

Company Registration No. 07333089 (England and Wales)

**AUDENSHAW SCHOOL ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# AUDENSHAW SCHOOL ACADEMY TRUST

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# AUDENSHAW SCHOOL ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Governors</b>	Mr T Hall (Chair of Governors) Mrs J Saw (Principal and Accounting Officer) Mr K Brown Mr B Atkin Mr B Miller Mrs G Miller Mr N Jackson Ms J Roberts Mr T Gartside Mr W Longden
<b>Members</b>	Mr T Hall (Chair of Governors) Mr B Miller Mr W Thorpe
<b>Senior management team</b> - Principal - Deputy Headteacher - Vice Principal - Vice Principal - Chief Financial Officer	Mrs J Saw Mr K Harrison (resigned on 19 April 2020) Mr P Murphy (appointed on 20 April 2020) Ms K Breakell (appointed on 20 April 2020) Mr I Hilton
<b>Company registration number</b>	7333089 (England and Wales)
<b>Principal &amp; registered office</b>	Hazel Street Audenshaw Manchester M34 5NB
<b>Independent auditor</b>	Haines Watts Bridge House Ashley Road Altrincham WA14 2UT
<b>Bankers</b>	Lloyds Plc 10 Booth Street Manchester M2 4AW
<b>Solicitors</b>	Stone King 13 Queen Square Bath BA1 2HJ

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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

In 2019-20 the trust operated an academy for pupils aged 11 to 16 serving a catchment area of Audenshaw, Denton, Droylsden and Ashton-u-Lyne within Tameside MBC with additional students coming from Openshaw in east Manchester. It had a pupil capacity of 1,050 and a roll of 994 in the school census on 16/10/2019.

#### Structure, governance and management

##### Constitution

The academy 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 academy trust.

The governors act as trustees for the charitable activities of Audenshaw School Academy Trust and are also directors of the charitable company for the purposes of company law. The charitable company is known as Audenshaw School.

Details of the governors who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

The academy has opted into the Risk Protection Arrangement with the Department for Education and has adequate cover in place.

##### Method of recruitment and appointment or election of governors

The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy trust.

The articles of association require that the members of the academy trust shall comprise:

- a. the signatories to the memorandum
- b. one person appointed by the Secretary of State, in the event that the secretary of State appoints a person for this purpose.
- c. the chairman of the governors.

The members may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

The trustees who were in office during 2019/20 are listed on page 1.

##### Policies and procedures adopted for the induction and training of trustees

All trustees and governors are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and governors.

All trustees and governors have access to a range of training programmes.

##### Organisational structure

The organisational structure of the academy consists of two levels: The board of governors and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The academy is governed by the board which delegates functions to the senior leadership team. Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academy.

The board of governors is responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, and senior staff appointments. The governors are responsible for monitoring the performance of the principal and senior leadership team on a regular basis.

The Senior Leadership Team members for Audenshaw Academy are the principal, two vice principals and five assistant principals. These managers control the academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The principal is the accounting officer.

The governors approved a Scheme of Delegation which sets out a statement on the system of internal control, responsibilities and standing orders.

Each committee of the board of governors has a Terms of Reference.

#### Arrangements for setting pay and remuneration of key management personnel

Trustees determine remuneration for the principal through the Principal's Performance Review Committee by performance managing targets set. The Personnel Committee receives reports on performance management from the principal.

The Principal's Performance Review Committee and Personnel Committee makes decisions based upon these reports and the position of senior leaders within their pay bands.

#### Trade union facility time

There has been no facilitated time allocated to union representatives during the period.

#### Related parties and other connected charities and organisations

The academy trust has not transacted with any related parties during the year.

### Objectives and activities

#### Objects and aims

The academy's principal object and activity is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The aim of the academy is to provide a quality education in a caring community based on values of respect, responsibility and resilience and a relentless pursuit of excellence in all that we do.

- by allowing pupils to acquire attitudes and skills which enable them to give purposes to their lives and to make a contribution to the wider community;
- continue to place considerable value on sport and healthy living;
- by maintaining the high academic standards and expectations of the academy;
- by allowing students of all abilities to attain their full potential and develop their own special qualities;
- by providing a challenging and stimulating personalised working environment where no student is overlooked or left behind;
- by providing teaching and learning that is high quality, inspirational and innovative;
- by providing a safe, secure and caring environment in which to work and learn; and
- developing strong links with the community by expecting pupils to value all members of the academy's community and its environment.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Objectives, strategies and activities

The main objectives of the academy during the year ended 31 August 2020 are summarised below:

- Embed the three core values of Respect, Responsibility and Resilience;
- implement a coherently planned Personal Development Learning Journey that develops responsible, active and safe students;
- monitor the uptake and impact of a wide ranging and rich extra-curricular and enrichment programme;
- ensure the importance of attendance permeates through every aspect of school life;
- reduce the amount of serious sanctioning through de-escalation and staff using the behaviour policy most effectively;
- teachers demonstrate a continual commitment to professional development through self-review and reflection;
- maintain an environment that is entirely focussed on improving students' learning experience and outcomes supported by deep dives into subject areas and teacher feedback;
- utilise attitudinal and behaviour data to offer early interventions and bespoke support programme for students who have barriers to learning;
- provide an education that has a positive impact on, and is consistently right for our students;
- continue to review and refine whole-school systems for assessing students' progress (with a particular focus on key stage 3); and
- further increase the proportion of students, including the more able, attaining the highest grades at KS4 so that all students are able to access the most appropriate pathways post-16.

#### Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's objectives and aims and in planning future activities for the year. Given the activities of the academy and the student population that it services, the governors consider that the company's aims are demonstrably to the public benefit.

#### **Achievements and performance**

##### Summary of results in 2020

**\*\*It is important to note that the grades mentioned in this report are Centre Assessed Grades and that any comparison to national data refers to the data from the June 2019 examination series\*\***

##### Performance table – GCSEs 2020

Number of Candidates 180

Achieving 2 or more 9 to 4 grades in English and Maths 85% (88% in 2019, 78% in 2018)

Achieving 2 or more 9-5 grades in English and Maths 66% (63 % in 2019, 55% in 2018)

Average total attainment 8 score per student is 53.07 (54.05 in 2019, 48.8 in 2018)

Progress 8 score – above average at +0.48 (based on 2019 national results) (+0.42 in 2019, +0.04 in 2018)

##### Educational outcomes

At GCSE, Provisional Progress 8 (P8) is +0.48 for 2020 which is a further improvement on 2018 and 2019. The overall progress of our students is well above that of other schools based on the available 2019 comparative.

The impact of this is such that on average every single one of our boys in 2020 achieved the equivalent of seven and a half grades higher than boys of the same ability in other schools compared to the 2019 comparative.

Maths and English continue to both have very strong positive P8 scores. Performance of the in the Ebacc and Open buckets improved further, as did the performance of HAP students.

Progress 8 for Disadvantaged students is +0.16 which is significantly higher than other schools and the national figure of -0.45 in 2019.

9-4 in English and Maths is currently 85%. This is significantly above the average of other schools when compared to the previous year's national data.

9-5 in English and Maths is currently 66%, which is 3% higher than last year and significantly above the previous year's national comparative.

Year 11 achievement is strong in all areas for all ability profiles and for all student characteristics.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Extra-curricular activities

Extra-curricular sports programme continues to be extensive, outstripping all of our rival schools for numbers of participants and level of competition. In addition to the sports achievements documented below there is an extensive schedule of sporting activities available at lunchtime as well as inter-form competitions taking place across all years. There are also a number of Tameside PE Association competitions that we organise or enter in other sports such as: Badminton, table tennis, strongstars, triathlon, basketball and athletics relays.

### Rugby

Over the 2019/20 season over 120 boys represented Audenshaw School at rugby in the traditional September-March season. We were able to complete the entire Saturday and midweek fixture programme. This involved 20 Saturday block fixtures in which 5 Audenshaw teams took part from Y7 to Y11 as well as the Lancashire Schools, NATWEST National Schools and Rugby Sevens and Tens Tournaments at every age group. The list of opponents includes many of the top rugby playing schools in the north of England and are long established in our list. Notable victories for our teams occurred over Manchester Grammar, Stonyhurst College and Bolton School. The U15's team reached the Lancashire cup final and the U16s also made it to the Lancashire plate final. Unfortunately, these two finals were scheduled to take place after the period of school closure due to COVID-19. Individual success was plentiful with 4 Audenshaw Students being selected for Sale Sharks DPD and Lancashire and two of our former students earning or extending their senior professional contracts. Four of our Yr11 students were also offered rugby scholarships at Rishworth School Sixth form. The Audenshaw School Rugby Program was again highlighted as an example of outstanding practice by the Lancashire RFU.

### Football

The Yr 7 and Yr 8 teams reached the County plate final and Tameside final. Due to school closure, these finals were not played and the trophies shared. Our Year 11 team finished their school career with another Tameside Cup. Other year groups remained unbeaten in local competitions but had not reached the final stages before school closures.

Three Yr11 students were selected to play for the Manchester County sides at U16 to compete in their national competition and are still continuing their progression from the ranks of top level football academies to securing professional contracts, including Manchester United, Blackburn Rovers and Stockport County. Several former students are currently plying their trade at Salford City. Audenshaw School continues to be a well-recognised force at local, county and national level.

### Swimming

The Audenshaw Sharks Swimming Team continued to flourish. The Sharks continued with their annual fixtures at QEGS Blackburn, Leeds Grammar and Bolton School amongst others in a transitional campaign. School closure prevented the Tameside competition however 30+ boys were involved in training on a Thursday afternoon at Denton Swimming Pool, working hard to produce another "golden generation" of swimmers.

### Athletics and Cricket

Our Athletics teams continue to compete well during the winter indoor athletics competitions. The year 7 and 8 teams became Tameside champions. The summer athletics season was cancelled due to COVID-19.

The cricket season was completely cancelled due to school closure.

### Interform

Throughout the year until school closure the PE department coordinated an extensive inter-form sports programme engaging more students than ever before. Competitions included: cross country, football, table tennis and rugby.

### Primary festivals

Our programme of Primary Link Festivals continued. The final three competitions had to be cancelled, but, before school closures, festivals were completed in football, tag rugby, indoor athletics, volleyball and hockey. Up to 5 local primary schools were involved in each festival engaging students from years 3-6.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### PE and sport during School closure.

During the period of school closure the PE department worked hard to keep the students active. A booklet of workout routines was created along with a participation log. Students were encouraged to perform a workout each day, record on their log and email to PE staff. Students were rewarded and celebrated for their engagement. In addition to this a weekly sports challenge was set by the PE department which could be attempted several times and the best results sent in. Students were asked to provide evidence via their parents (photos, video, email confirmation etc.), all students entering were rewarded and the top achievers were celebrated. Challenges included: 3k run, timed circuit challenges, garden assault course, skill challenges and fitness tests. In July the PE department hosted a Virtual Sports Day. Students had a week to complete as many of the sporting challenges as possible and the results were sent to the PE department. From this individual and inter-form results were calculated and winners rewarded and celebrated.

During this period the PE department also awarded and publicised the annual "Victor Ludorum" or Sportsman of the year awards based on both sporting involvement and "lockdown" engagement.

#### Music

Summative outcomes continue to be outstanding, that are significantly above national average along with maintaining positive residuals and SPI performance indicators.

The awards evening format and incorporation of termly concerts serve as whole school celebration of achievement along with providing musicians with a wider audience which further demonstrates their dedication, successes and achievements. Due to the ongoing COVID-19 situation the winter awards evening was the only whole school performance opportunity for some of our students.

Subsidiary qualifications such as *Rock and Pop* and ABRSM have proved extremely beneficial to student development and instrumental performance, further supporting Component 1 of GCSE Music. Year 11 students achieving the qualification counted in whole school performance measures. There are a number of KS3 students now sitting instrumental exams that is having a positive impact of GCSE outcomes and cohort numbers.

Disadvantaged students continue to be extremely well supported in instrumental uptake and as a result, has a particularly positive impact on the GCSE cohort. The level of support continues to provide these students with experiences and resources they would not otherwise have access to. GCSE students receive further support through having access to professional accompanists when preparing for public and exam performances further enhancing quality of outcomes and experiences.

The Year 11 cohort of 2019/20 attended the Bridgewater Hall to watch the Halle Orchestra perform as part of the examination preparation.

#### Charity work

Audenshaw School continued with its charity fundraising events such as Christmas Jumper Day, The Chase and Active Audenshaw Day and raised over £942. This was split equally between three charities (chosen by the school council) Magical Moments, Sam's Gift and Save the Children.

In addition, students also donated one tonne of essential food items and Christmas hampers to the Tameside East foodbank.

#### Trips and events

The school ran 12 educational trips before March 2020 closure.

GCSE History students visited the Imperial War museum in London with over 70 students participating over two days.

The English department arranged two theatre shows for their students to see 'A Christmas Carol' and 'Poetry Live' both for GCSE students.

Several trips were arranged to raise aspirations of KS3 students for example students participated in a 'Junior Stretch and Challenge' competition at the Kings College in Chester.

The Language Leaders ambassadors also attended several primary schools to enhance their language skills.

The DT department took year 10 students to a factory to see the process of art and design from start to finish, which they reported back as very beneficial.



# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The school had a further 17 trips planned from March onwards which due to the pandemic had to be cancelled.

These included:

PE - Football trip to Cardiff  
History - Trip to Somme and Dunkirk  
Languages - Trip to Normandy  
Geography - Trip to Snowdonia, Chester Zoo and Field trips

#### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation 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 the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key financial performance indicator:

- Funds available for long term capital investment indicate that the Academy is in a financially low risk position.

#### Financial review

The trust held fund balances at 31 August 2020 of £7,655k, comprising £280k of restricted funds, £9,785k of fixed asset funds, a pension reserve deficit of £2,976k, and £566k of unrestricted general funds.

Most of the trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds (non-fixed assets in the Statement of Financial Activities).

During the year ended 31 August 2020, total expenditure of £5,975k was more than recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period was £382k. This excess is after accounting for a depreciation charge of £367k and movement on the defined pension benefit scheme of £250k.

Following the actuarial loss on defined benefit pension scheme of £859k, the net movement in funds in the year was a decrease of £1,241k.

#### Reserves policy

The academy's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under review.

At 31 August 2020 the academy held free reserves not tied up in fixed assets or designated by the governors of £566k. £280k of restricted general funds is available to be used for the academy's operational activities and development.

During 2019-20, £222k of additions were added to the academy fixed assets register. Due to good in year budget management, Devolved formula capital funding of £21k and an associated insurance claim of £70k there was no requirement to utilise reserves.

The reserves of the academy are reviewed regularly and are considered to be sufficient for the academy's requirements.

#### Investment policy

The academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds.

Current funds are held on a deposit and 32 day savings account.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Risk management

The governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The governors have implemented a Risk Register and a number of systems to assess risks that the school 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. They have systems in place, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with the guidelines issued by the Charities Commission. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

### Principal risks and uncertainties

The academy has undertaken significant work to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the academy's assets and reputation.

Based on the academy's objectives, the resources committee has undertaken a comprehensive review of the risks to which the academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the academy.

The internal controls are then implemented and subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the academy through the risk register.

Outlined below is a description of the principal risk factors that may affect the academy. Not all the factors are within the academy's control. Other factors besides those listed below may also adversely affect the academy.

#### Government funding:

The academy has considerable reliance on continued government funding through the ESFA. In 2019/20, over 99% of the academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

#### Maintain adequate funding of pension liabilities:

The financial statements report the share of the pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 102.

#### Pandemic:

Coronavirus pandemic provided numerous updates to the risk register due to its significant impact on operations, staffing and students. It is monitored through the risk register and several associated regularly updated risk assessments.

#### Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the governors.

#### Plans for future periods

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The academy will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Pupil roll variation

Local authorities have a statutory duty to ensure that there are sufficient school places to meet demand. A review performed by Thameside Local Authority based on: birth rate, in year movement, cohort survival rates, parental preference and planned housing development highlighted significant future surplus demand for student places.

In 2019/20 the year 7 student cohort met maximum capacity of 210 pupils. Given demand, an agreement was reached to provide up to an additional 30 places for year 7 from the 2020/21 year onwards. This would increase the capacity annually going forward to a maximum of 1,200. To facilitate, an area previously used for Sixth form studies (closed in 2018/19) will be converted to meet increased roll.

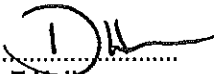
### **Auditor**

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the governors 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.

A resolution proposing that Haines Watts be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 10 December 2020 and signed on its behalf by:



.....  
Mr T Hall  
Chair of governors

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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### Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Audenshaw School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities.

The trust board takes a proactive approach to its review of effectiveness of the board of trustees. With the skills audit completed yearly, this informs the overall skill set of the board and highlights any action for review in respect of skill set. A full review of membership and committees is undertaken at the start of each academic year to ensure the necessary skills set for each board/committee meeting. All meetings are effectively clerked by Trust GS, an external provider. Minutes clearly document actions and priorities clearly. This has resulted in strengthening the skills set of the trust board and its overall effectiveness. Governance is considered as part of the academy trust's annual Self Evaluation Framework; this considers the trusts' governance structure, and this is fully embedded. The delegated authority is clear, and governors understand their responsibilities. The governance framework is considered robust. The last full review took place in March 2020. The trust board has completed the annual skills audit and intends to complete its next full review of governance by March 2021.

The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Mr T Hall (Chair of governors)	4	4
Mrs J Saw (Principal and accounting officer)	3	4
Mr K Brown	1	4
Mr B Atkin	4	4
Mr B Miller	4	4
Mrs G Miller	4	4
Mr T Gartside	1	4
Mr N Jackson	2	4
Mrs J Roberts	3	4
Mr W Longden	4	4

The resource committee is a sub-committee of the main board of governors. Its purpose is to assist the decision making of the board of governors, by enabling more detailed consideration to be given to the best means of fulfilling the board of governor's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring (including audit) and probity. The committee makes appropriate comments and recommendations on such matters to the board of governors on a regular basis. The committee will consider matters as set out in its Terms of Reference or as requested by the board of governors, taking advice as appropriate.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr K Brown (Chair of resource committee)	1	1
Mrs J Saw (Principal and accounting officer)	1	1
Mr T Hall	1	1
Mr B Atkin	1	1
Mrs G Miller	1	1
Mr N Jackson	0	1
Mr W Longden	1	1

School site closure as a result of the COVID-19 pandemic resulted in the cancellation of the resource committee meetings scheduled for 1 April 2020 and 24 June 2020. Regular contact via e-mail communication was maintained in relation to necessary functions such as budget monitoring, tender processes and the risk register. The Budget setting approval for the Financial Year 2020/21 was performed during the resource meeting held 8 September 2020 and the following governing body meeting held 16 September 2020 at the start of the new financial year.

### Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- adhering to financial regulations, required quotations and ordering processes;
- making use of the Schools Resource Management tools
- reviewing and maintaining a contracts register. Savings include refuse collection services, broadband and utilities services; and
- use of central Government initiatives such as the RPA insurance scheme.

COVID-19 and the subsequent partial closure of schools has resulted in the trust honouring a small number of contracts under PPN 02/20 and PPN 04/20 where the trust has received either a reduced service or no service. These were: -

- Examination fees
- Catering contracts

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Audenshaw School Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

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

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### The risk and control framework

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

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

For 2019/20 the board of governors appointed an internal audit service provided by Haines Watts, to provide a detailed inspection of the academy trust's procedures.

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

- budget planning, monitoring and reporting;
- testing of purchasing systems;
- testing of payroll systems;
- testing income processes;
- cash control including bank reconciliations; and
- reviewing catering functions.

On a termly basis the auditor reports to the board of governors, through the resource committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditors have delivered the schedule of work as planned with no issues arising.

The revised FRC Ethical standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. In line with these updates, a tendering process has been performed and the Association of School College Leaders have been awarded the contract for internal audit services for 2020/21.

### Review of effectiveness

As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

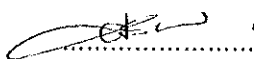
- the work of the internal auditor;
- the work of the external auditor; and
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resource committee to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 10 December 2020 and signed on its behalf by:



Mr T Hall  
Chair of governors



Mrs J Saw  
Principal and accounting officer

**AUDENSHAW SCHOOL ACADEMY TRUST**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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As accounting officer of Audenshaw School Academy Trust, I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



**Mrs J Saw**  
**Accounting officer**

Date: .....10/12/20.....

**AUDENSHAW SCHOOL ACADEMY TRUST**  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The governors (who act as trustees for Audenshaw School Academy Trust and are also the directors of Audenshaw School Academy Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on .....10/12/20..... and signed on its behalf by:

  
.....  
Mr T Hall  
Chair of governors



# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of 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 governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the accounts

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

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

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Use of our report

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

*Haines Watts*

**Candice Beynon FCCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: *10/12/2020*

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AUDENSHAW SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

*FOR THE YEAR ENDED 31 AUGUST 2020*

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In accordance with the terms of our engagement letter dated 12 July 2019 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 Audenshaw School Academy 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 Audenshaw School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Audenshaw School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Audenshaw School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Audenshaw School Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Audenshaw School Academy Trust's funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AUDENSHAW SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy

### 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.

*James Watts*

Haines Watts  
Reporting Accountant

Date: *10/12/2020*

# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	21	21	108
Charitable activities:						
- Funding for educational operations	4	-	5,405	-	5,405	5,568
Other trading activities	5	77	88	-	165	83
Investments	6	2	-	-	2	1
<b>Total</b>		<u>79</u>	<u>5,493</u>	<u>21</u>	<u>5,593</u>	<u>5,760</u>
<b>Expenditure on:</b>						
Raising funds	7	67	-	-	67	59
Charitable activities:						
- Educational operations	8	-	5,542	366	5,908	6,192
<b>Total</b>	7	<u>67</u>	<u>5,542</u>	<u>366</u>	<u>5,975</u>	<u>6,251</u>
<b>Net income/(expenditure)</b>		12	(49)	(345)	(382)	(491)
Transfers between funds	16	-	(199)	199	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	18	-	(859)	-	(859)	(718)
<b>Net movement in funds</b>		12	(1,107)	(146)	(1,241)	(1,209)
<b>Reconciliation of funds</b>						
Total funds brought forward		554	(1,589)	9,931	8,896	10,105
Total funds carried forward		<u>566</u>	<u>(2,696)</u>	<u>9,785</u>	<u>7,655</u>	<u>8,896</u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds £000	General £000	Fixed asset £000	2019 £000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	108	108
<b>Charitable activities:</b>					
- Funding for educational operations	4	-	5,568	-	5,568
Other trading activities	5	83	-	-	83
Investments	6	1	-	-	1
<b>Total</b>		<u>84</u>	<u>5,568</u>	<u>108</u>	<u>5,760</u>
<b>Expenditure on:</b>					
Raising funds	7	59	-	-	59
<b>Charitable activities:</b>					
- Educational operations	8	-	5,760	432	6,192
<b>Total</b>	7	<u>59</u>	<u>5,760</u>	<u>432</u>	<u>6,251</u>
<b>Net income/(expenditure)</b>		25	(192)	(324)	(491)
Transfers between funds	16	-	(79)	79	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	18	-	(718)	-	(718)
<b>Net movement in funds</b>		25	(989)	(245)	(1,209)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>529</u>	<u>(600)</u>	<u>10,176</u>	<u>10,105</u>
Total funds carried forward		<u>554</u>	<u>(1,589)</u>	<u>9,931</u>	<u>8,896</u>


# AUDENSHAW SCHOOL ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		9,785		9,931
<b>Current assets</b>					
Debtors	13	293		176	
Cash at bank and in hand		981		1,160	
		<u>1,274</u>		<u>1,336</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(428)		(504)	
<b>Net current assets</b>			846		832
<b>Net assets excluding pension liability</b>			10,631		10,763
Defined benefit pension scheme liability	18		(2,976)		(1,867)
<b>Total net assets</b>			<u>7,655</u>		<u>8,896</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			9,785		9,931
- Restricted income funds			280		278
- Pension reserve			(2,976)		(1,867)
<b>Total restricted funds</b>			<u>7,089</u>		<u>8,342</u>
<b>Unrestricted income funds</b>	16		566		554
<b>Total funds</b>			<u>7,655</u>		<u>8,896</u>

The accounts were approved by the governors and authorised for issue on 10/12/20 and are signed on their behalf by:

  
 .....  
 Mr T Hall  
 Chair of governors

Company Number 07333089



# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £000	£000	2019 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		19		234
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		2		1	
Capital grants from DfE Group		21		80	
Capital funding received from sponsors and others		-		28	
Purchase of tangible fixed assets		(221)		(203)	
Proceeds from sale of tangible fixed assets		-		2	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			<b>(198)</b>		<b>(92)</b>
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			<b>(179)</b>		<b>142</b>
			<u>          </u>		<u>          </u>
Cash and cash equivalents at beginning of the year			1,160		1,018
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of the year</b>			<b>981</b>		<b>1,160</b>
			<u>          </u>		<u>          </u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

Audenshaw School Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

#### 1.1 Basis of preparation

The accounts of the 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 (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the 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 accounts.

#### 1.3 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.

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

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

##### 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.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### Donations

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

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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 the 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 not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the 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.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 freehold land, at rates calculated to write off the cost of each asset on a straight-line balance basis over its expected useful life, as follows:

Freehold Land and Buildings	2% per annum
Computer equipment	25% per annum
Fixtures, fittings & equipment	10% per annum
Motor vehicles	25% per annum

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

#### 1.9 Taxation

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

#### 1.10 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.11 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 governors.

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

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

#### 1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received are paid and disclosed in note 24.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	21	21	80
Other donations	-	-	-	28
	-	21	21	108

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,884	4,884	5,249
Other DfE group grants	-	496	496	294
	-	5,380	5,380	5,543
<b>Other government grants</b>				
Local authority grants	-	20	20	25
Coronavirus related income	-	5	5	-
	-	25	25	25
<b>Total funding</b>	-	5,405	5,405	5,568

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the academy trust's educational operations

The academy trust received £20,000 from the local authority in the year, being £4,000 pupil premium funding and £16,000 high needs funding.

The academy trust is due to receive £5,000 coronavirus related income post year end.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Insurance claims	-	88	88	-
Other income	77	-	77	83
	<u>77</u>	<u>88</u>	<u>165</u>	<u>83</u>

### 6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Other investment income	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

### 7 Expenditure

	Staff costs £000	Non-pay expenditure		Total 2020 £000	Total 2019 £000
		Premises £000	Other £000		
Expenditure on raising funds					
- Direct costs	-	-	67	67	59
Academy's educational operations					
- Direct costs	3,884	-	201	4,085	4,340
- Allocated support costs	865	684	274	1,823	1,852
	<u>4,749</u>	<u>684</u>	<u>542</u>	<u>5,975</u>	<u>6,251</u>

#### Net income/(expenditure) for the year Includes:

	2020 £000	2019 £000
Fees payable to auditor for:		
- Audit	6	6
- Other services	2	1
Operating lease rentals	13	13
Depreciation of tangible fixed assets	366	432
Net interest on defined benefit pension liability	36	29
	<u>423</u>	<u>481</u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities	2020	2019
All from restricted funds:	£000	£000
<b>Direct costs</b>		
Educational operations	4,085	4,340
<b>Support costs</b>		
Educational operations	1,823	1,852
	<u>5,908</u>	<u>6,192</u>
<b>Analysis of costs</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	3,884	4,086
Staff development	8	7
Technology costs	6	7
Educational supplies and services	77	91
Examination fees	79	86
Educational consultancy	9	9
Other direct costs	22	54
	<u>4,085</u>	<u>4,340</u>
<b>Support costs</b>		
Support staff costs	865	794
Depreciation	366	432
Technology costs	83	84
Recruitment and support	10	12
Maintenance of premises and equipment	123	103
Cleaning	18	17
Energy costs	107	118
Rent, rates and other occupancy costs	45	46
Insurance	19	23
Security and transport	6	9
Catering	30	35
Interest on defined benefit pension scheme	36	29
Legal costs	2	9
Other support costs	100	126
Governance costs	13	15
	<u>1,823</u>	<u>1,852</u>



# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £000	2019 £000
Wages and salaries	3,415	3,566
Social security costs	354	368
Pension costs	929	699
	<hr/>	<hr/>
Staff costs - employees	4,698	4,633
Agency staff costs	51	201
Staff restructuring costs	-	46
	<hr/>	<hr/>
	4,749	4,880
Staff development and other staff costs	8	7
	<hr/>	<hr/>
Total staff expenditure	<u>4,757</u>	<u>4,887</u>

Staff restructuring costs comprise:

Redundancy payments	-	34
Severance payments	-	12
	<hr/>	<hr/>
	-	46
	<hr/>	<hr/>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £nil (2019: £12,000).

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	61	69
Administration and support	40	35
Management	4	3
	<hr/>	<hr/>
	105	107
	<hr/>	<hr/>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	60	68
Administration and support	31	29
Management	4	3
	<hr/>	<hr/>
	95	100
	<hr/>	<hr/>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 9 Staff

##### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	4	-
£70,001 - £80,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

##### Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £273,000 (2019: £241,000).

#### 10 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

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

J Saw (Principal and Accounting officer)

Remuneration: £100,001 - £110,000 (2019: £90,001 - £100,000)

Employer's pension contributions: £15,001 - £20,000 (2019: £15,001 - £20,000)

During the year ended 31 August 2020, no travel and subsistence payments were reimbursed or paid directly to trustees (2019: £nil).

#### 11 Insurance for governors and officers

From 1 September 2019 the academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

**AUDENSHAW SCHOOL ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12 Tangible fixed assets**

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2019	11,100	1,360	980	50	13,490
Additions	-	67	154	-	221
	<u>11,100</u>	<u>1,427</u>	<u>1,134</u>	<u>50</u>	<u>13,711</u>
At 31 August 2020	11,100	1,427	1,134	50	13,711
<b>Depreciation</b>					
At 1 September 2019	1,634	1,248	627	50	3,559
Charge for the year	222	44	101	-	367
	<u>1,856</u>	<u>1,292</u>	<u>728</u>	<u>50</u>	<u>3,926</u>
At 31 August 2020	1,856	1,292	728	50	3,926
<b>Net book value</b>					
At 31 August 2020	<u>9,244</u>	<u>135</u>	<u>406</u>	<u>-</u>	<u>9,785</u>
At 31 August 2019	<u>9,466</u>	<u>112</u>	<u>353</u>	<u>-</u>	<u>9,931</u>

The land and buildings are freehold.

**13 Debtors**

	2020 £000	2019 £000
VAT recoverable	39	59
Prepayments and accrued income	254	117
	<u>293</u>	<u>176</u>

**14 Creditors: amounts falling due within one year**

	2020 £000	2019 £000
Trade creditors	169	137
Other taxation and social security	151	151
Accruals and deferred income	108	216
	<u>428</u>	<u>504</u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 15 Deferred income

	2020 £000	2019 £000
Deferred income is included within:		
Creditors due within one year	45	15
Deferred income at 1 September 2019	15	-
Released from previous years	(15)	-
Resources deferred in the year	45	15
<b>Deferred income at 31 August 2020</b>	<b>45</b>	<b>15</b>

Deferred income as at 31st August 2020 is in relation to rates relief £14,000, LA growth funding £29,000 and Trinity income £2,000.

#### 16 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	278	4,884	(4,683)	(199)	280
Other DfE / ESFA grants	-	496	(496)	-	-
Other government grants	-	25	(25)	-	-
Other restricted funds	-	88	(88)	-	-
Pension reserve	(1,867)	-	(250)	(859)	(2,976)
	<u>(1,589)</u>	<u>5,493</u>	<u>(5,542)</u>	<u>(1,058)</u>	<u>(2,696)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	6,738	-	(210)	-	6,528
DfE group capital grants	3,079	21	(86)	-	3,014
Capital expenditure from GAG	86	-	(60)	199	225
Private sector capital sponsorship	28	-	(10)	-	18
	<u>9,931</u>	<u>21</u>	<u>(366)</u>	<u>199</u>	<u>9,785</u>
<b>Total restricted funds</b>	<b>8,342</b>	<b>5,514</b>	<b>(5,908)</b>	<b>(859)</b>	<b>7,089</b>
<b>Unrestricted funds</b>					
General funds	554	79	(67)	-	566
<b>Total funds</b>	<b>8,896</b>	<b>5,593</b>	<b>(5,975)</b>	<b>(859)</b>	<b>7,655</b>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those which the board of trustees may use in pursuance of the academy's objectives and are expendable at the discretion of the trustees.

The £199k transfer to restricted fixed asset funds from restricted general funds is to meet capital expenditure for which there was no specific capital funding in the year.

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

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	363	5,249	(5,255)	(79)	278
Other DfE / ESFA grants	-	294	(294)	-	-
Other government grants	-	25	(25)	-	-
Pension reserve	(963)	-	(186)	(718)	(1,867)
	<u>(600)</u>	<u>5,568</u>	<u>(5,760)</u>	<u>(797)</u>	<u>(1,589)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	6,876	-	(138)	-	6,738
DfE group capital grants	3,300	80	(294)	(7)	3,079
Capital expenditure from GAG	-	-	-	86	86
Private sector capital sponsorship	-	28	-	-	28
	<u>10,176</u>	<u>108</u>	<u>(432)</u>	<u>79</u>	<u>9,931</u>
<b>Total restricted funds</b>	<u>9,576</u>	<u>5,676</u>	<u>(6,192)</u>	<u>(718)</u>	<u>8,342</u>
<b>Unrestricted funds</b>					
General funds	<u>529</u>	<u>84</u>	<u>(59)</u>	<u>-</u>	<u>554</u>
<b>Total funds</b>	<u>10,105</u>	<u>5,760</u>	<u>(6,251)</u>	<u>(718)</u>	<u>8,896</u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	9,785	9,785
Current assets	498	776	-	1,274
Creditors falling due within one year	68	(496)	-	(428)
Defined benefit pension liability	-	(2,976)	-	(2,976)
<b>Total net assets</b>	<b>566</b>	<b>(2,696)</b>	<b>9,785</b>	<b>7,655</b>

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	9,931	9,931
Current assets	1,058	278	-	1,336
Creditors falling due within one year	(504)	-	-	(504)
Defined benefit pension liability	-	(1,867)	-	(1,867)
<b>Total net assets</b>	<b>554</b>	<b>(1,589)</b>	<b>9,931</b>	<b>8,896</b>

### 18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £66,000 (2019: £55,000) were payable to the schemes at 31 August 2020 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Pension and similar obligations

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £586,000 (2019: £447,000).

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.1% for employers and between 5.5% and 12.5% for employees. The estimated value of employer's contributions for the period to 31 August 2021 will be approximately £136,000.

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.

<b>Total contributions made</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	129	110
Employees' contributions	50	44
	<hr/>	<hr/>
Total contributions	179	154
	<hr/>	<hr/>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020 Years	2019 Years
Retiring today		
- Males	20.5	20.6
- Females	23.1	23.1
Retiring in 20 years		
- Males	22.0	22
- Females	25.0	24.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

#### Sensitivity analysis

Changes in assumptions at 31 August 2020	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	802
0.5% increase in the Pension Increase Rate	11%	707
0.5% increase in the Salary Increase Rate	1%	80

The academy trust's share of the assets in the scheme	2020 Fair value £000	2019 Fair value £000
Equities	2,441	2,123
Bonds	574	468
Cash	323	281
Property	251	249
Total market value of assets	3,589	3,121

The actual return on scheme assets was £347,000 (2019: £140,000).



**AUDENSHAW SCHOOL ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**18 Pension and similar obligations**

<b>Amount recognised in the Statement of Financial Activities</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Current service cost	343	228
Past service cost	-	39
Interest income	(57)	(82)
Interest cost	93	111
	<u>379</u>	<u>296</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2019	4,988	3,843
Current service cost	343	228
Interest cost	93	111
Employee contributions	50	44
Actuarial loss	1,149	776
Benefits paid	(58)	(53)
Past service cost	-	39
	<u>6,565</u>	<u>4,988</u>
At 31 August 2020		
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2019	3,121	2,880
Interest income	57	82
Actuarial gain	290	58
Employer contributions	129	110
Employee contributions	50	44
Benefits paid	(58)	(53)
	<u>3,589</u>	<u>3,121</u>
At 31 August 2020		

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(382)	(491)
Adjusted for:		
Capital grants from DfE and other capital income	(21)	(108)
Investment income receivable	(2)	(1)
Defined benefit pension costs less contributions payable	214	157
Defined benefit pension scheme finance cost	36	29
Depreciation of tangible fixed assets	366	432
(Increase) in debtors	(117)	(4)
(Decrease)/increase in creditors	(75)	220
<b>Net cash provided by operating activities</b>	<u>19</u>	<u>234</u>

### 20 Analysis of changes in net funds

	1 September 2019 £000	Cash flows £000	31 August 2020 £000
Cash	<u>1,160</u>	<u>(179)</u>	<u>981</u>

### 21 Commitments under operating leases

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

	2020 £000	2019 £000
Amounts due within one year	13	13
Amounts due in two and five years	26	39
	<u>39</u>	<u>52</u>

### 22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year, other than certain Governors' remuneration already disclosed in note 10.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### **23 Members' liability**

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

### **24 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £nil (2019: £4,007) and disbursed £nil (2019: £4,007) from the fund in the period. The balance carried forward as at 31 August 2020 is £nil.

