

**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

**Trustee's report and financial statements**

**For the year ended 31 August 2020**



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**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

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**The SchoolsCompany Trust**  
(A company limited by guarantee)

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**Reference and administrative details of the company, its Trustee and advisers**  
**For the year ended 31 August 2020**

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|                                  |   |
|----------------------------------|---|
| <b>Trustee</b>                   | David Knight (appointed 3 November 2020)  |
| <b>Company registered number</b> | 08304460  |
| <b>Charity registered number</b> | 1192198   |
| <b>Registered office</b>         | 12th Floor<br>6 New Street Square<br>London<br>EC4A 3BF   |
| <b>Company secretary</b>         | Michelmores Secretaries Limited (appointed 12 August 2020)  |
| <b>Chief executive officer</b>   | Angela Barry (resigned 3 November 2020)   |
| <b>Independent auditors</b>      | UHY Kent LLP t/a UHY Hacker Young<br>Chartered Accountants<br>Statutory Auditors<br>Thames House<br>Roman Square<br>Sittingbourne<br>Kent<br>ME10 4BJ |

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**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

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**Trustee's report**  
**For the year ended 31 August 2020**

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The trustee presents the annual report together with the audited financial statements of the company for the year 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a trustee's report and a directors' report under company law. The trustee confirms that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The company has, in the past, operated as a multi-academy trust, and as an exempt charity was regulated by the Education & Skills Funding Agency ("ESFA"). Following a difficult period during 2017 and 2018, whilst under the management of the then executive team, the company was subject to an ESFA investigation into the conduct of the former trustees which had resulted in the loss of public funds. The academies the company was responsible for were re-brokered with the final academies transferred out of the trust on 1 November 2018, as shown in note 6 and in more detail in the prior year's financial statements.

The intention is for the company to be dissolved in due course, however this is pending whilst the company attempts to recover the lost public funds. With the company no longer responsible for any academies the ESFA has ceased to be the regulator, and the company therefore applied for and successfully gained charitable status with the Charity Commission from 1 October 2020, charity reference number 1192198. A grant funding agreement is in place with the Department for Education to ensure the company has sufficient funds to operate whilst the investigation continues.

**Objectives and activities**

**a. Policies and objectives**

The charitable company's objects are restricted to advance for the public benefit education in the United Kingdom.

In setting objectives and planning for activities, the trustee has given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**b. Strategies and activities for achieving objectives**

During the year the charitable company has continued its investigations into the activities of some of the former directors who were in place during the period 2015 – 2018. This investigation is ongoing.

**Achievements and performance**

**a. Main achievements of the company**

As part of the above ongoing investigation, the charitable company has initiated legal action against some of the former directors involved.

**Financial review**

**a. Going concern**

Due to the funding agreement in place with the Department for Education, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net liability position shown by the Statement of financial position. However, the intention remains to wind the charitable company up as soon as this becomes feasible, and the trustee believes this may be achievable within twelve months of the approval of these financial statements, but is subject to the legal action currently being pursued. For this reason, the financial statements are not prepared on a going concern basis (see accounting policy 2.2 for further details).

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**The SchoolsCompany Trust**  
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**Trustee's report (continued)**  
**For the year ended 31 August 2020**

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**b. Reserves policy**

Due to the nature of the charitable company it does not have a formal reserves policy. The charitable company does not have any free reserves and has an overall deficit of £2.767m as shown on the Statement of financial position.

This relates almost entirely to recoverable deficit funding advanced by the ESFA in previous years. The amount owed to the ESFA, £2.807m, is reflected in creditors and shown in note 12 to the financial statements. Whilst investigations into the conduct of the previous board of trustees are on-going the ESFA continues to explore whether the debt the charitable company owes is recoverable by them, and therefore to be prudent the liability continues to be recognised.

**Structure, governance and management**

**a. Constitution**

The SchoolsCompany Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

**b. Methods of appointment or election of trustee**

The management of the company is the responsibility of the trustee who was elected and co-opted under the terms of the Trust deed.

**c. Trustees during the year**

The following trustees served during the year and have subsequently resigned:

Angela Barry (resigned 3 November 2020)  
Nikki King (resigned 5 November 2020)  
Rupert Gather (resigned 3 November 2020)  
Richard McDonnell (resigned 3 November 2020)  
Steve Ward (resigned 3 November 2020)  
Tom Maddison (resigned 3 November 2020)

The above were all appointed during the 2017-18 year to serve as an interim board of trustees to ensure the efficient transfer of the company's assets and academies. Following the successful completion of this task and the registration of the company as a registered charity in October 2020, each of these directors subsequently resigned.

David Knight, who had previously been involved advising the trustees and liaising closely with the ESFA, was appointed as a trustee on 3 November 2020 and became the sole trustee following the resignation of the individuals listed above.

**Members' liability**

The Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

**Disclosure of information to auditors**

The trustee has, at the time when this Trustee's report is approved, confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, UHY Kent LLP t/a UHY Hacker Young, have indicated their willingness to continue in office a motion to propose their reappointment will be raised.

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**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

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**Trustee's report (continued)**  
**For the year ended 31 August 2020**

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Approved by order of the trustee as follows:

A handwritten signature in black ink, appearing to read 'David Knight'.

**David Knight**  
Trustee

Date: 26th July 2021

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**The SchoolsCompany Trust**  
(A company limited by guarantee)

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**Statement of trustee's responsibilities**  
**For the year ended 31 August 2020**

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The trustee (who is also the director of the company for the purposes of company law) is responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Approved by order of the trustee:



**David Knight**  
Trustee

Date: 26th July 2021

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**Independent auditors' report to the Members of The SchoolsCompany Trust**

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**Opinion**

We have audited the financial statements of The SchoolsCompany Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**Emphasis of matter - financial statements prepared on a basis other than going concern**

We draw attention to note 2.2 in the financial statements, which explains that the trustee has concluded that the going concern basis is not appropriate because the charitable company may to be dissolved in the coming twelve months. Since adequate disclosures have been included in the financial statements our opinion is not modified in respect of this matter.

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustee's report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's report has been prepared in accordance with applicable legal requirements.



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**The SchoolsCompany Trust**  
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**Independent auditors' report to the Members of The SchoolsCompany Trust (continued)**

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**Matters on which we are required to report by exception**

In the light of our 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 Trustee's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustee was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustee's report and from the requirement to prepare a Strategic report.

**Responsibilities of the trustee**

As explained more fully in the Trustee's responsibilities statement, the trustee (who is also the director of the charitable company for the purposes of company law) is 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is 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 trustee either intends to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

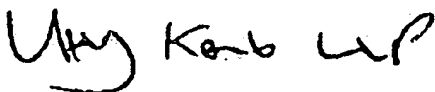
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Allan Hickie BSc FCA (Senior statutory auditor)**  
for and on behalf of  
**UHY Kent LLP**  
Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent. ME10 4BJ

Date: 28 July 2021

**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2020**

|                                    | Note | Restricted funds<br>2020<br>£000 | Total<br>funds<br>2020<br>£000 | Total<br>funds<br>2019<br>£000 |
|------------------------------------|------|----------------------------------|--------------------------------|--------------------------------|
| <b>Income from:</b>                |      |                                  |                                |                                |
| Charitable activities              | 3    | 220                              | 220                            | 2,371                          |
| Other trading activities           | 4    | -                                | -                              | 3                              |
|                                    |      | <u>220</u>                       | <u>220</u>                     | <u>2,374</u>                   |
| <b>Total income</b>                |      |                                  |                                |                                |
| <b>Expenditure on:</b>             |      |                                  |                                |                                |
| Charitable activities              | 5    | 172                              | 172                            | 5,295                          |
|                                    |      | <u>172</u>                       | <u>172</u>                     | <u>5,295</u>                   |
| <b>Total expenditure</b>           |      |                                  |                                |                                |
|                                    |      | <u>48</u>                        | <u>48</u>                      | <u>(2,921)</u>                 |
| <b>Net movement in funds</b>       |      |                                  |                                |                                |
| <b>Reconciliation of funds:</b>    |      |                                  |                                |                                |
| Total funds brought forward        |      | (2,815)                          | (2,815)                        | 106                            |
| Net movement in funds              |      | 48                               | 48                             | (2,921)                        |
|                                    |      | <u>(2,767)</u>                   | <u>(2,767)</u>                 | <u>(2,815)</u>                 |
| <b>Total funds carried forward</b> |      |                                  |                                |                                |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 11 to 21 form part of these financial statements.

**The SchoolsCompany Trust**  
**(A company limited by guarantee)**  
**Registered number: 08304460**

**Balance sheet**  
**As at 31 August 2020**

|  | Note | 2020<br>£000   | 2019<br>£000   |
|--|------|----------------|----------------|
| <b>Fixed assets</b>                            |      |                |                |
| Tangible assets                                | 10   | 2              | 8              |
| <b>Current assets</b>                          |      |                |                |
| Debtors  | 11   | -              | 20             |
| Cash at bank and in hand                       |      | 96             | 38             |
|  |      | <u>96</u>      | <u>58</u>      |
| Creditors: amounts falling due within one year | 12   | (2,865)        | (2,881)        |
| <b>Net current liabilities</b>                 |      | <u>(2,769)</u> | <u>(2,823)</u> |
| <b>Total net assets</b>                        |      | <u>(2,767)</u> | <u>(2,815)</u> |
| <b>Charity funds</b>                           |      |                |                |
| Restricted funds:                              |      |                |                |
| Restricted funds                               | 13   | (2,769)        | (2,823)        |
| Restricted fixed asset funds                   | 13   | 2              | 8              |
| <b>Total restricted funds</b>                  | 13   | <u>(2,767)</u> | <u>(2,815)</u> |
| <b>Total funds</b>                             |      | <u>(2,767)</u> | <u>(2,815)</u> |

The trustee acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustee and signed on their behalf by:



**David Knight**  
Trustee

Date: 26th July 2021

The notes on pages 11 to 21 form part of these financial statements.

**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 August 2020**

|  | <b>Note</b> | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|--|-------------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                |             |                      |                      |
| Net cash used in operating activities                      | 15          | 58                   | (145)                |
| <b>Cash flows from investing activities</b>                |             |                      |                      |
| Capital funding transferred to other trust                 |             | -                    | (119)                |
| <b>Net cash provided by/(used in) investing activities</b> |             | -                    | (119)                |
| <b>Cash flows from financing activities</b>                |             |                      |                      |
| <b>Net cash provided by financing activities</b>           |             | -                    | -                    |
| <b>Change in cash and cash equivalents in the year</b>     |             | 58                   | (264)                |
| Cash and cash equivalents at the beginning of the year     |             | 38                   | 302                  |
| <b>Cash and cash equivalents at the end of the year</b>    | 16          | 96                   | 38                   |

The notes on pages 11 to 21 form part of these financial statements

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**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

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**Notes to the financial statements**  
**For the year ended 31 August 2020**

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**1. General information**

The charitable company is a company limited by guarantee, registered in England and Wales. Its registered office is 12th Floor, 6 New Street Square, London, United Kingdom, EC4A 3BF.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The SchoolsCompany Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The trustee has assessed 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 charitable company to continue as a going concern. Such an assessment is usually made in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

Due to the funding agreement in place with the Department for Education, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net liability position shown by the Statement of financial position. However, the intention remains to wind the charitable company up as soon as this becomes feasible, and the trustee believes this may be achievable within twelve months of the approval of these financial statements, but is subject to the legal action currently being pursued. The accounts have therefore not been prepared on a going concern basis. Any monies recovered during the investigation, together with any available cash at bank, will be used to repay the loan owed to the Education & Skills Funding Agency (ESFA), shown in note 12.

**2.3 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**Notes to the financial statements**  
**For the year ended 31 August 2020**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                         |   |     |
|-------------------------|---|-----|
| Furniture and equipment | - | 20% |
| Computer equipment      | - | 33% |

**2.6 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.7 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.8 Liabilities and provisions**

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

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 in the Statement of financial activities as a finance cost.

**2.9 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.10 Pensions**

The charitable company does not have an active pension scheme. The amount charged to the Statement of financial activities during the period of £11k relates to Teachers' Pension Scheme employer contributions relating to the period July 2016 to August 2017 which had not been made previously in error.

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**The SchoolsCompany Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2020**

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**2. Accounting policies (continued)**

**2.11 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustee in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**3. Income from charitable activities**

|                                       | <b>Restricted<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2020<br/>£000</b> | <i>Total<br/>funds<br/>2019<br/>£000</i> |
|---------------------------------------|---|--|--|
| Grant funding                         | 220   | 220                                      | 2,371                                    |
|                                       | <hr/>   | <hr/>                                    | <hr/>                                    |
| <i>Analysis of 2019 total by fund</i> | 2,371   | 2,371                                    |  |
|                                       | <hr/>   | <hr/>                                    |  |

**4. Income from other trading activities**

**Income from fundraising events**

|                                       | <b>Unrestricted<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2020<br/>£000</b> | <i>Total<br/>funds<br/>2019<br/>£000</i> |
|---------------------------------------|---|--|--|
| Lettings                              | -   | -  | 3  |
|                                       | <hr/>   | <hr/>                                    | <hr/>                                    |
| <i>Analysis of 2019 total by fund</i> | 3   | 3  |  |
|                                       | <hr/>   | <hr/>                                    |  |

**The SchoolsCompany Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**5. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                                       | <b>Restricted<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2019<br/>£000</b> |
|---------------------------------------|---|--|--|
| Charitable activities                 | 172   | 172                                      | 5,295                                    |
| <i>Analysis of 2019 total by fund</i> | 5,295   | 5,295                                    |  |

The expenditure on charitable activities relates to operating costs incurred by the company in respect of the continuing operation of the company during the on-going investigation.

**6. Analysis of expenditure by activities**

|                               | <b>Direct costs<br/>2020<br/>£000</b> | <b>Support costs<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2019<br/>£000</b> |
|-------------------------------|---------------------------------------|--|--|--|
| Charitable activities         | 34                                    | 138                                    | 172                                      | 5,295                                    |
| <i>Analysis of 2019 total</i> | 996                                   | 4,299                                  | 5,295                                    |  |

**Analysis of support costs**

|   | <b>Total<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2019<br/>£000</b> |
|---|--|--|
| Staff costs                                 | -  | 47                                       |
| Depreciation                                | 6  | 20                                       |
| Premises costs                              | -  | 111                                      |
| Technology costs                            | 5  | 21                                       |
| Governance costs                            | 32                                       | 184                                      |
| Other support costs                         | 95                                       | 180                                      |
| Transfer out on academies leaving the trust | -  | 3,736                                    |
|   | 138                                      | 4,299                                    |



**The SchoolsCompany Trust**  
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**Notes to the financial statements**  
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**7. Auditors' remuneration**

|  | <b>2020</b> | <i>2019</i> |
|--|-------------|-------------|
|  | <b>£000</b> | <i>£000</i> |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 6           | 15          |
| Fees payable to the company's auditor in respect of:                                 |             |             |
| All other non-audit services   | -           | 3           |
|  | <u>6</u>    | <u>18</u>   |

**8. Staff costs**

|                       | <b>2020</b> | <i>2019</i> |
|-----------------------|-------------|-------------|
|                       | <b>£000</b> | <i>£000</i> |
| Wages and salaries    | 23          | 831         |
| Social security costs | 1           | 67          |
| Pension costs         | 11          | 89          |
|                       | <u>35</u>   | <u>987</u>  |

Included in the wages and salaries cost is 1 non-statutory/non-contractual severance payment totalling £9k (2019 - 3 payments totalling £10k).

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

|                            | <b>2020</b> | <i>2019</i> |
|----------------------------|-------------|-------------|
|                            | <b>No.</b>  | <i>No.</i>  |
| Teachers                   | -           | 60          |
| Administration and support | 1           | 102         |
|                            | <u>1</u>    | <u>162</u>  |

No employee received remuneration amounting to more than £60,000 in either year.

During the year the key management personnel of the charitable company comprised the trustees. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the charitable company was £14k (2019 - £25k).

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**9. Trustee's remuneration and expenses**

During the year, one trustee has been paid remuneration or has received other benefits from an employment with the company. The value of trustee's remuneration and other benefits was as follows:

|              |              | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|--------------|--------------|----------------------|----------------------|
| Angela Barry | Remuneration | 14                   | 25                   |

During the year ended 31 August 2020, no trustee expenses have been incurred (2019 - £NIL).

**10. Tangible fixed assets**

|                          | <b>Furniture and<br/>equipment<br/>£000</b> | <b>Computer<br/>equipment<br/>£000</b> | <b>Total<br/>£000</b> |
|--------------------------|---|--|-----------------------|
| <b>Cost or valuation</b> |   |  |                       |
| At 1 September 2019      | 5   | 27                                     | 32                    |
| At 31 August 2020        | 5   | 27                                     | 32                    |
| <b>Depreciation</b>      |   |  |                       |
| At 1 September 2019      | 2   | 22                                     | 24                    |
| Charge for the year      | 1   | 5                                      | 6                     |
| At 31 August 2020        | 3   | 27                                     | 30                    |
| <b>Net book value</b>    |   |  |                       |
| At 31 August 2020        | 2   | -                                      | 2                     |
| At 31 August 2019        | 3   | 5                                      | 8                     |

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**Notes to the financial statements**  
**For the year ended 31 August 2020**

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**11. Debtors**

|               | <b>2020</b> | <b>2019</b> |
|---------------|-------------|-------------|
|               | <b>£000</b> | <b>£000</b> |
| Trade debtors | -           | 9           |
| Other debtors | -           | 11          |
|               | <u>-</u>    | <u>20</u>   |
|               | <u>-</u>    | <u>20</u>   |

**12. Creditors: Amounts falling due within one year**

|                                    | <b>2020</b>  | <b>2019</b>  |
|------------------------------------|--------------|--------------|
|                                    | <b>£000</b>  | <b>£000</b>  |
| Other loans                        | 2,807        | 2,807        |
| Trade creditors                    | 45           | 29           |
| Other taxation and social security | 7            | 20           |
| Other creditors                    | -            | 7            |
| Accruals and deferred income       | 6            | 18           |
|                                    | <u>2,865</u> | <u>2,881</u> |
|                                    | <u>2,865</u> | <u>2,881</u> |

Other loans comprises recoverable deficit funding advanced by the Education and Skills Funding Agency.

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**Notes to the financial statements**  
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**13. Statement of funds**

**Statement of funds - current year**

|                                     | <b>Balance at 1<br/>September<br/>2019<br/>£000</b> | <b>Income<br/>£000</b> | <b>Expenditure<br/>£000</b> | <b>Balance at 31<br/>August 2020<br/>£000</b> |
|-------------------------------------|---|------------------------|-----------------------------|---|
| <b>Restricted funds</b>             |   |                        |                             |   |
| General Annual Grant (GAG)          | (2,823)   | -                      | -                           | (2,823)                                       |
| Other DfE/ESFA grants               | -   | 220                    | (166)                       | 54  |
|                                     | <u>(2,823)</u>                                      | <u>220</u>             | <u>(166)</u>                | <u>(2,769)</u>                                |
| <b>Restricted fixed asset funds</b> |   |                        |                             |   |
| Fixed assets                        | <u>8</u>  | <u>-</u>               | <u>(6)</u>                  | <u>2</u>                                      |
| <b>Total Restricted funds</b>       | <u><u>(2,815)</u></u>                               | <u><u>220</u></u>      | <u><u>(172)</u></u>         | <u><u>(2,767)</u></u>                         |

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

General Annual Grant (GAG) was the main source of funding received by the company when it operated as an educational multi-academy trust. This deficit is linked to the other loan balance due to the ESFA, as disclosed in Note 12.

The other DfE/ESFA grants fund comprises government grant income from the Department for Education and the ESFA.

The restricted fixed asset fund is used to keep track of assets that have been funded by government grants.

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**Notes to the financial statements**  
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**13. Statement of funds (continued)**

**Statement of funds - prior year**

|   | <i>Balance at<br/>1 September<br/>2018<br/>£000</i> | <i>Income<br/>£000</i> | <i>Expenditure<br/>£000</i> | <i>Transfers in/out<br/>£000</i> | <i>Balance at<br/>31 August 2019<br/>£000</i> |
|---|---|------------------------|-----------------------------|----------------------------------|---|
| <b>Unrestricted funds</b>                   |   |                        |                             |                                  |   |
| General fund                                | 158   | 3                      | -                           | (161)                            | -   |
| <b>Restricted general funds</b>             |   |                        |                             |                                  |   |
| General Annual Grant (GAG)                  | (6,694)   | 540                    | (524)                       | 3,855                            | (2,823)                                       |
| Other DfE/ESFA grants                       | -   | 1,493                  | (677)                       | (816)                            | -   |
| Other government grants                     | -   | 338                    | (338)                       | -                                | -   |
| Transfer out on academies leaving the trust | -   | -                      | 7,456                       | (7,456)                          | -   |
| Pension reserve                             | (4,594)   | -                      | -                           | 4,594                            | -   |
|   | (11,288)  | 2,371                  | 5,917                       | 177                              | (2,823)                                       |
| <b>Restricted fixed asset funds</b>         |   |                        |                             |                                  |   |
| Fixed assets                                | 11,101  | -                      | (20)                        | (11,073)                         | 8   |
| Transfer out on academies leaving the trust | -   | -                      | (11,192)                    | 11,192                           | -   |
| DfE/ESFA capital grants                     | 135   | -                      | -                           | (135)                            | -   |
|   | 11,236  | -                      | (11,212)                    | (16)                             | 8   |
| <b>Total Restricted funds</b>               | (52)  | 2,371                  | (5,295)                     | 161                              | (2,815)                                       |
| <b>Total of funds</b>                       | 106   | 2,371                  | (5,295)                     | -                                | (2,815)                                       |

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**Notes to the financial statements**  
**For the year ended 31 August 2020**

**14. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

|                               | <b>Restricted<br/>funds<br/>2020<br/>£000</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2020<br/>£000</b> | <b>Total<br/>funds<br/>2020<br/>£000</b> |
|-------------------------------|---|---|--|
| Tangible fixed assets         | -   | 2   | 2  |
| Current assets                | 96  | -   | 96                                       |
| Creditors due within one year | (2,865)                                       | -   | (2,865)                                  |
| <b>Total</b>                  | <b>(2,769)</b>                                | <b>2</b>  | <b>(2,767)</b>                           |

**Analysis of net assets between funds - prior period**

|                               | <i>Restricted funds<br/>2019<br/>£000</i> | <i>Restricted fixed<br/>asset funds<br/>2019<br/>£000</i> | <i>Total<br/>funds<br/>2019<br/>£000</i> |
|-------------------------------|---|---|--|
| Tangible fixed assets         | -   | 8   | 8  |
| Current assets                | 58  | -   | 58                                       |
| Creditors due within one year | (2,881)                                   | -   | (2,881)                                  |
| <b>Total</b>                  | <b>(2,823)</b>                            | <b>8</b>  | <b>(2,815)</b>                           |

**15. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|--|----------------------|----------------------|
| Net income/expenditure for the period (as per Statement of Financial Activities) | 48                   | (2,921)              |
| <b>Adjustments for:</b>  |                      |                      |
| Depreciation charges   | 6                    | 20                   |
| Decrease in debtors  | 20                   | 310                  |
| Decrease in creditors  | (16)                 | (1,290)              |
| Transfer out on academies leaving the trust                                      | -                    | 3,736                |
| <b>Net cash provided by/(used in) operating activities</b>                       | <b>58</b>            | <b>(145)</b>         |

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**Notes to the financial statements**  
**For the year ended 31 August 2020**

**16. Analysis of cash and cash equivalents**

|              | 2020<br>£000 | 2019<br>£000 |
|--------------|--------------|--------------|
| Cash in hand | 96           | 38           |

**17. Analysis of changes in net debt**

|                          | At 1<br>September<br>2019<br>£000 | Cash flows<br>£000 | At 31 August<br>2020<br>£000 |
|--------------------------|-----------------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 38                                | 58                 | 96                           |
| Debt due within 1 year   | (2,807)                           | -                  | (2,807)                      |
|                          | (2,769)                           | 58                 | (2,711)                      |

**18. Operating lease commitments**

The company had no commitments under non-cancellable operating leases at 31 August 2020.

**19. Members' liability**

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

**20. Related party transactions**

Other than the trustee remuneration disclosed in Note 9, the company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the company at 31 August 2020.

**21. Controlling party**

During the year the charitable company was run by the trustees on a day to day basis. Since the changes to trustees in November 2020, the day to day management has been the responsibility of the sole trustee, David Knight.

The controlling parties are deemed to be the three members: Ms. N. King, Mr. G. Pocock and Mrs. R. Barnfield.