeting and finance.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs J Hilder (Vice Chair of Trustees) (Resigned 22 January 2020)	1	2
Mr J Kirkman (Chair of Trustees)	4	4
Mr D N Page	2	4
Mr D Pickering	2	4
Mrs S J Moore (Accounting Officer)	3	4

ABBAY ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As accounting officer the Executive Headteacher has responsibility for ensuring that the 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 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 trust has delivered improved value for money during the year by:

Improving educational results

Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- targeting resources in key subjects such as english and maths;
- monitoring the needs of particular pupils including those in receipt of Pupil Premium Grant and Looked After Children PPG, and ensuring that the support they receive is relevant to them.

Staffing

- the academy is proud of operating on a very carefully structured staffing establishment. The staffing structure is considered very closely and any opportunities to minimise excess staffing are explored and frequently implemented. It is acknowledged that staffing is the most costly area of expenditure and savings in this area are the most valuable;
- Monitoring the performance of staff and ensuring the relevant action is taken to address weakness;
- An extensive CPD programme is in place with the objective of enhancing teaching and learning across the curriculum.

Financial Governance and Oversight

- the trust carries out regular monthly financial monitoring and the local governing bodies and board of trustees meet regularly. They receive regular reports, and ask relevant questions as recorded in the minutes;
- regular financial monitoring is supported further by regular Responsible Officer reports from Azets Holdings Limited (previously Baldwins Holdings Limited).

Better purchasing:

- exploring alternative purchasing options both on-line and direct through suppliers to find the best value;
- implementing a tender process for significant purchases and/or contracts;
- all contracts are reviewed on an annual basis to ensure they are fit for purpose and best value.

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 on-going process designed to identify and prioritise the risks to the achievement of 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 Abbey Academies Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the 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 trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

ABBAY ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

The 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 local governing bodies and board of trustees 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.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Azets Audit Services, the external auditor, to perform additional checks as Responsible Officer.

The newly revised FRC Ethical Standard for auditors will impact on the services delivered to the trust and Governors are in the process of reviewing the internal scrutiny arrangements for the coming year.

The RO's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. In particular the checks carried out in the current period included:

- testing of purchase systems
- testing of bank reconciliations
- testing of fixed assets
- testing of income

On a regular basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

As accounting officer the Executive Headteacher 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 the responsible officer;
- the work of the external auditor;
- the work of the executive managers within the 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, Pay and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 24 November 2020 and signed on its behalf by:

Mr J Kirkman
Chair of Trustees

Mrs S J Moore
Accounting Officer

ABBEY ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Abbey Academies Trust, I have considered my responsibility to notify the trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the 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 2019.

I confirm that I and the trust's board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2019.

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.

Mrs S J Moore
Accounting Officer

24 November 2020

ABBEY ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Abbey Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 24 November 2020 and signed on its behalf by:

Mr J Kirkman
Chair of Trustees

ABBEY ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Abbey Academies Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 accounts' section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the trust'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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

ABBEY ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic 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 accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the trust'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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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.

ABBAY ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBAY ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

**Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor**

10 December 2020

Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP

ABBEY ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Abbey Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Abbey Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Abbey Academies Trust and 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 Abbey Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Abbey Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Abbey Academies Trust's funding agreement with the Secretary of State for Education dated 30 November 2010 and the Academies Financial Handbook, extant from 1 September 2019, 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.

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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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 consequently 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.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

ABBAY ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBAY ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP

Dated:

ABBAY ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	35	12,500	23,328	35,863	76,466
Donations - transfer from local authority on conversion		-	-	-	-	1,103,358
Charitable activities:						
- Funding for educational operations	4	408,290	4,349,237	-	4,757,527	4,705,563
Other trading activities	5	37,407	-	-	37,407	55,850
Investments	6	748	-	-	748	1,300
Total		446,480	4,361,737	23,328	4,831,545	5,942,537
Expenditure on:						
Charitable activities:						
- Educational operations	9	434,116	4,791,580	176,445	5,402,141	5,168,927
Total	7	434,116	4,791,580	176,445	5,402,141	5,168,927
Net income/(expenditure)		12,364	(429,843)	(153,117)	(570,596)	773,610
Transfers between funds	20	(113,897)	97,482	16,415	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	22	-	(523,000)	-	(523,000)	(518,000)
Net movement in funds		(101,533)	(855,361)	(136,702)	(1,093,596)	255,610
Reconciliation of funds						
Total funds brought forward		291,524	(1,276,203)	7,349,956	6,365,277	6,109,667
Total funds carried forward		189,991	(2,131,564)	7,213,254	5,271,681	6,365,277

ABBAY ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) **INCLUDING INCOME AND EXPENDITURE ACCOUNT** **FOR THE YEAR ENDED 31 AUGUST 2020**

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		funds	General	Fixed asset	2019
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	12,543	-	63,923	76,466
Donations - transfer from local authority on conversion		4,427	82,931	1,016,000	1,103,358
Charitable activities:					
- Funding for educational operations	4	589,915	4,115,648	-	4,705,563
Other trading activities	5	55,850	-	-	55,850
Investments	6	1,300	-	-	1,300
Total		664,035	4,198,579	1,079,923	5,942,537
Expenditure on:					
Charitable activities:					
- Educational operations	9	551,074	4,442,419	175,434	5,168,927
Total	7	551,074	4,442,419	175,434	5,168,927
Net income/(expenditure)		112,961	(243,840)	904,489	773,610
Transfers between funds	20	(202,242)	40,357	161,885	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	22	-	(518,000)	-	(518,000)
Net movement in funds		(89,281)	(721,483)	1,066,374	255,610
Reconciliation of funds					
Total funds brought forward		380,805	(554,720)	6,283,582	6,109,667
Total funds carried forward		291,524	(1,276,203)	7,349,956	6,365,277

ABBAY ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		7,186,458		7,335,870
Current assets					
Stocks	16	1,104		1,525	
Debtors	17	271,707		192,062	
Cash at bank and in hand		344,587		520,361	
		617,398		713,948	
Current liabilities					
Creditors: amounts falling due within one year	18	(354,175)		(366,541)	
Net current assets			263,223		347,407
Net assets excluding pension liability			7,449,681		7,683,277
Defined benefit pension scheme liability	22		(2,178,000)		(1,318,000)
Total net assets			5,271,681		6,365,277
Funds of the trust:					
Restricted funds	20				
- Fixed asset funds			7,213,254		7,349,956
- Restricted income funds			46,436		41,797
- Pension reserve			(2,178,000)		(1,318,000)
Total restricted funds			5,081,690		6,073,753
Unrestricted income funds	20		189,991		291,524
Total funds			5,271,681		6,365,277

The accounts on pages 21 to 46 were approved by the trustees and authorised for issue on 24 November 2020 and are signed on their behalf by:

Mr J Kirkman
Chair of Trustees

Company Number 07318714

ABBAY ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash used in operating activities	23	(178,029)		(53,794)	
Cash funds transferred on conversion		-		87,358	
		<u>(178,029)</u>		<u>33,564</u>	
Cash flows from investing activities					
Dividends, interest and rents from Investments		748		1,300	
Capital grants from DfE Group		23,328		63,923	
Purchase of tangible fixed assets		<u>(21,821)</u>		<u>(228,979)</u>	
Net cash provided by/(used in) investing activities			<u>2,255</u>		<u>(163,756)</u>
Net decrease in cash and cash equivalents in the reporting period			<u>(175,774)</u>		<u>(130,192)</u>
Cash and cash equivalents at beginning of the year			<u>520,361</u>		<u>650,553</u>
Cash and cash equivalents at end of the year			<u><u>344,587</u></u>		<u><u>520,361</u></u>

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 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.

1.1 Basis of preparation

The accounts of the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The trustees have taken consideration of the effects of COVID-19 in making their assessment.

1.3 Income

All income is recognised when the trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as income, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's policies. The value of donated time from volunteers has not been included in these accounts.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the 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 trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

Governance costs

These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and 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. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Furniture and equipment transferred into the academy from the previous local authority school has not been valued and introduced into these accounts.

Leasehold property inherited from the Local Authority on conversion to an academy was professionally valued on a depreciated replacement cost basis at 31 August 2012, commissioned by the ESFA.

Leasehold property provided to the trust immediately on completion of the building being constructed is included at a value equivalent to the cost of the building.

Leasehold property inherited from the Local Authority on conversion to an academy during the year has been valued by the trustees using an average square footage calculation.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold property	2% straight line
Fixtures, fittings & equipment	3 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The 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 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.

1.11 Pensions benefits

Retirement benefits to employees of the 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 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 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income or expenditure 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 in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education & Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

Accounting 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	23,328	23,328	63,923
Other donations	35	12,500	12,535	12,543
	<u>35</u>	<u>35,828</u>	<u>35,863</u>	<u>76,466</u>

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,369,522	3,369,522	3,320,149
Other DfE group grants	-	621,850	621,850	545,303
	-	3,991,372	3,991,372	3,865,452
Other government grants				
Local authority grants	-	323,401	323,401	170,951
Other funding				
Provision of childcare	358,441	-	358,441	472,177
Other incoming resources	49,849	34,464	84,313	196,983
	408,290	34,464	442,754	669,160
Total funding	408,290	4,349,237	4,757,527	4,705,563

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	10,711	-	10,711	10,646
Catering income	26,696	-	26,696	45,204
	37,407	-	37,407	55,850

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	718	-	718	1,300

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2020	2019
	£	£	£	£	£
Academy's educational operations					
- Direct costs	3,487,329	-	272,741	3,760,070	3,497,212
- Allocated support costs	826,103	452,852	363,116	1,642,071	1,671,715
	<u>4,313,432</u>	<u>452,852</u>	<u>635,857</u>	<u>5,402,141</u>	<u>5,168,927</u>
Net income/(expenditure) for the year includes:				2020	2019
				£	£
Fees payable to auditor for:					
- Audit				7,450	7,250
- Other services				1,100	2,925
Operating lease rentals				6,544	6,544
Depreciation of tangible fixed assets				171,233	175,434
Net interest on defined benefit pension liability				28,000	19,000
				<u>184,227</u>	<u>201,153</u>

8 Central services

No central services were provided by the trust to its academies during the year and no central charges arose.

9 Charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2020	2019
	£	£	£	£
Direct costs - educational operations	407,420	3,352,650	3,760,070	3,497,212
Support costs - educational operations	26,696	1,615,375	1,642,071	1,671,715
	<u>434,116</u>	<u>4,968,025</u>	<u>5,402,141</u>	<u>5,168,927</u>

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities		(Continued)	
Analysis of costs		2020	2019
		£	£
Direct costs			
Teaching and educational support staff costs		3,487,329	3,083,968
Staff development		30,276	19,253
Technology costs		73,048	94,706
Educational supplies and services		106,553	114,151
Other direct costs		62,864	185,134
		<u>3,760,070</u>	<u>3,497,212</u>
Support costs			
Support staff costs		826,103	747,779
Depreciation and amortisation		171,233	175,434
Maintenance of premises and equipment		73,812	127,430
Cleaning		55,426	60,389
Energy costs		60,150	56,372
Occupancy costs		72,080	64,153
Insurance		20,151	22,564
Catering		166,029	185,976
Interest and finance costs		28,000	19,000
Other support costs		151,037	169,980
Governance costs		18,050	42,638
		<u>1,642,071</u>	<u>1,671,715</u>
10 Governance costs			
All from restricted funds:		Total 2020	Total 2019
		£	£
Amounts included in support costs			
Legal costs		9,500	32,463
Auditor's remuneration			
- Audit of financial statements		7,450	7,250
- Other audit costs		1,100	2,925
		<u>18,050</u>	<u>42,638</u>

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,087,635	2,851,462
Social security costs	252,701	225,511
Pension costs	943,848	665,871
	<u>4,284,184</u>	<u>3,742,844</u>
Staff costs - employees	4,284,184	3,742,844
Agency staff costs	8,948	62,383
Staff restructuring costs	20,300	26,520
	<u>4,313,432</u>	<u>3,831,747</u>
Staff development and other staff costs	30,276	19,253
	<u>4,343,708</u>	<u>3,851,000</u>
Total staff expenditure		
	<u>4,343,708</u>	<u>3,851,000</u>
Staff restructuring costs comprise:		
Severance payments	20,300	26,520
	<u>20,300</u>	<u>26,520</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,300 (2019 - £26,520). Individually, the payments were: £20,300.

Staff numbers

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

	2020 Number	2019 Number
Teachers	45	42
Administration and support	121	121
Management	3	3
	<u>169</u>	<u>166</u>

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the trust comprise the senior management team as listed on page 1. This year this represents 18 employees (2019 - 17 employees). The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £1,143,908 (2019 - £999,452).

12 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the trust. The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the trust in respect of their role as trustees.

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

Mrs S J Moore (Executive Head Teacher)

Remuneration £110,000 - £115,000 (2019 - £100,000 - £105,000)

Employer's pension contributions £25,000 - £30,000 (2019 - £15,000 - £20,000)

During the period ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to trustees (2019: none).

13 Insurance for trustees and officers

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify this element from the overall cost of insurance.

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets

	Leasehold property £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2019	8,168,132	321,807	8,489,939
Additions	-	21,821	21,821
At 31 August 2020	8,168,132	343,628	8,511,760
Depreciation			
At 1 September 2019	873,653	280,416	1,154,069
Charge for the year	146,877	24,356	171,233
At 31 August 2020	1,020,530	304,772	1,325,302
Net book value			
At 31 August 2020	7,147,602	38,856	7,186,458
At 31 August 2019	7,294,479	41,391	7,335,870

Leasehold property comprises three properties, two of which are held on licence to use and the other on a 125 year lease, two with Lincolnshire County Council and one with Lincoln Diocesan Board of Education.

15 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Trade debtors	-	4,029
Bank and cash	344,587	520,361
	344,587	524,390
Carrying amount of financial liabilities		
Trade creditors	91,914	81,049
Other creditors	91,226	65,139
Accruals	21,415	53,268
	204,555	199,456

16 Stocks

	2020 £	2019 £
Uniform	1,104	1,525

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Debtors

	2020	2019
	£	£
Trade debtors	-	4,029
VAT recoverable	12,815	16,876
Other debtors	41,893	33,642
Prepayments and accrued income	216,999	137,515
	<u>271,707</u>	<u>192,062</u>

18 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	91,914	81,049
Other taxation and social security	58,403	53,874
Other creditors	91,226	65,139
Accruals and deferred income	112,632	166,479
	<u>354,175</u>	<u>366,541</u>

19 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	<u>91,217</u>	<u>113,211</u>
Deferred income at 1 September 2019	113,211	192,795
Released from previous years	(113,211)	(192,795)
Resources deferred in the year	<u>91,217</u>	<u>113,211</u>
Deferred income at 31 August 2020	<u>91,217</u>	<u>113,211</u>

Deferred income relates to amounts paid in advance for the 2019/20 school year for kindergarten places, kids club places, school trip deposits and universal infant free school meals.

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	3,369,522	(3,467,004)	97,482	-
Other DfE / ESFA grants	41,797	621,850	(617,211)	-	46,436
Other government grants	-	323,401	(323,401)	-	-
Other restricted funds	-	46,964	(46,964)	-	-
Pension reserve	(1,318,000)	-	(337,000)	(523,000)	(2,178,000)
	<u>(1,276,203)</u>	<u>4,361,737</u>	<u>(4,791,580)</u>	<u>(425,518)</u>	<u>(2,131,564)</u>
Restricted fixed asset funds					
Fixed assets	7,335,870	-	(171,233)	21,821	7,186,458
DfE group capital grants	14,086	23,328	(5,212)	(5,406)	26,796
	<u>7,349,956</u>	<u>23,328</u>	<u>(176,445)</u>	<u>16,415</u>	<u>7,213,254</u>
Total restricted funds	<u>6,073,753</u>	<u>4,385,065</u>	<u>(4,968,025)</u>	<u>(409,103)</u>	<u>5,081,690</u>
Unrestricted funds					
General funds	110,671	38,155	(26,696)	(113,897)	8,233
School fund	46,647	49,884	(54,077)	-	42,454
Provision of childcare	134,206	358,441	(353,343)	-	139,304
	<u>291,524</u>	<u>446,480</u>	<u>(434,116)</u>	<u>(113,897)</u>	<u>189,991</u>
Total funds	<u>6,365,277</u>	<u>4,831,545</u>	<u>(5,402,141)</u>	<u>(523,000)</u>	<u>5,271,681</u>

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

Restricted fixed asset funds

The devolved capital formula grant has to be spent on capital expenditure within 3 years of allocation.

The capital expenditure fund represents the net book value of fixed assets purchased.

The leasehold property represents the net book value of the leasehold property.

Restricted general funds

The restricted grant income in the year all relates to the provision of education for the children of the academy.

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Parliament has agreed, at the request of the Secretary of State for Education, to a 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.

Designated funds

The school fund balances are designated by the trustees for use in a variety of different areas.

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	3,320,149	(3,360,506)	40,357	-
Other DfE / ESFA grants	33,280	545,303	(536,786)	-	41,797
Other government grants	-	170,951	(170,951)	-	-
Other restricted funds	-	162,176	(162,176)	-	-
Pension reserve	(588,000)	-	(212,000)	(518,000)	(1,318,000)
	<u>(554,720)</u>	<u>4,198,579</u>	<u>(4,442,419)</u>	<u>(477,643)</u>	<u>(1,276,203)</u>
Restricted fixed asset funds					
Transfer on conversion	3,347,225	1,016,000	(55,069)	-	4,308,156
DfE group capital grants	17,257	63,923	-	(67,094)	14,086
Capital expenditure from GAG	32,140	-	(7,005)	228,979	254,114
Private sector capital sponsorship	2,886,960	-	(113,360)	-	2,773,600
	<u>6,283,582</u>	<u>1,079,923</u>	<u>(175,434)</u>	<u>161,885</u>	<u>7,349,956</u>
Total restricted funds	<u>5,728,862</u>	<u>5,278,502</u>	<u>(4,617,853)</u>	<u>(315,758)</u>	<u>6,073,753</u>
Unrestricted funds					
General funds	162,109	57,150	(45,204)	(63,384)	110,671
School fund	39,519	134,708	(127,580)	-	46,647
Extension	138,858	-	-	(138,858)	-
Provision of childcare	40,319	472,177	(378,290)	-	134,206
	<u>380,805</u>	<u>664,035</u>	<u>(551,074)</u>	<u>(202,242)</u>	<u>291,524</u>
Total funds	<u>6,109,667</u>	<u>5,942,537</u>	<u>(5,168,927)</u>	<u>(518,000)</u>	<u>6,365,277</u>

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

(Continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Total funds analysis by academy					
				2020	2019
Fund balances at 31 August 2020 were allocated as follows:				£	£
Colsterworth Church of England Primary School				(186,432)	(73,936)
Bourne Abbey Church of England Primary Academy (BAPA)				310,145	373,512
Bourne Elsea Park Church of England Primary Academy (BEPPA)				112,714	33,745
				<u>236,427</u>	<u>333,321</u>
Total before fixed assets fund and pension reserve					
Restricted fixed asset fund				7,213,254	7,349,956
Pension reserve				(2,178,000)	(1,318,000)
				<u>5,271,681</u>	<u>6,365,277</u>
Total funds				<u><u>5,271,681</u></u>	<u><u>6,365,277</u></u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Colsterworth Church of England Primary School	504,193	86,590	21,125	118,318	730,226	946,235
Bourne Abbey Church of England Primary Academy (BAPA)	2,248,417	633,204	63,355	545,907	3,490,883	3,105,613
Bourne Elsea Park Church of England Primary Academy (BEPPA)	734,719	106,309	22,073	146,698	1,009,799	941,645
	<u>3,487,329</u>	<u>826,103</u>	<u>106,553</u>	<u>810,923</u>	<u>5,230,908</u>	<u>4,993,493</u>

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	7,186,458	7,186,458
Current assets	292,932	297,670	26,796	617,398
Creditors falling due within one year	(102,941)	(251,234)	-	(354,175)
Defined benefit pension liability	-	(2,178,000)	-	(2,178,000)
Total net assets	189,991	(2,131,564)	7,213,254	5,271,681
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	7,335,870	7,335,870
Current assets	324,333	336,854	52,761	713,948
Creditors falling due within one year	(32,809)	(295,057)	(38,675)	(366,541)
Defined benefit pension liability	-	(1,318,000)	-	(1,318,000)
Total net assets	291,524	(1,276,203)	7,349,956	6,365,277

22 Pension and similar obligations

The 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 Lincolnshire County Council. 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £70,069 (2019 - £55,776) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £396,560 (2019: £260,124).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19% for employers and 5.5 to 6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a 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.

Total contributions made	2020 £	2019 £
Employer's contributions	255,000	195,000
Employees' contributions	68,000	58,000
Total contributions	323,000	253,000

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations (Continued)

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	2.5	2.7
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020	2019
	Years	Years
Retiring today		
- Males	21.4	21.2
- Females	23.7	23.5
Retiring in 20 years		
- Males	22.4	22.5
- Females	25.2	25.2

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
0.5% decrease in Real Discount Rate	661,000	497,000
0.5% increase in the Salary Increase Rate	86,000	61,000
0.5% increase in the Pension Increase Rate	563,000	427,000

The trust's share of the assets in the scheme	2020	2019
	Fair value	Fair value
	£	£
Equities	1,785,720	1,614,760
Bonds	517,600	353,920
Property	258,800	221,200
Other assets	25,880	22,120
Total market value of assets	2,588,000	2,212,000

The actual return on scheme assets was £64,000 (2019: £120,000).

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2020	2019
	£	£
Current service cost	553,000	369,000
Past service cost	11,000	19,000
Interest income	(45,000)	(55,000)
Interest cost	73,000	74,000
	<hr/>	<hr/>
Total operating charge	592,000	407,000
	<hr/>	<hr/>
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	3,530,000	2,435,000
Current service cost	553,000	369,000
Interest cost	73,000	74,000
Employee contributions	68,000	58,000
Actuarial loss	542,000	583,000
Benefits paid	(11,000)	(8,000)
Past service cost	11,000	19,000
	<hr/>	<hr/>
At 31 August 2020	4,766,000	3,530,000
	<hr/>	<hr/>
Changes in the fair value of the trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	2,212,000	1,847,000
Interest income	45,000	55,000
Actuarial gain	19,000	65,000
Employer contributions	255,000	195,000
Employee contributions	68,000	58,000
Benefits paid	(11,000)	(8,000)
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At 31 August 2020	2,588,000	2,212,000
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ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	2019
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(570,596)	773,610
Adjusted for:		
Net surplus on conversion to academy	-	(1,103,358)
Capital grants from DfE and other capital income	(23,328)	(63,923)
Investment income receivable	(748)	(1,300)
Defined benefit pension costs less contributions payable	309,000	193,000
Defined benefit pension scheme finance cost	28,000	19,000
Depreciation of tangible fixed assets	171,233	175,434
Decrease in stocks	421	626
(Increase) in debtors	(79,645)	(67,642)
(Decrease)/increase in creditors	(12,366)	20,759
Net cash used in operating activities	(178,029)	(53,794)

24 Analysis of changes in net funds

	1 September 2019	Cash flows	31 August 2020
	£	£	£
Cash	520,361	(175,774)	344,587

25 Commitments under operating leases

At 31 August 2020 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	6,544	6,544
Amounts due in two and five years	13,088	-
	19,632	6,544

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Related party transactions

Owing to the nature of the trust's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The Bourne Educational Foundation, in which one of the trustees is a governor at the school, has donated £nil (2019 - £5,534) during the year.

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

27 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.