Company No. 07904096 (England & Wales)

ENHANCE ACADEMY TRUST
(A Company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

Enhance Academy Trust

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Enhance Academy Trust

Reference And Administrative Details of the Academy – Trustees, Directors and Advisors

Members	The Venerable Peter Townley Reverend Canon Ian Wildey John McLeod Canon Richard Noake
Trustees	The Venerable Peter Townley John McLeod John Brady Linda Maskill Janet Milne Christopher Schofield Katharine Smith Fiona McMahon Kevin Jones (retiring on 31 December 2020)
Chief Executive	Kevin Jones (retiring on 31 December 2020)
Chief Financial Officer	Lisa Hutton (appointed 1 January 2020)
Company Secretary	Schofield Sweeney LLP
Registered Office	C/O Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Principal Office	Church House 1 South Parade Wakefield WF1 1LP
Company Registration Number	07904096 (England and Wales)
Independent Auditor	Paylings 7 The Office Campus Paragon Business Village Red Hall Court Wakefield WF1 2UY
Bankers	Lloyds TSB Westgate Wakefield Branch P O Box 1000 BX1 1LT

Enhance Academy Trust

Trustees' Report – for the year ended 31 August 2020

The Trustees present their eighth annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During this financial year the Trust operated nine primary academies, based in the local authority areas of Kirklees and Wakefield, and it sponsors a post 16 free school. A tenth primary school joined the Trust on 1 February 2020. The educational activities of the Trust were reduced due to the impact of Covid-19 during the year. Using the data used by the Education and Skills Funding Agency (ESFA) for funding during the year the ten primary academies had 2,605 pupils aged between 4 to 11 on roll and an additional 252 full time nursery pupils. The free school had 226 on roll in September 2019, and this will increase over the next two to three years to 500 students when it has moved into its new building.

Structure, Governance and Management

Constitution

The Wakefield Diocesan Academies Trust was incorporated on 10 January 2012 with company number 07904096. It was established to act as sponsor for Church of England, and other schools mainly within the previous Wakefield Diocesan area, that were required to become sponsored academies with the first of these being opened on 1 September 2012. On the 20 April 2014 the Diocese of Wakefield was merged with two other dioceses and in February 2016, the Wakefield Diocesan Academy Trust changed its name to Enhance Academy Trust (the "Trust") – no other changes were made at this time.

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 and the Chief Executive are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Enhance Academy Trust.

The Academy Trust is governed by its Trustees who can delegate their responsibilities to the Chief Executive and to each Local Governing Body, or if this is not appropriate, they can establish Advisory Boards in accordance with the Articles of Association of the company. During 2019-2020 Local Governing Bodies or Local Governing Boards were in place in each academy.

Details of the Trustees and Chief Executive are given on page 2. The role of the Trustees is more of an over-arching, and strategic role, ensuring that their vision for the character and ethos of the Academy Trust, and its role in the local education system, is carried forward.

The financial statements have been prepared in accordance with the accounting policies on pages 23 to 28 of the financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and in accordance with the Charities Statement of Recommended Practices 2019 and the Academies Direction 2019 to 2020.

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' Indemnity

The Trustees and the Chief Executive benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law, would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees or Chief Executive in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to criminal prosecution brought against the Trustees or Chief Executive in their capacity as directors of the Trust. The limit of this indemnity is £2,000,000.

Recruitment and Appointment of Trustees and Directors

The Trustees are appointed by the Members as stated in the Articles of Association number 12.

The Articles of Association numbered 45 to 63 deal with the appointment of Trustees and Chief Executive. The Articles state that the number of Trustees shall not be less than three but shall not be subject to any maximum unless otherwise determined by ordinary resolution. Full details relating to the appointment and removal of Trustees are contained in the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Governors

The Trustees and Chief Executive have a broad and detailed understanding of their role and therefore no formal induction training has been provided. They have kept abreast of educational and financial developments in education including some being Trustees of other academy trusts and being Chairs of Local Governing Bodies. They have been involved in the development of this Academy Trust, and others, and take advice from external parties when deemed appropriate.

Organisational Structure and Management

The Articles of Association establish the organisational structure for the Trustees. Many of their responsibilities are undertaken by the Chief Executive who works closely with each of the Academies who are run on a day to day basis by a Local Governing Body. The academies operate under a Scheme of Delegation agreed by the Trustees which delegates responsibilities to others but also reserves a number of key decisions that have to be agreed with the Trust. Each of the Academies is responsible to the Trustees through the Chief Executive, for a range of educational and management responsibilities covered by the Scheme of Delegation. The Trust's key reserved decisions include securing appropriate school improvement partners; the appointment of key personnel within each academy, agreeing a five year rolling budget, and all formal financial reporting arrangements. The Trustees are ultimately responsible to the Secretary of State through the Trust's Master Funding Agreement.

Arrangements for setting pay and remuneration of key management personnel

The Trustees and the Chief Executive are deemed to be the Trust's key personnel. The Trustees do not claim any remuneration or expenses for their duties. The Chief Executive has been in this role since the Trust started operations in 2012 but was not an employee of the Trust until 1 April 2017. His total remuneration package, including local travel, is based on a review of salaries paid to other Chief Executives of MATs and a percentage difference from the pay of Head Teachers within the Trust.

Trade Union Facility Time

There were no employees who were relevant union officials during the relevant period.

Related parties and other connected charities and organisations

The Academy Trust currently is connected to a company known as the Wakefield Diocesan Umbrella Trust. However, to date this company has been dormant. One of the Trustees also has links to the Board of Education of the Diocese of Leeds.

Objectives and Aims

The Trust was established to advance for the public benefit education in the UK by establishing, maintaining, managing and developing academies which shall offer a broad and balanced curriculum which shall include:

- Designated Church of England academies which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship; and

- Other academies whether with or without a designated religious character; but in relation to each to recognise and support their individual character and to respect the different background and links to the local community which they serve.

Objectives, Strategies and Activities

There is a strong focus on educational outcomes and working with key partners to deliver measurable and sustainable educational improvements whilst having to recognise that the recruitment and retention of good and outstanding teachers creates another challenge to our objectives. Improvement strategies have been developed and actioned for each academy dependent upon their specific needs. Eight out of the ten academies in the Trust were the equivalent of sponsored academies and were deemed to be inadequate with two joining the Trust with an Ofsted good judgement. The Trust now has no academies deemed to be inadequate and eight of the ten primary academies now have Ofsted good judgements.

The Trust aims to grow at a sustainable pace and continue to improve the educational outcomes for the pupils who attend its academies. It is not actively seeking applications but will consider enquiries as they are made. It anticipates that the schools/academies that join the Trust in the future will have different Ofsted judgements and those who join will be supported by others within the Trust and by a growing support network of other schools/academies and specialist education providers.

Public Benefit

The Trustees have referred to the guidance on public benefit published by the Charity Commission when reviewing the Trust's aims and objectives, in planning general activities and on reporting of its activities.

Equal Opportunities Policy

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

Disabled Persons

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy supports this by adapting the physical environment wherever possible, by making support resources available, and through training and career development.

Strategic Report

Achievements and Performance

By the end of the 2019-2020 academic year the Trust had eight schools judged as Good by Ofsted and two as Requires Improvement. Our free school, CAPA College, has not yet been inspected by Ofsted. These outcomes reflect the amount of hard work being undertaken by staff, governors and pupils within each Academy.

2019-2020 has been dominated by Covid-19 and most assessments and Ofsted inspections have been postponed or cancelled this year. However, two academies within the Trust were inspected under the new Ofsted framework and both retained their overall good judgements. CAPA College reported its first GCSE A Level results in 2020 with a 100% pass rate for grades C and above and a 94% pass rate for grades B and above.

It is also important to report that all of the academies within the Trust remained open from the 23 March 2020, including during holiday periods, until the end of May and all admitted additional pupils in line with Government guidance from the beginning of June until the end of the academic year. As the majority of the Trust's income is from the DfE or Local Authority grants covid 19 has not had a material impact on income. Expenditure has changed during the year but the Trust was only eligible to make one exceptional covid costs claim for £10,000. The Trust did participate in national and local free school meals support schemes and nominal net cost to the Trust. No staff were furloughed. The main financial impact on the Trust has been a £4,985 million increase in the size of the defined pension scheme deficit most of which can be attributed to the economic impact of the covid virus. If the economic situation does not improve the employer's pension contribution rate will need to increase which in turn will add financial pressure onto the Trust.

The main impact of the covid crisis on the Trust has been on its pupils and staff. Although all of the academies in the Trust were open for vulnerable children and for children of critical workers, followed by the wider partial re-opening from June, many pupils were not able to attend school between March to September. This has meant that recovery and catch-up programmes were needed from September 2020. The Trust has been constantly reviewing its procedures and risk assessments since March 2020 in order to offer as safe a working environment as possible for its employees who in turn have responded magnificently to the challenges raised by covid. In an attempt to protect the well being of staff the Trust have operated rota systems; changed working routines to secure proper PPA time; used PPE; and generally adopted a cautious, safety first approach, to work within an academy since March 2020. We have comprehensive Risk Assessments and covid working procedures that have been checked during Health and Safety Executive inspections and specific work plans for vulnerable staff. Even after taking all of this into account staff have been required to work through very unusual times and their anxiety and stress levels have been increased and even now they remain high.

Key Financial Performance Objectives

The key financial objective was to start using the balances brought forward to help deliver improved educational outcomes whilst ensuring that each individual academy operated with a balanced budget thereby ensuring that the Trust's overall revenue budget was in surplus. This was achieved in seven out of eleven academies with the deficit in the remainder being covered from a net surplus overall in the Trust. 2019-2020 has proved a difficult financial year due mainly to Covid-19. However, by the end of the year almost all of the Trust's academies held a surplus carry forward balance. Future financial plans aim to maintain this position and to ensure that the Trust has a cumulative surplus throughout its five year financial plan.

Going Concern

The Trustees and Chief Executive have a reasonable expectancy that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing these financial statements.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2020

(Continued)

Financial Review

The majority of the Academy's income for the period to 31 August 2020 comprised of Education and Skills Funding Agency grants or local authority funding for early years and special educational needs provision. During the year capital grants from the ESFA (condition improvement fund and devolved formula capital) were received and further condition improvement grants are due for projects to be completed in 2020/21. The income from generated funds was mainly derived from pupils paid for meals, school visits and the operation of day care facilities.

The Pension Reserve shows a net liability of £12,578,000 at 31 August 2020 and changes to this liability, linked to a revaluation of the LGPS (administered by The City of Bradford MDC) are being kept under regular review. The net liability at 31 August 2019 was £7,593,000 and therefore by the end of the year there has been an increase in the overall pension liability of £4,985,000. The Academy Trust will need to keep the pension liability under review and if it does not appear to be reducing consider increasing its employers' contribution rate in future years. The Trust decided to be treated as a single employer for LGPS purposes during 2016/17 consolidating all its pension fund assets and liabilities – prior to this decision each academy has been treated as an individual employer.

Reserves and Funds Policy

The accounts show that there is a Restricted General Fund balance of £1,084,000 (2019: £773,000) at the end of the year and an Unrestricted General Fund balance of £1,510,000 (2019: £1,446,000). The Trustees and Chief Executive anticipate that the majority of these funds will be used to support delivery of improved educational outcomes and to support improvements to the Trust's assets over the next three years.

Investment Policy

There is currently no overall investment policy. The majority of surplus funds are held by each academy however, the use of surplus funds has to be agreed by the Trustees and Chief Executive, in consultation with each Local Governing Body, and are released for educational and building developments only.

Principal Risks and Uncertainties

The main risks to the Academy Trust is failure to deliver the improved educational outcomes for pupils and a worsening financial position. The first risk is significantly linked to any sponsor Trust and has a higher significance for this Trust as eight of its ten academies were required to be sponsored. The Trust are well aware of this risk and are constantly striving to minimise its impact on any Academy within the Trust and therefore its impact on the Trust overall. The second risk has been managed to date but this has resulted in staffing reductions during 2019/20, which then has an impact on educational outcomes.

The Trust is also expecting to grow over the next five years and ensuring that this is done in a sustainable manner whilst continuing to improve outcomes for pupils and developing our own improvement capacity will require careful management.

There are a number of other key risks that the Trust itself needs to manage. These include preparing succession plans for the appointment of new Trustees and trying to recruit, retain and develop high calibre staff who in turn will play an important role in delivering improved educational outcomes for pupils. The current Chief Executive is due to retire on the 31 December 2020 and their replacement is due to start on the 1 November 2020. The appointment of a Chief Financial Officer was completed on 1 January 2020.

Principal Risks and Uncertainties (continued)

The Trustees and Chief Executive also review the major risks to which each Academy within the Trust is exposed in particular those relating to educational improvements; their capacity to deliver continuous improvement, the recruitment and retention of key staff; and to the financial standing of each academy. They have introduced a number of systems to assess the risks that each Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Many of the risks are covered by the Scheme of Delegation and further systems, including operation procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (including regular Responsible Officer visits) in order to minimise risks are in operation. Where there is likely to be a significant risk remaining, the Trustees will ensure that they have adequate insurance cover.

The Trustees still have concerns about the suitability of the design, materials used to build, and the quality of the build at one of its academies. However, work started on 6 July 2020 on a major roof replacement scheme which was scheduled for completion by 31 October 2020. However, prior to this date it became clear that the remedial works needed were more extensive and complex than planned and the Local Authority stopped work on site and is reviewing further options.

The Trustees confirm that as part of an on-going process they will identify the major risks to which the Academy Trust is likely to be exposed and will establish and review systems to mitigate any risks identified.

The principal financial risks relate to future levels of government funding. These risks can be split into three main parts. The first relates to actual pupil numbers as much of the Academy's income is derived from pupil numbers and if numbers decrease so does income. Reductions in pupil numbers can also be associated with the perception of the academy within the community it serves and Trustees use changes in pupil numbers as one of their measures in assessing this.

The second risk relates to the changes in the funding regime for schools and academies to be implemented by the Department of Education through the Education and Skills Funding Agency. The main known change is the introduction of a national funding formula. Its impact at the academy level is not yet fully known but local authorities have been moving towards the main elements of the national funding formula over recent years. Four of our academies in one local authority area are currently protected by the minimum funding guarantee and if this level of protection is not maintained, or additional funds are not allocated, these academies will need to deal with some difficult financial conditions.

The third risk relates to income not increasing to meet additional costs. Although per pupil funding has not been reduced it has also not been increasing by much to take into account for example pay awards for teachers and support staff; increased employers' pension contributions; and increased employer national insurance contributions. These, and other cost pressures, mean that in real terms the funding per pupil at each academy within the Trust has been reducing over time.

Many of these changes have an adverse impact on the Academy Trust's medium and longer term financial position and they are being managed as plans for future years are developed. The budget plans show that without taking corrective action our academies would move into a cumulative budget deficit position and therefore actions are ongoing to manage this risk.

Financial Position

The Academy held a restricted and unrestricted fund balances at 31 August 2020 of £2,594,000 (2019: £2,219,000). The Academy Trust does have a rolling five year financial plan that aims to keep the revenue budget in balance and these funds will be taken account of as the five year plan is reviewed.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2020

(Continued)

Plans for Future Periods (continued)

The Trust aims to ensure that it will provide an enlightening educational experience for its learners and a rewarding and developmental experience for its staff. Each Academy now has a five year plan to facilitate these aims but its delivery is dependent on developing the standing of each academy within its community; raising educational outcomes; being able to recruit and retain staff; and on having stability in the main Government funding streams. More detailed plans are included in the Development Plans for each Academy.

The Trust is the sponsor for a 500 place post 16 performing arts free school. Work on the free school's prestigious new building was stopped in November 2019 due to the main contractor going into administration. A new contractor has now been appointed by the DfE and they started work on site in August 2020 with the expectation that the new building will be completed during 2021/22. The free school, known as CAPA College, opened in temporary accommodation in September 2018 and additional temporary accommodation has been secured at Unity Hall, Wakefield with various options to extend this period if the new building is not completed on time. The new CAPA College building is in the centre of Wakefield.

Lepton CE(VC) J & I School joined the Trust on 1 February 2020. Further plans to expand were placed on hold due to Covid-19 and until a new Chief Executive had been appointed and taken up post.

Auditor

In so far as the Trustees and Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees and Director 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.

Independent Auditors

The appointment of the Trust's auditor Paylings is currently on an annual basis and is until the completion of the accounts for the year ending 31 August 2020.

The Chief Executive, Kevin Jones, is the accounting officer, and has been advised of the implications of any internal control system review and of the need for plans to address weaknesses and to ensure continuous improvement of the system are in place.

Approved by order of the Trustees on 18 December 2020 and signed on their behalf by:-

The Venerable Peter Townley
Trustee

Enhance Academy Trust

Governance Statement – for the year ended 31 August 2020

Scope of Responsibility

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

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

Trustees

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Trustees and Chief Executive have formally met 11 times during the year including the Trust's annual general meeting held on the 13 December 2019. Attendance during the year at meetings was as follows:

Trustees	**Meetings attended**	**Out of a possible**
The Venerable Peter Townley	**11**	**11**
John McLeod	**10**	**11**
John Brady	**6**	**11**
Linda Maskill	**11**	**11**
Janet Milne	**11**	**11**
Christopher Schofield	**5**	**11**
Katharine Smith	**6**	**11**
Fiona McMahon (CAPA College only)	**3**	**4**
Chief Executive		
Kevin Jones	**11**	**11**

These meetings were also attended by educational and legal advisors to the Trustees.

Review of Value for Money

As accounting officer, the Chief Executive, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. 2019/20 has been an unusual year for the procurement of new and existing services and the Trust has been mindful of the guidance issued in PPN 02/20 and PPN 04/20. This guidance has mainly influenced how payments to our catering suppliers have been made for services provided from 23 March 2020 until the end of the 2019/20 academic and financial year. In order for a fair and consistent approach to be applied to payments to the catering contractors the Chief Executive took on the role of agreeing any payments made on behalf of all or the academies within the Trust.

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 Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer has delivered improved value for money during the year, working with the staff in each academy, by:

- changing the way school improvement partners are engaged and deployed
- completing the move to a single payroll provider
- moving to a Trust wide combined budgeting and financial system
- changing and consolidating the insurance arrangements for the trust
- moving from being individual employers in the LGPS to being one consolidated employer
- reviewing and amending some services from all year to term time only.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than 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 the academy trust's 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 includes the adoption of the Trust's financial policy by each academy and reviews undertaken by the Trust's Responsible Officer and has been in place during all of this financial year and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there has been an on-going process in place for identifying, evaluating and managing the academy trust's significant risks in place for the year ending 31 August 2020 and up to the date of approval of the next annual report and financial statements. Many of the key risks during the year are linked to Covid-19 and to the capacity and ability to deliver educational improvements taking into account revised Ofsted and SIAMS inspection frameworks. Managed staffing changes linked to the retirement of the current Chief Executive involved the recruitment of a Chief Financial Officer prior to the recruitment of a new Chief Executive. The latter being delayed due to Covid-19.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. The framework includes:

- comprehensive budgeting and monitoring of systems with an annual budget and periodic financial reports to the local governing body and Chief Executive;
- regular reviews by the Chief Executive of reports that show actual financial performance against the forecast and reviews of major purchase and capital programmes:
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines (including for the purchase of assets);
- identification and management of risks at each academy as well as the trust overall.

The Trustees have an external Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The RO reports to the designated Trustee for finance, the Chief Executive and each Local Governing Body on the operations of the systems of control and on the discharge of the Trustees financial responsibilities on a termly basis. The RO and the Chief Executive agree a programme of tests to be undertaken and these include the testing of:-

- the payroll system – including testing payroll costs to agreed establishment lists
- purchasing procedures and associated accounting arrangements
- testing of income due and received
- testing of control and bank account reconciliations.

The agreed programme of tests by the RO, and the reporting of findings and resultant action plans, have been completed for the period covered by this report. The findings from these tests are also reported to the Trustee who has specific responsibility for the financial oversight of the Trust.

The Trustees, Chief Executive and Chief Financial Officer are confident that the RO function is being performed in line with ESFA requirements.

Enhance Academy Trust

Governance Statement – for the year ended 31 August 2020

(Continued)

Review of Effectiveness

The Chief Executive, as Accounting Officer, has responsibility for reviewing the effectiveness of the system of internal control and during the year will be informed by:

- the work of the Responsible Officer
- the work of the External Auditor
- the financial management and governance self-assessment process, and
- the work of the Senior Leadership Teams in each Academy who have responsibility for the development and maintenance of the internal control framework.
- Attending Local Governing Body and Resources Committee meetings

The accounting officer has been advised of the implications of the result of any reports and reviews undertaken by any of the above and any will address any weaknesses identified and ensure that continuous improvement of systems takes place.

Approved by order of the Trustees and Director on 18 December 2020 and signed on their behalf by:-

The Venerable Peter Townley
Trustee

Kevin Jones
Chief Executive and Accounting Officer

Enhance Academy Trust

Statement of Regularity, Propriety and Compliance

for the year ended 31 August 2020

As accounting officer of the Enhance Academy Trust I have considered my responsibility to notify the trustees, and the Education and Skills Funding Agency (ESFA) , of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook for Education.

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

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 trustees and the ESFA.

K. G. Jones

Kevin Jones
Chief Executive and Accounting Officer
Date: 18 December 2020

Enhance Academy Trust

Statement of Trustees' and Governors' Responsibilities

for the year ended 31 August 2020

The Trustees, who are also directors of the Charitable Company for the purposes of company law, are responsible for preparing this report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP 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 (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

Approved by order of the Trustees and Chief Executive on 18 December 2020 and signed on their behalf by:

PK Townley

The Venerable Peter Townley
Trustee

Enhance Academy Trust

Independent Auditor's Report to the Members of Enhance Academy Trust

for the year ended 31 August 2020

We have audited the financial statements of Enhance Academy Trust for the year ended 31 August 2020, which comprises of the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 Practices; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis of Opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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 Report of Trustee's for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustee's has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustee's.

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

- adequate accounting records have not been kept or returns adequate to our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' 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 Trustee's' Responsibilities set out on page 14, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee's determine is necessary to enable to prepare financial statements that are free from material misstatement whether due to error or fraud.

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

Our responsibilities for the audit of the financial statements

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

Our responsibilities for the audit of the financial statements (continued)

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

D.N. Harrison

D.N. Harrison FCCA
For and on behalf of
Paylings
Accountants and Registered Auditors
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
West Yorkshire
WF1 2UY

Dated: 18 December 2020

Enhance Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of the Enhance Academy 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 1 October 2017 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 the 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 Enhance Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Enhance Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Enhance Academy Trust and the ESFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Enhance Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Enhance Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2019 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 the 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Confirmation that there are no new activities within the academy trust
- Analytical review of the activities of the academy trust
- Consideration of the evidence supporting the accounting officer's statement
- Evaluation of the general control environment
- Assessment and testing of a sample of the specific control activities over regularity
- Confirmation that each item tested has been appropriately authorised in accordance with the academy trusts delegated authorities
- Formal representations obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations, access to accounting records and provisions of information and explanations
- A review of credit card expenses
- Consideration of related party transactions

Enhance Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of the Enhance Academy Trust and the Education and Skills Funding Agency

for the year ended 31 August 2020

(Continued)

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.

D.N. Harrison

D.N.Harrison FCCA
For and on behalf of
Paylings
Accountants and Registered Auditors
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
West Yorkshire
WF1 2UY

Dated: 18 December 2020

Enhance Academy Trust

Statement of Financial Activities for the year ended 31 August 2020

(incorporating an Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Resources						
Donations and capital grants	2	14	-	223	237	599
Balances transferred from LA	2	65	-	1,470	1,535	3,088
Charitable Activities:						
Educational Operations	3	-	16,668	-	16,668	13,874
Other Trading Activities	4	275	258	-	533	636
Investments	5	-	2	-	2	2
Total		354	16,928	1,693	18,975	18,199
Expenditure						
Raising Funds	6,7	15	-	-	15	2
Charitable Activities:						
Academy's Educational Operations	6,7	262	17,739	1,353	19,354	16,229
Other		13	-	-	13	24
Total Resources Expended	6,7	290	17,739	1,353	19,382	16,255
Net Income/(Outgoing) Resources before Transfers		64	(811)	340	(407)	1,944
Gross Transfers between funds	16	-	(145)	145	-	-
Net Income/(Expenditure) for the year		64	(956)	485	(407)	1,944
Other Recognised Gains and Losses						
Pension Fund Deficit transferred on opening	16, 26	-	(443)	-	(443)	(498)
Actuarial gain/(losses) on defined benefit pension schemes	16, 26	-	(3,275)	-	(3,275)	(3,503)
Net Movement in Funds		64	(4,674)	485	(4,125)	(2,057)
Reconciliation of Funds						
Funds brought forward at 1 September 2019		1,446	(6,820)	21,059	15,685	17,742
Funds carried forward at 31 August 2020		**1,510**	**(11,494)**	**21,544**	**11,560**	**15,685**

All activities related to continuing operations. The notes on pages 23 to 43 form part of these financial statements.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Enhance Academy Trust
(Company Number 07904096)

Balance Sheet as at 31 August 2020

	NOTES	2020 £000	2020 £000	2019 £000
FIXED ASSETS				
Tangible assets	12		21,544	21,059
CURRENT ASSETS				
Stock - Uniforms	13	18		20
Debtors	14	478		512
Cash at bank and in hand		3,294		2,794
			3,790	3,326
CREDITORS	15			
Amounts falling due within one year			1,196	1,107
NET CURRENT ASSETS			2,594	2,219
Total assets less current liabilities (excluding pension liability)			24,138	23,278
Defined benefit Pension scheme liability	26		(12,578)	(7,593)
NET ASSETS INCLUDING PENSION LIABILITY			11,560	15,685
FUNDS OF THE ACADEMY				
RESTRICTED INCOME FUNDS				
- Fixed asset funds	16		21,544	21,059
- General funds	16		1,084	773
- Pension reserve	16		(12,578)	(7,593)
TOTAL RESTRICTED FUNDS			10,050	14,239
UNRESTRICTED FUNDS				
- General funds	16		1,510	1,446
TOTAL UNRESTRICTED FUNDS			1,510	1,446
TOTAL FUNDS			11,560	15,685

The financial statements on pages 23 to 43 were approved by Trustees and authorised for issue on 18 December 2020 and are signed on their behalf by:-

P K Townley

The Venerable Peter Townley
Chair of Trustees

Enhance Academy Trust

Cash Flow Statement for the year ended 31 August 2020

	NOTES	2020 £000	2019 £000
Cash inflow from operating activities			
Net cash provided by (used in) operating activities	**18**	2,118	3,322
Cash flows from financing activities		-	-
Cash flows from investing activities	**18**	(1,618)	(3,314)
Change in cash and cash equivalents in the reporting period		500	8
Cash and cash equivalents at 1 September 2019		2,794	2,786
Cash and cash equivalents at 31 August 2020		3,294	2,794

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements of Enhance Academy 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 FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Enhance Academy Trust meets the definition of public benefit under FRS 102.

Going Concern

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

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, 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.

  The General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

  Capital grants are recognised 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.

- **Sponsorship Income**

  Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **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.

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Income (continued)

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

- **Donated goods, facilities and services**
  Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets (excluding transfers on conversion/into trust)**

  Where the donated asset is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item will be 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 academy trust's accounting policies.

- **Donated fixed assets on conversion**

  The opening of each academy trust involved the donation of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method. The assets and liabilities donated to each academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for the equivalent item. Their fair value is in accordance with the accounting policies of the academy trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The value of assets donated on conversion was as follows:

  Assets - Land and Buildings
  - Other fixed assets
  - Current assets

  Liabilities - Pension

  The transfer of property for the sponsored academies has either been included in the accounts based on the valuations commissioned by the ESFA except for the property for Sandal Magna, which has been included at costs based on the information provided from the local authority.

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

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Expenditure (continued)

- **Expenditure on raising funds**
  This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

- **Charitable activities**
  These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

  All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets
Assets costing £500 are capitalised as tangible fixed assets and carried at cost, net of depreciation and any provision for impairment.

When 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Long leasehold buildings	60/20 years
Mechanical equipment	15 years
Fixtures, fittings and equipment	5 years
ICT equipment	3/2/1 years
Motor vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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 academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods and services it must provide.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Provisions
Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets
Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments
The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instrument.

Investments
There are no investments at 31 August 2020 and none were held during the period.

Stock
Stock is valued at the lower of cost or net realisable value.

Taxation
The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that any such income or gains are applied exclusively to charitable purposes.

Pension Benefits
Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employees' working lives within the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the current service 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 on other recognised gains and losses.

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

Restricted fixed asset funds are resources which are to be applied for 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 with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pension include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension reliability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement
There are no critical areas of judgement throughout the year.

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital Grants	-	223	223	573
Donated assets on transfer	65	1,470	1,535	2,882
Other Donations	14	-	14	232
	79	1,693	1,772	3,687

The donated assets relate to Lepton CE (VC) Primary School who joined the Trust on 1 February 2020.

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
General Annual Grant	-	12,473	12,473	10,485
Start Up Grants	-	100	100	-
Other DfE/EFA Grants	-	2,557	2,557	2,131
Coronavirus exceptional support	-	10	10	-
	-	15,140	15,140	12,616
Local Authority Grants	-	1,528	1,528	1,258
Other Grants	-	-	-	-
Other Grants	-	1,528	1,528	1,258
Total Grants	-	16,668	16,668	13,874

The Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding of £10,000 is shown above under Coronavirus exceptional support with the expenditure included in note 7 below.

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Catering Income	70	-	70	123
Day Care/Wraparound Care	67	-	67	68
Insurance Claims	-	49	49	77
Other Income	138	209	347	368
	275	258	533	636

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

5. INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Deposit in Bank	-	2	2	2
	-	2	2	2

6. EXPENDITURE

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds	15	-	15	2
Academy's Educational Operations				
- Direct Costs	-	14,490	14,490	12,171
- Allocated support costs	275	4,602	4,877	4,082
	290	19,092	19,382	16,255

Expenditure for the period includes:

	Total 2020	Total 2019
Operating lease rentals	42	30
Depreciation	1,353	1,183
Fees payable to the auditor for:		
- audit	43	31

7. CHARITABLE ACTIVITIES

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	14,490	12,171
Support costs – educational operations	4,602	3,770
	19,092	15,941

ANALYSIS OF SUPPORT COSTS

	Total 2020 £000	Total 2019 £000
Support staff costs	2,987	2,240
Technology costs	262	282
Premises costs	628	601
Other support costs	603	563
Governance costs	122	84
	4,602	3,770

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

8. STAFF COSTS

	Total 2020 £000	Total 2019 £000
a) Staff costs during the period were:		
Wages and salaries	10,255	8,457
Social security costs	862	730
Operating costs of defined benefit pension schemes	3,130	2,237
	14,247	11,424
Supply staff costs	7	23
Staff restructuring costs	32	13
	39	36
Staff restructuring costs comprise:		
Redundancy payments	32	13
Severance payments	-	-
Other restructuring costs	-	-
	32	13

b) Non Statutory/non-contractual staff severance payments

Compromise agreements	-	-

c) Staff Numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	134	124
Administration and support	198	185
Management	13	11
	345	320

d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 to £70,000	1	5
£70,001 to £80,000	6	2
£80,001 to £90,000	3	4
£90,001 to £100,000	3	-

The total employee benefits (including employer pension contributions) received by higher paid staff for their services to the Academy Trust was £1,229,646 (2019: £852,000).

The key management personnel of the academy is at this stage deemed to be the Chief Executive.

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

9. RELATED PARTY TRANSACTIONS – DIRECTORS' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

K Jones (CEO and director):
Remuneration £90,000 - £95,000 (2019: £85,000 - £90,000)
Employer's pension contributions paid £nil (2019: £nil)

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers employees from claims arising from negligent acts, errors or omissions occurring whilst they are undertaking academy business. The insurance provides cover up to £2,000,000 on any one claim.

The cost of this insurance for the period ended 31 August 2020 was £3,000 (2019: £2,000) and is included in the total insurance costs.

11. CENTRAL SERVICES

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

Human Resources
Financial Services
Legal Services
Insurance
Financial software licences
Educational Support Services
School Improvement Support
Project Management

The Trust charged approximately 4% of GAG income for the provision of these services.

The actual amounts charged during the year were as follows:	Total 2020 £000	Total 2019 £000
Christ Church CE Academy	35	37
Overthorpe C of E Academy	44	46
Sandal Magna Community Academy	37	39
St Michael's CE Academy	67	69
St Helen's CE Primary School	26	35
Diamond Wood Community Academy	56	58
Featherstone All Saints CE Academy	36	37
St Botolph's CE Academy	46	52
CAPA College	35	14
St Giles' CE Academy	41	-
Lepton CE Academy	14	-
	437	387

12. TANGIBLE FIXED ASSETS

	Leasehold Land £000	Leasehold Buildings £000	Mechanical Equipment £000	Furniture and Equipment £000	IT Equipment £000	Vehicles £000	Total 2020 £000
Cost							
At 1 September 2019	978	23,165	93	812	835	40	25,923
Adjustments to op bal	-	(3)	-	-	-	-	(3)
Transferred in	99	1,293	13	23	42	-	1,470
Donated	-	-	-	-	-	-	-
Additions	-	125	31	115	100	-	371
Disposals	-	-	-	(3)	(28)	-	(31)
Reclassification	-	-	70	(67)	(3)	-	-
At 31 August 2020	1,077	24,580	207	880	946	40	27,730
Depreciation							
At 1 September 2019	-	3,900	30	385	509	40	4,864
Adjustments to op bal	-	2	8	(6)	(5)	-	(1)
Charged in Year	-	1,003	13	142	195	-	1,353
Disposals	-	-	-	(3)	(27)	-	(30)
At 31 August 2020	-	4,905	51	518	672	40	6,186
Net book values							
At 31 August 2020	1,077	19,675	156	362	274	-	21,544
At 31 August 2019	978	19,265	63	427	326	-	21,059

The Trust has challenged the condition of one of the buildings and has required a number of remedial works to be undertaken. In November 2019 a programme of works aimed at completing these remedial works was agreed with the appropriate local authority and work commenced on 6 July 2020. However, the works needed have been found to be more extensive than planned and revised remedial works plans are being prepared.

13. STOCK

	2020 £000	2019 £000
Uniforms	18	20
	18	20

14. DEBTORS

	2020 £000	2019 £000
Debtors	13	24
Accrued Payments	38	88
Prepayments	282	232
VAT	145	168
	478	512

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

15. CREDITORS

	2020 £000	2019 £000
Trade Creditors	659	560
Other creditors	5	-
Accrued Expenditure	272	276
Receipt in advance	260	271
	1,196	1,107

16. FUNDS

	Balance at 1 September 2019 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2020 £000
Restricted general fund					
General Annual Grant	688	12,473	(12,801)	(145)	215
Start Up Grants	-	100	(100)	-	-
Pupil Premium and other grants	-	1,100	(1,100)	-	-
Other Grants/Income	-	-	-	-	-
Local authority statementing income	-	1,195	(1,195)	-	-
Early Years Grant	-	1,169	(1,169)	-	-
Funds transferred from LA	85	65	-	-	150
Other Income	-	826	(107)	-	719
Pension Fund Deficit Transferred	(5,677)	-	-	(443)	(6,120)
Pension cost in year	(1,916)	-	(1,267)	(3,275)	(6,458)
	(6,820)	16,928	(17,739)	(3,863)	(11,494)
Restricted fixed asset funds					
Value of assets	11,185	-	(1,353)	-	9,832
Transfers from LA	6,238	1,470	-	-	7,708
DfE/EFA capital grants	2,744	223	-	-	2,967
Capital expenditure from GAG	557	-	-	145	702
Other Capital Grants	335	-	-	-	335
	21,059	1,693	(1,353)	145	21,544
Total Restricted Funds	14,239	18,621	(19,092)	(3,718)	10,050

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

16. FUNDS (continued)

	Balance at 1 September 2019 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2020 £000
Unrestricted funds					
Funds transferred from LAS	1,048	65	-	-	1,113
Voluntary Income	231	28	(28)	-	231
Other Income	167	261	(262)	-	166
Total Unrestricted Funds	1,446	354	(290)	-	1,510
Total Funds	15,685	18,975	(19,382)	(3,718)	11,560

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

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant	466	10,485	(10,163)	(100)	688
Start Up Grants	-	-	-	-	-
Pupil Premium and other grants	-	2,131	(2,131)	-	-
Other Grants/Income	-	-	-	-	-
Local authority statementing income	-	243	(243)	-	-
Early Years Grant	-	977	(977)	-	-
Funds transferred from LA	190	(126)	25	-	85
Use of Sponsor's Grants	-	-	-	-	-
Other Income	-	347	(347)	-	-
Pension Fund Deficit Transferred	(5,179)	-	-	(498)	(5,677)
Pension cost in year	2,505	-	(918)	(3,503)	(1,916)
	(2,018)	14,057	(14,758)	(4,101)	(6,820)
Restricted fixed asset funds					
Value of assets	12,368	-	(1,183)	-	11,185
Transfers from LA	3,024	3,214	-	-	6,238
DfE/EFA capital grants	2,171	573	-	-	2,744
Capital expenditure from GAG	457	-	-	100	557
Other Capital Grants	335	-	-	-	335
	18,355	3,787	(1,183)	100	21,059
Total Restricted Funds	16,337	17,844	(15,941)	(4,001)	14,239

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

16. FUNDS (continued)

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2019 £000
Unrestricted funds					
Funds transferred from LAS	1,048	-	-	-	1,048
Voluntary Income	231	26	(26)	-	231
Other Income	126	329	(288)	-	167
Total Unrestricted Funds	1,405	355	(314)	-	1,446
Total Funds	17,742	18,199	(16,255)	(4,001)	15,685

The specific purposes of each fund are explained in more detail below:
The restricted general fund is used in the main to record income and expenditure associated with the delivery of the learning experiences provided to pupils. The restricted fixed asset fund records the value of assets over £500 utilised by each academy, additions to these assets, and depreciation over their economic lives. The high value of this fund reflects the value of the assets transferred to the Academy Trust when each school became an academy building that will be depreciated over their anticipated useful lives.

The unrestricted fund includes the revenue balances of each academy transferred to the Trust from the appropriate local authority and other activities undertaken by each academy. The majority of this fund will also be used to enhance the educational experiences offered to pupils.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds 2020 £000	Total Funds 2019 £000
Funds balances at 31st August 2020 are represented by:					
Tangible fixed assets	-	-	21,544	21,544	21,059
Current assets	1,510	2,280	-	3,790	3,326
Current liabilities	-	(1,196)	-	(1,196)	(1,107)
Pension scheme liability	-	(12,578)	-	(12,578)	(7,593)
	1,510	(11,494)	21,544	11,560	15,685

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Comparative information in respect of the preceding year is a follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds 2019 £000
Funds balances at 31st August 2019 are represented by:				
Tangible fixed assets	-	-	21,059	21,059
Current assets	1,446	1,880	-	3,326
Current liabilities	-	(1,107)	-	(1,107)
Pension scheme liability	-	(7,593)	-	(7,593)
	1,446	(6,820)	21,059	15,685

18. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2020 £000	2019 £000
Net income for the Year	(407)	1,944
Adjusted for:		
Depreciation	1,353	1,183
Profit/loss on disposal of assets	1	-
Capital grants from DfE/EFA and other capital income	(223)	(573)
Defined benefit pension scheme cost less contributions payable	1124	846
Defined benefit pension finance cost	143	72
(Increase)/Decrease in stocks	2	(4)
(Increase)/Decrease in debtors	34	20
Increase/(Decrease) in creditors	89	(166)
Rounding adjustments	2	-
Net cash provided by/(used in) operating activities	2,118	3,322

Cash flows from investing activities	**2020 £000**	**2019 £000**
Purchase of tangible fixed assets	(371)	(3,887)
Capital grants from DfE/EFA	223	573
Capital grants from others	-	-
Transfer from Local Authority	(1,470)	-
	(1,618)	(3,314)

Analysis of cash and cash equivalents	**2020 £000**	**2019 £000**
Cash in hand and at bank	3,294	2,794
Total cash and cash equivalents	3,294	2,794

19. ANALYSIS OF ACADEMIES

Analysis of Academies by fund balance

Fund balances at 31st August 2020 were allocated as follows:

	2020 £000	2019 £000
Christ Church CE Academy	369	268
Overthorpe CE Academy	(4)	8
Sandal Magna Community Academy	296	265
St. Michael's CE Academy	397	441
St. Helen's CE Academy	64	16
Diamond Wood Community	289	199
Featherstone All Saints	198	194
St Botolph's CE Academy	851	731
CAPA College	58	(8)
St Giles'	(108)	(103)
Lepton CE Academy	95	-
Enhance Academy Trust	89	208
	2,594	2,219
Restricted fixed asset fund	21,544	21,059
Pension Reserve	(12,578)	(7,593)
Total	11,560	15,685

Analysis of Academies by cost

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding) Depreciation £000	Total 2020 £000	Total 2019 £000
Christ Church CE Academy	973	144	120	149	1,386	1,434
Overthorpe CE Academy	1,055	399	67	156	1,677	1,648
Sandal Magna Community Academy	869	160	131	142	1,302	1,306
St. Michael's CE Academy	1,530	254	316	295	2,395	2,260
St. Helen's CE Academy	842	148	111	195	1,296	1,187
Diamond Wood Community Academy	1,314	203	176	187	1,880	1,799
Featherstone All Saints CE Academy	754	116	132	129	1,131	1,094
St Botolph's CE Academy	1,037	122	108	143	1,410	1,412
CAPA College	585	198	186	268	1,237	703
St Giles'	1,283	167	111	108	1,669	643
Lepton CE Academy	390	34	37	74	535	-
Enhance Academy Trust	104	1,558	67	382	2,111	1,586
	10,736	3,503	1,562	2,228	18,029	15,072

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

20. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	**2020** **£000**	**2019** **£000**
Land and Buildings	1,517	3,235
Mechanical Equipment	44	9
Furniture and equipment	138	243
IT equipment	142	400
Vehicles	-	-
Cash outflow from capital expenditure	1,841	3,887

21. CAPITAL COMMITMENTS	**2020** **£000**	**2019** **£000**
Contracted for, but not provided in the financial statements	12	21

22. OPERATING LEASE COMMITMENTS	**2020** **£000**	**2019** **£000**
Land and buildings		
Due within one year	-	-
Due within two and five years	-	-
Due in over five years	-	-
	-	-
Other		
Due within one year	39	26
Due within two and five years inclusive	61	41
Due in over five years	-	-
	100	67

23. CONTINGENT LIABILITIES

There are no known contingent liabilities other than the dispute between the Trust and Wakefield MDC about the poor condition of the land and buildings at one of the sites transferred. Some remedial work has been undertaken by the Council but there is still some remedial work outstanding that the Trust requires to be completed to its satisfaction. On the 5th November 2019 a programme of remedial works was agreed with the Council and work started on 6 July 2020. However, work has now been stopped as the works needed are more extensive than planned and a revised and larger programme of works is needed.

23A. CONTINGENT ASSETS

There are no known contingent assets.

24. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as required, but not exceeding £10.00, for the debts and liabilities contracted before he/she ceases to be a member.

25. RELATED PARTY TRANSACTIONS

Services are supplied to some of the academies in the Trust by companies which two Trustees have interests. One Trustee is the managing director and majority shareholder of a company that provided sickness absence insurance amounting to £79,256 (2019: £99,819). The other Trustee is the Managing Partner of a company that provided legal services to the Trust amounting to £27,890 (2019: £29,106). All of the services provided were purchased after obtaining competitive bids and the other Trustees are aware of these related party transactions.

An employee of the trust provided services to a company owned by a Trustee, a total amount of £20,206 was invoiced for those services.

The newly appointed CFO is an ex-employee of Paylings, the Trust's auditors. The Trustees are confident that it has no impact on the operation of the Trust.

26. PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal 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 the Bradford Metropolitan District 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £227,807 were payable to the schemes at 31 August 2020 (2019: £160,585).

The Teachers' Pension Scheme

Introduction
The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a "pay-as-you-go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

26. PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

The Governing 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. 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 of 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 (prior year 16.48%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The total employer's pension contributions to the TPS during this year amounted to £1,251,000 (2019: £756,000).

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 a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined benefit contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Each Academy was deemed to have joined the scheme on the date of conversion.

The total contribution made for the year ended 31 August 2020 was £866,000 (2019: £723,000), of which employers' contributions totalled £632,000 (2019: £525,000), and employees' contributions totalled £234,000 (2019: £198,000). The agreed contribution rates for each academy for future years is currently 15.3% and from 5.5% for employees dependent on their earnings.

From the 1 April 2016 the Trust converted to being treated as one employer within the LGPS and its consolidated employer's contributions rate is 15.3%.

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.

26. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (LGPS) (continued)

Principal Actuarial Assumptions	**At 31 August 2020**	**At 1 September 2019**
Rate of increase in salaries	3.55%	3.25%
Rate of increase for pensions in payment/inflation	2.30%	2.00%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.30%	2.00%
Commutation of pensions to lump sums	75.00%	75.00%

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

	At 31 August 2020	**At 1 September 2019**
Retiring today		
Males	21.8	22.2
Females	24.6	25.4
Retiring in 20 years		
Males	22.5	23.2
Females	25.7	27.2

The academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2020 £000	**Fair Value 1 September 2019 £000**
Equity instruments	11,047	10,200
Debt instruments	2,541	2,366
Property	611	578
	14,199	13,144

The actual return on employer asset was £(5,000) (2019: £980,000).

Amounts recognised in the statement of financial activities	**2020 £000**	**2019 £000**
Current Service cost (net of employee contributions)	1,756	983
Past service cost	-	388
Net interest on defined benefit liability	143	72
Total operating charge	1,899	1,443

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

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26. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in other comprehensive income	**2020 £000**	**2019 £000**
Asset gains during the period	(266)	659
Actuarial gains/(losses) due to financial assumptions	(3,364)	(3,615)
Actuarial gains/(losses) due to liability experience	(565)	(547)
Actuarial gains/(losses) due to demographic assumptions	920	-
	(3,275)	(3,503)

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

	2020 £000	**2019 £000**
At 1 September 2019	20,737	13,456
Current service cost	1,756	983
Interest cost	404	393
Employee contributions	234	198
Benefits paid out	(254)	(262)
Past service cost	-	388
Net increase in liability from acquisitions	891	1,419
Actuarial gains/(losses) due to liability experience	565	547
Actuarial (gains)/osses due to financial assumptions	3,364	3,615
Actuarial (gains)/losses due to demographic assumptions	(920)	-
At 31 August 2020	26,777	20,737

Changes in the fair view of the academy's share of scheme assets

	2020 £000	**2019 £000**
At 1 September 2019	13,144	10,782
Interest income on assets	261	321
Re-measurement gain/(loss) on assets	(266)	659
Contributions by the Employer	632	525
Contributions by Members	234	198
Net benefits paid out	(254)	(262)
Net increase in assets from acquisition	448	921
At 31 August 2020	14,199	13,144

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2020

(Continued)

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

CAPA College admitted 135 students in September 2020 which was above the planned intake of 105. Work on completion of the new CAPA College building has been delayed and it is unlikely that the building will be open for the planned 250 new students by September 2021. The new Chief Executive took up their position on 1 November 2020.

28. ACADEMY TRANSFERRED INTO THE TRUST

On 1 February 2020 Lepton CE (VC) Primary School joined Enhance Academy Trust. The value of the assets and liabilities recognised for the transfer were:

Tangible Fixed Assets	**£000**
Freehold Land	99
Leasehold Land and Buildings	1,293
Mechanical Equipment	13
Furniture and Equipment	23
Computer Equipment	42
Surplus transferred	65