

REGISTERED COMPANY NUMBER: 07401701 (England and Wales)

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 AUGUST 2020

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FORT PITT THOMAS AVELING ACADEMIES
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members	Graham Cottle	(appointed 03.03.2020)
	Amanda Sutton	
	Paul Snook	(appointed 02.03.2020)
	Trovane Hartley	(appointed 10.12.2019)
	Nichola Moy	(resigned 21.02.2020)
	Kyle Rogers	(resigned 10.12.2019)
	John Mount	(resigned 10.03.2020)
Trustees	Kathy Sexton	(appointed 02.04.2020)
	John Mount	(appointed 10.03.2020, resigned 18.09.20)
	Patricia Daniels	
	Christopher Sanford	(appointed 31.03.2020)
	Veenod Rama (Chair)	
	Emma Day	(appointed 10.12.2019)
	Benjamin Streets	
	Sidrah Ahmed	(appointed 12.07.2020)
	Richard Smith	
	Lawrence McVeigh	
	Kirstie Cuthbert	
	Graham Cottle	(resigned 02.03.2020)
	Denise Ford	(resigned 14.05.2020)
	Roger Brown	(resigned 17.02.2020)
	Cordelia Osewa-Ediae	(appointed 03.11.2020)
	Barry Symons	(appointed 27.11.2020)
	Paul Jackson (ex officio)	Executive Head Teacher and Accounting Officer (resigned 31.12.19)
Andrew Minchin (ex officio)	Executive Head Teacher and Accounting Officer (appointed 01.01.20)	
Senior Management Team	A Minchin	Executive Head Teacher and Accounting Officer (appointed 01.01.2020)
	S Rayner	Chief Finance Officer
	P Jackson	Head Teacher (formerly EHT resigned 31.12.2019)
	P Sears	Head Teacher
	K Parnell	Head Teacher (resigned 19.04.2020)
	N Archer	Head Teacher
	S Quenby	Head of School
Z Mayston	Head Teacher (appointed 20.04.2020)	
Company Name	Fort Pitt Thomas Aveling Academies	
Principal and Registered Office	Fort Pitt Grammar School Fort Pitt Hill Chatham Kent ME4 6TJ	
Registered Company Number	07401701	
Independent Auditor	Ashley Phillips FCCA McCabe Ford Williams Bank Chambers, 1 Central Avenue Sittingbourne Kent. ME10 4AE	

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Natwest, 148 High Street, Chatham, Kent
Lloyds Bank, 142-146 High Street, Chatham, Kent
Santander, 227-229 High Street, Chatham, Kent, ME4 4YJ
The Co-operative bank, 26 Military Road, Chatham, Kent, ME4 4JX

Member Schools

Fort Pitt Grammar School
Thomas Aveling School
The Robert Napier School
Phoenix Junior School
Balfour Junior School

Other Addresses

Fort Pitt Grammar School
Fort Pitt Hill
Chatham
ME4 6TJ

Thomas Aveling School
Arethusa Road
Rochester
ME1 2UW

The Robert Napier School
Third Avenue
Gillingham
ME7 2LX

Phoenix Junior School
Glencoe Road
Chatham
ME4 5QD

Balfour Junior School
Balfour Road
Chatham
ME4 6QX

Websites

www.fortpitt.medway.sch.uk

www.thomasaveling.co.uk

www.robertnapier.org.uk

www.phoenixjuniors.co.uk

www.balfourjuniorschool.org.uk

A list of personnel who make up each Local Governing Body can be found by visiting each of the above websites.

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

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

The academy trust operates two primary and three secondary academies in the Medway Towns. Its academies had a combined pupil capacity of 3,600 (including notional PAN for 6th forms), and had a roll of 3,674 (May 2019: 3,596) in the school census in January 2020, there was no census for the Summer due to the Coronavirus pandemic.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity incorporated on 8 October 2010. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Fort Pitt Thomas Aveling Academies are also the directors of the charitable company for the purposes of company law. The charitable company is known as Fort Pitt Thomas Aveling Academies (company number 07401701). Individual academies within the multi academy trust operate as:

Fort Pitt Grammar School
Thomas Aveling School
The Robert Napier School
Phoenix Junior School
Balfour Junior School

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

Members' liability

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

Trustees' indemnities

Subject to the provision of the Companies Act 2006, the Trust intends to maintain trustees' and officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in connection with their acting in their capacity as directors of the trust – since April 2020 cover provision for Governors and Trustees of the MAT are included under the ESFA RPA scheme.

Method of recruitment and appointment or election of new trustees

The Board identifies potential new trustees, ensuring that the skills and experience of new trustees complement those of the existing board. The board continues to aim to be fully diverse. The board is currently engaged to undertake a board development programme under the supervision of the National Governance Association.

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 53, the academy trust shall have the following trustees:

- Up to 7 trustees, appointed under Article 50; and
- The Chief Executive Officer if appointed under Article 57; and
- A minimum of 2 Parent Trustees elected, however in Article 53 this requirement is overcome by having parent trustees on the Local Governing Bodies.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Policies and procedures adopted for the induction and training of trustees

The Trust subscribes to 'Governance Connected', 'National Governance Association Learning Link', and 'The Key for School Governors' Training Packages and all courses and induction programmes are available to Trustees and Governors.

Organisational structure

As a multi-academy trust, the trustees are at the head of the organisational structure. They are responsible for the appointment of each Local Governing Board and have overall responsibility for academic achievement, setting policy and the running of the Trust Schools, setting strategic direction and managing the overall resources for the delivery of the academy trust's aims and objectives.

Andrew Minchin, Executive Head Teacher, who is the Accounting Officer for the Academy Trust, has overall management responsibility for the Trust and is accountable to the trustees. The Trust has overall responsibility for setting the Academies' budgets and for ensuring the Trust Schools are managed effectively and achieve best value. The trustees and the Executive Head Teacher devolve the day to day management of each school to the Local Governing Board and Head Teacher. Communication between the board of trustees and the individual schools' Local Governing Bodies is enabled by subscription to the web based platform, 'Governor Hub', Chair's forum and perusal of meeting minutes and relevant documents. Chairs of local governing bodies are invited to attend at least one Trust Board meeting a year to discuss their school.

The Head teachers of the Trust Schools are supported in the management of the school by their senior leadership teams. The Head teachers and senior leadership teams are collectively responsible to the Executive Head Teacher for the overall management of the Trust Schools, setting the curriculum, embedding teaching and learning and the planning and use of assets and financial resources. Management responsibility is further delegated to Heads of Subject leaders and Phase leaders for accounting to the senior leadership teams and the Head teachers for student and teacher performance. At the executive level, the five Head teachers and Trust Chief Finance Officer meet six times a year to coordinate their approach to individual schools, and overall trust improvement and to support and challenge each other.

During the year 2019/20 the trustees have continued to make significant progress in their desire to work collaboratively, harmonise aims, policies and procedures of the five schools whilst maintaining each schools own "personality" with a shared ethos of one Vision, One Trust and One family of schools. The trustees agree the Strategic Priorities and monitor the Trust Improvement Plan which is the main instrument of improvement for the schools and each school then incorporates aspects of this in their own School Improvement Plans.

Arrangements for setting pay and remuneration of key management personnel

The trust has a full Performance Management Policy which clearly sets out the processes and standards to be met when reviewing the pay of all members of the management of the trust. Challenging targets are set by the trustees and/or The Executive Headteacher together with the Local Governing Body, these are monitored in March with a full review taking place in October of the following year. An appointed Pay Panel deals with the reviews. Recommendations are made to the full Board of Trustees who make the final remuneration decision. When making their decisions they take into account the circumstances of the school, the various responsibilities of the people being appraised and value for money. These are made in accordance with the trust main pay policy.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	6.5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1% - 50%	6
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£2,392
Provide the total pay bill	£17,731,072
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.01%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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Related parties and other connected charities and organisations

Primary schools within the academy trust have parent/teacher associations. These organise events and provide refreshments at school events to raise funds to provide facilities for the pupils of those schools.

Engagement with employees (including disabled employees)

The Trustees ensure that communication to employees is frequent and support the flow of information on matters that concern employees. This has been particularly relevant in a year where the impact of the Covid pandemic and effects on the operations of the school's within the trust have been far and wide across the employees. Human Resources information and the need to communicate support and advice around shielding has been critical to the business. Trustees of the trust have been fully involved in the decision to take a supportive stance toward employees in time of uncertainty.

During the year the Trustees have ensured the Executive board consulted employees on a range of workforce and wellbeing matters. Phoenix Junior School has led the way on this with their 'Nourish the Workplace' award.

Trustees and the Executive Headteacher have undertaken the initial stakeholder analysis for Trust's brand development and 5-year Strategic Plan and will be seeking further input from employees, student, parents and local governors.

All School in the Trust take a proactive role in contributing to the School improvement plan and Headteachers regularly seek feedback from staff on these. In the current year specific engagement was necessary on 'Covid Secure' planning, risk assessments and preparations for reopening the schools following the lockdown.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Engagement with employees (including disabled employees) - continued

All staff across the organisation engage in the Trust's performance through their own performance management and appraisal process. Moving forward this will be enhanced by the Trustees with the wider strategic planning process referred to above, ensuring every employee is contributing to the wider performance of the Trust.

The Trust is proud to have two High Needs units within its schools catering for vision-impaired and hearing-impaired students. As a result of this the Trust has gained valuable experience in understanding and catering for the needs of disabled persons and actively supports applications of disabled employees for posts within the Trust. Equal opportunity and career development are standard practice across the trust and equally supported for all employees.

Engagement with suppliers, customers and others in a business relationship with the trust

The Trustees of the trust take an active interest in the development and outcomes of the students within the individual schools of the trust and through delegated responsibility to local governing boards actively seek through regular site visits to promote engagement with students as the key customers of this service.

Effective relationships with suppliers have been at the forefront of the work of the Executive Headteacher and the Chief Finance Officer as well as school leaders and this has yielded positive results in a number of areas for those involved particularly at secondary school level through enhanced careers support from a range of local and national businesses.

Trustees have encouraged Executives to take a proactive involvement in building relationships that support the core purpose of the business. This has resulted in improved relationships with Medway Local Authority and the Regional School Commissioner office and through the work of the Executive Headteacher there have been strong relationships developed with local Multi-Academy Trusts.

FORT PITT THOMAS AVELING ACADEMIES
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

Objects and aims

The Fort Pitt Thomas Aveling Academies' aims as set out in the governing document are specifically restricted to the following: "to advance education for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the trust schools offering a broad and balanced curriculum". The aim of the academy trust is to strive to provide outstanding educational opportunities and achievement, raising attainment and achieving high standards of performance. The academy trust currently includes one junior academy school which caters for ages 7 to 11, one academy primary school which cater for ages 5 to 11 and three academy secondary schools which cater for ages 11 to 19.

Objectives, strategies and activities

The main objectives for the 2019/20 accounting period have been;

- Raise the achievements of all students in all schools.
- Raise the aspirations of students.
- Ensuring excellent behaviour.
- Continuing to deliver 'best value' for stakeholders.

Core Values of the Trust: every child deserves the best possible education and to attend an outstanding school, every staff member deserves challenge and outstanding support to enable them to perform to the best of their abilities every individual is provided with opportunities to be the best they can be.

The Trust's aims are to ensure that all children within our schools gain a first-rate education, develop the skills necessary for the next stage in their lives and equip them with the personal values and attributes that will make them successful in a fast changing world.

These form the basis of the Trust Improvement Plan which specifies particular actions required to achieve these objectives and the process of monitoring their implementation. Each school then develops its own Improvement Plan linked to the Trust Improvement Plan which in turn is linked to the Trust Strategic Priorities. The Local Governing Bodies (LGB) and trustees regularly review the progress of these plans with overall responsibility for day to day management being undertaken by the Executive Head Teacher who meets regularly with the Head Teachers, takes part in Quality Assurance in each school and attends exam and target setting meetings. Key performance indicators are generated for each school and these include expectations in regard to examinations, attendance, behaviour and also OFSTED outcomes – currently 4 schools graded at least Good with a primary school graded Requiring Improvement.

Public benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that they have set.

The public benefit of Fort Pitt Thomas Aveling Academies is the advancement of education within the local community.

Social investments

The trustees recognise that equal opportunities are an integral part of good practice within the workplace. The trust aims to establish equality of opportunity in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued.

The Trust supports the involvement of the wider community within the school community by establishing strong links with neighbours, local churches, clubs and organisations.

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REPORT OF THE TRUSTEES
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STRATEGIC REPORT

MAT LEADERSHIP

During the year there has been a change of Executive leadership with Andrew Minchin taking over as Executive headteacher with effect from 1st January 2020 and leading the development and implementation of the Trust's Strategic plan.

ACHIEVEMENTS AND PERFORMANCE

In the first half of the year the focus of the Trust was on an effective handover in Executive leadership and greater alignment on Trust wide teaching and learning strategies and quality assurance systems. There has been a solid focus on driving greater alignment across the Trust. After Phoenix Junior School (now Primary School) received an 'Requires Improvement' Ofsted judgement, a significant amount of support was put in place from other Trust schools to support the rapid improvements.

Impact of COVID-19

The educational landscape then became very turbulent during the start of 2020 with a rapid rise in staff absences and then shortly following that the COVID-19 national lockdown which impacted on all schools in the country. The Fort Pitt Thomas Aveling Academies (The Trust) has been fully engaged in supporting the schools within the MAT during the period of the initial national lockdown from 23 March 2020 and in its ongoing response to COVID-19 with due reference to government guidelines and organisational risk management.

The Trust has coped well to support its students as best they have been able to with a mixed range of educational support activities including practical work setting, pod casts, educational learning platforms and employment of on-line teaching aids via Microsoft Teams and other forums where possible.

It has been a very difficult period which we are immensely proud of the staff and the way that they responded to support the students and community where possible. Many volunteering to support key workers and vulnerable children from the onset of the national lockdown.

During the initial period of lock-down the schools subscribed to an on-line nationally run process as a means to distribute Free School Meal vouchers to its vulnerable students for the initial two-week period. Subsequently to this the Trust engaged in the DfE voucher scheme that was established to distribute FSM vouchers during the pandemic.

The schools across the Trust remained open to children of key workers and vulnerable students through the lockdown and during holiday periods in line with government directives. School's remained closed to all other students. This has had a considerable impact on the manner in which the schools within the trust have been able to educate their respective students and the withdrawal of exam-based year-end assessment. This placed additional pressures on the schools to ensure the most fair and accurate reflection of the learning outcomes for those students affected so that this had the minimal adverse impact as possible on their future opportunities.

During the summer break the schools received additional IT equipment that the government promised in May. This has been subsequently distributed to disadvantaged students. This has helped ease the situation for small number of the trust's disadvantaged pupils and it is hoped that further equipment will be made available for distribution in order to broaden student ability and opportunities to access essential online teaching resources and support.

The schools within the trust began the gradual return of students back to school in June, with respect for parental choice to continue to home educate students in the short term during the period of uncertainty and anxiety.

During this time only one isolated incident of infection occurred and the essential response to close the bubble group and deep clean facilities was undertaken with no further spread due to the social distancing planning that the Trust had put in place during the period of partial opening.

All schools were returned to varying capacity during July until the end of term.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE – continued

In the intervening period until the end of August and start of the new year, the trust has developed a COVID-19 policy and procedures including associated risk assessment tools which have then been further personalised for each school setting.

The school sites have been individually reviewed and all facilities and rooms were risk assessed and reorganised to incorporate the School based COVID secure protocols to maximise the safety of both students and staff, while at the same time opening to all students and providing as wide a curriculum as is possible.

These have been reviewed regularly as part of an ongoing self-review process and in line with changes to Government guidelines issued.

Initiatives employed by the schools have included preparation and investment in segregated areas of the site to accommodate bubble groups of pupils. These programmes have included installation of Canopies and seating areas during the summer term break in order to provide sheltered areas for student groups at break and lunch.

Where appropriate clear Perspex screens have been installed as a further measure to protect staff in specific areas of the site including reception and other dedicated areas.

Protocols to manage student and visitor access and egress from the site have been reviewed and additional staff engaged at key areas to try to ensure safe entry and exit from the site and that social distancing measures are observed.

Hand sanitizers were in installed and are located at the entrance to each rooms and key areas of the site.

The trust is taking steps where possible to ensure that as far as possible the apprenticeships continue to be supported across the trust and that apprentices remain on track to complete their course and gain a valuable qualification.

As part of the ongoing review and reference to Government guidelines, students and staff at the secondary schools within the trust are now presently required to wear masks when migrating between rooms inside the premises and visitors are required to wear masks on entering the site at reception.

Strategic work continued throughout lockdown and improvements in relationships with the Trust's key external stakeholders. The schools also took the opportunity to invest in the fabric of the premises during the lockdown period.

The first three months of the current financial year have been a very difficult period of time and variable self-isolation of both staff and students in response to positive tests have been extremely difficult to manage and has necessitated varying degrees of response from select groups to whole year bubbles and ultimately school closure to permit the recovery of the staffing back to normal numbers. This has caused ongoing disruption to daily routines and lesson plans and has necessitated a very fluid process of education. Various year group bubbles have been isolated during the period up to December and two schools have sadly been forced to close briefly due to significant staff shortages and student isolations. The impact on the workforce is considerable and the schools are doing all that they can to manage the well-being and anxiety levels of the staff.

It is expected that this will continue for the foreseeable future until at least Easter when it is hoped that the advent of a mass anti-virus programme will help to address the situation.

Employment of the COVID-catch up grant will be the responsibility of each school to utilise to the maximum benefit of its students. The grant scheme details will be published on the school's websites. The first term has been about re-engaging students and building up an understanding of the gaps in educations. Each local governing body has been tasked with scrutinising this impact of the spend.

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REPORT OF THE TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE – continued

Fort Pitt Grammar School

Students continued to secure excellent outcomes this summer, despite the challenging situation. At GCSE level the percentage of 9-7 grades at GCSE increased to 52% and at 9-5 to 88%.

At A level, there was a pass rate of 100 % A*-E, with 62% of the centre assessed grades at A* - B. The retention rate of students has continued to remain very strong, and destinations have once again improved this year with a higher proportion of students entering high quality universities, including both Oxbridge, and top Russell Group and international universities.

Following a thorough evaluation, the school is currently consulting on increasing the PAN from 120 to 150. Medway Council wholeheartedly support the plan, the growth ensures the school remains economically viable and ensures that even more local children can experience an exceptional education at Fort Pitt. Capital funding has focused upon the completion of an accurate site survey. This will enable the school to devise an over-arching strategic plan of building works going forward.

Fort Pitt's financial position continues to build towards future sustainability and growth, with the Executive Business Manager and Headteacher working towards delivering a breakeven budget. The age of the site has continued to result in several one-off costs occurring, such as new boilers and roofing. The school very much focuses on ensuring excellent value in everything that they do. The School has set a balanced budget for the next financial year.

The Thomas Aveling School

Thomas Aveling students performed very well in 2020 and posted another respectable set of results with 73% of students gaining grade 4 in both English and Maths and 36% gaining grade 5 in the same measure. These results were based on the improved performance of Year 11 in their January and March mock exams showing that there an expectation on increased outcomes in the Summer. The progress 8 score for the school of +0.56 would make it a top 5% school in the country for progress across 8 key subjects. At A level almost 100% of students passed their courses with an average overall grade of a C+. Academic performance was up slightly on the previous year as was vocational achievement.

The Thomas Aveling school recorded a deficit position during the year to 31 August 2020. This resulted from a Revenue transfer to Capital in respect to a major capital project undertaken during the year. The Thomas Aveling School managed its finances efficiently during the year despite a challenging year of increased staffing costs and greater levels of uncertainty over pension and salary grants that were announced within the year. Great use of the resources the school was maintained with an increase in letting income being made and the reduced outlay on general maintenance costs as site staff become more skilled in general works needed. A significant investment was approved by the board, using current school reserves, to allow for a vast canopy to be installed (with additional significant ground works) to provide an "indoor" space for children to use at breaks and lunchtimes. This has transformed the facilities of the school and for the first time, students can sit, chat and eat in a relaxed environment no matter what the weather. The School has set a balanced budget for the next financial year.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE – continued

The Robert Napier School

A major change in the year was the promotion of the Headteacher to Executive Headteacher and the Trust's decision to put in place a Head of School post that was filled by the incumbent Deputy Headteacher.

In 2020 the school's performance made significant improvements at Key Stage 4 and Key Stage 5. At Key Stage 4 the performance improved with 44% of students gaining a grade 4+ in Maths and English and provisional (internal) Progress 8 score of +0.06. This performance was in line with expected based on Mock performances in December and February 2020.

At A level 100% of students passed their courses with an average overall grade of a C+. Academic performance was up slightly on the previous year as was vocational achievement. The school has continued to make use of the £16,000 from the DfE Improvement Support Fund which will be used to continue the improvement in Key Stage 5 with use of support from our local Teaching School Alliance but this has proved difficult in the year and the DfE agreed to transfer funding to 2020-21. Improvements have continued and together with the additional works completed to the sixth form centre recruitment and retention into sixth form has been successful which will benefit future accounting years in terms sustainability and growth in income.

The school continues to work on its financial recovery plan which was hampered due to a drop in Sixth form income. A deficit budget was set for the year but the actual recorded deficit has been significantly less than budgeted due to prudent expenditure on resources. There were last minute teaching cost savings made which could have resulted on the deficit being reduced further but these were counterbalanced by significant supply staff cost in the period January to March 2020. The school has carefully managed its procurement contracts throughout Covid lockdown as part of a prudent approach to its finances.

There was significant capital and maintenance investment in the SEN accommodation during the year from the local authority in return for taking a bulge year class in year 7. Additionally, the school made an urgent investment in outdoor canopy space to support the Covid secure plans for 2020-21 from the trust capital fund. The School worked hard throughout the course of the year to be in position to set a balanced budget for 2020-21 and continue towards deficit recovery beyond that.

Phoenix Junior Academy

Phoenix opened in September as an all through primary school, enjoying a better than expected applications in the new year R class, the rest of the school's cohorts remain stable. Building work continued over the summer and is now complete for the new external Year 1 covered play area with further work planned for next summer in preparation for the school's further expansion.

At the last Ofsted Inspection (Dec 2019) the school were graded as 'Requires Improvement' and we acted quickly and set about strategically putting in place procedures, training, and support to reverse this decision. This has included additional trust support in key areas of learning, closer collaboration and scrutiny between the trust, governing body and the school. There is now in place a new curriculum and planned scrutiny has been calendarised. Teaching and learning is swiftly becoming aligned with the trust direction with checks and balances in place to ensure quality of education.

The school was fully staffed with strong attendance throughout the school with long term absences minimal and covered in all areas. All classes have a capacity of 30 and have an allocated Teacher and TA to support. To strengthen the development of the quality of education across the school and EYFS we recruited an experienced Deputy Headteacher from January 2020.

As with all schools Phoenix had to adapt through the pandemic and at the point of lockdown the attendance was 95.2%. The School remained open throughout to vulnerable and key worker children. Behaviour around the school remained good throughout the year and we have had two exclusions last year totalling two and a half days. There were no SATs this year although TA based on work and in-house testing showed the children were broadly in line with expectations.

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REPORT OF THE TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE – continued

Phoenix Junior Academy - continued

Phoenix budgeted for an in-year deficit for the year based on a considered decision to use a small element of reserves in order to maintain focus on small class sizes and interventions throughout the school and to accelerate the progress of pupils entering the school with lower than expected KS levels of attainment. The actual financial position was more favourable than budget due to careful management of expenditure throughout the pandemic and this has enabled the School to set a balanced budget for the forthcoming financial year.

Balfour Junior Academy

The academic year 2019-20 saw Balfour benefitting from its third year of becoming a well-established member of the FPTA Academy Trust, with opportunities to build upon and strengthen the cross-trust work that had taken place previously. One of the most successful initiatives was the development of a common language for Teaching and Learning through the introduction of the 6 pillars of the Teaching Charter.

Although the year started positively, the emergence of the global COVID-19 pandemic and subsequent partial school closure presented a unique set of challenges for the second half of the year. There was also a change of leadership from the start of the summer term, with a new Headteacher appointed and in post after the Easter break. One impact of the pandemic was the government's decision to cancel the KS2 SATs which would have taken place in May. However, the teacher assessments undertaken in February indicated that 65% of pupils were working at the expected standard, with 5% working at Greater Depth. This suggests that pupils were on track to match or exceed the previous year's results by the end of the summer term.

Following the use of significant funds made available by FPTA to re-structure and refurbish the school during the 2018-19 academic year, the need to access capital funding has been minimal this year. The school has however benefited from capital funding to improve site security with an automated pedestrian gate.

The school remains in a healthy financial position with a small surplus recorded at year end and Key Performance Indicators show that the school is broadly in-line with expectations of schools of a similar size. The Trust continues to provide central services through a number of contracts and SLA's and these continue to be reviewed to identify any further savings that can be made through central procurement. The School has set a balanced budget for the next financial year.

Trust Finances – Summary 2019/20

The cumulative consolidated financial position of the trust remains in surplus at the end of the year 2019/20 despite what has been a challenging year during the COVID-19 pandemic, Executive leadership transition and lengthy contractual negotiations with our outgoing caterers. Although there was a sizeable deficit budget set, the Trust finished the year in a much stronger position than budget and this has helped achieve a forward balanced budget across the Trust for 2020-21.

The Trust worked hard during the year under difficult circumstances to explore further opportunities to deliver costs savings across the Trust. In April 2020 the Trust joined the RPA insurance scheme and pooled resources through a trust-wide waste collection agreement. Further opportunities to pool and consolidate heating management programme via centralisation contracts is presently being explored. In April 2020 the Trust served notice to the catering contractors and the contract was moved to an alternative service provider to commence in September 2020. This was a disappointing but necessary outcome following considerable endeavours by the trust to resolve issues in the delivery of the service to the level expected by the trust. The new catering provider will take up the investment in facilities during the year and has agreed to make further capital investment in the point of sale facilities at all of the schools in the Trust.

The reserves held by the MAT at the end of the year are currently intended for use against potential Trust-wide liabilities arising in the short term and to provide funds to enable a restructure and key central support to schools within the MAT. The situation will be monitored and regularly reviewed by trustees and any unutilised or surplus to needs funds will be distributed back to the schools on an equitable basis at an appropriate time as determined by the perceived risks and needs of the trust prevailing at the time.

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE – continued

Trust Finances – Summary 2019/20 - continued

Financial recovery in two secondary schools has been difficult and slower than hoped and has taken time for the effects of two under-pan year groups to work through one of these, however future economic benefit will be realised from lagged funding of the continued increase in student numbers together with further bulge year intake. As noted two of the schools within the trust are presently at various stages of a financial recovery, the financial reserves across the trust remain healthy to support this.

Continuation of pay and pension grants was welcome during the year and it is understood that these will be embedded into future funding calculations rather than as separate funding grants and it is hoped that this is not to the detriment of the aggregate of sums received to date.

Further tangible operational and financial benefits have been delivered through the centralised finance team by way of a centrally negotiated waste collection agreement and further changes are under review, including management of utilities and associated service contracts across the trust.

Changes to the national funding formula implemented during the year provide much needed financial support to those schools within the trust that had previously been underfunded in their endeavours to deliver a high quality education against a backdrop of high disadvantage and demanding needs.

Key financial performance indicators

	31.8.20	31.8.19
Total expenditure on operations per pupil enrolled	£6,391	£6,238
Teaching and educational support staff costs as a percentage of DfE/ESFA revenue	78%	77%
Total staff costs (excluding supply) per pupil enrolled	£5,024	£4,864
Teaching and educational support staff costs as a percentage of total revenue and other government grants	77%	76%
LGPS deficit per pupil	£3,179	£3,479

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. The academy trust has a good pupil base and generally the schools are oversubscribed. The level of overall balances remains healthy and for this reason the trustees continue 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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE – continued

Promoting the success of the company

All schools in the Trust have strong communication platforms in which to promote successes of the Schools and they take every opportunity to do so through newsletters and social media. The Trustees encourage and support this and have plans to develop this further with a wider focus on a Trust wide communication strategy. The Trustees have supported the Executive Headteacher in ensuring that the interests of employees are promoted particularly on the grounds of health and safety and risk management in the financial year. The Executive Board continues to focus on promoting the interest of the community, particularly on promoting the need for free school vouchers and food hampers and digital device support during period of school closure. The Trustees oversee and challenge the Executive group in their decision making on strategies to reduced carbon footprint through its capital investments assessment framework which weights environmental investments.

Trustees have careful regard to equality in all that they do and ensure that these policies are in place and promoted across the Schools. Trustees are confident that the operations of the business have maintain high standard through the progression outcomes, examination outcomes, high attendance and positive praise from stakeholders for the staff.

Complaints about the conduct of the company are very rare and usually managed at a local level without the need for escalation however if this became necessary the matter would be referred to Trustee level for further investigation and response as appropriate.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Reserves policy

The levels of reserves of the academy trust and individual academies are reviewed by the trustees on an annual basis, in accordance with the Trust reserves policy, which review incorporates a critical analysis to ensure that income is matched to expenditure commitments and associated risk and that the nature of reserves held are commensurate with future commitments. The free reserves levels that are permissible to be held have been determined by the trustees as necessary to provide sufficient working capital to manage delays in income and receipt of grants, payments of salary commitments and to provide a contingency to manage unexpected emergencies such as urgent repairs and maintenance. In this regard a restricted reserves balance of 5% of annual income is determined by the trustees to be of sufficient level at this time to manage risk against future uncertainties as may arise.

The academy trust held fund balances at 31 August 2020 of £41,176,879 (2019: £40,628,244) comprising £40,579,390 (2019: £39,950,330) of restricted funds and £597,489 (2019: £677,914) of unrestricted general funds, the unrestricted funds being the academy trust's free reserves. The restricted funds include a pension reserve deficit of £11,681,000 (2019: £12,511,000). It should be noted however that this deficit will not crystallise within the foreseeable future and that the academy trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the academy trust's budgets for the year ended 31 August 2021. Of the total restricted funds £52,002,837 (2019: £52,006,096) relates to the restricted fixed asset funds, which can only be realised by disposing of tangible fixed assets. The combined balance of restricted general funds (excluding pension reserve) plus unrestricted funds at 31 August 2020 was £855,042 (2019: £1,133,148). The academy trust continues to set budgets with a view to meeting the target level of reserves whilst maximising the benefit to current pupils.

Current cumulative levels of reserves held by the Trust are deemed sufficient to cover the contingent needs of the combined aggregate of one month net salary of the schools within the trust as a minimum in accordance with the Trust reserves policy. Whilst two of the schools within the Trust are presently in deficit and following a financial recovery program, the cumulative net reserves are maintained to this aggregate level by the three other schools within the MAT.

This has allowed the Trust opportunity to implement a financial recovery plan at the two schools designed to bring these schools back into balance and to start to build a surplus reserve in the next two to three years to support their own future development needs in line with the Trust policy. This will relieve the potential burden of support from the other schools and open the opportunity to employ funds to develop the specific sites in which they are held as deemed necessary to support their continued strategic growth.

Financial impact of COVID-19

The trust has suffered a considerable fall in income related to site facilities lettings as a direct result of COVID-19 restrictions. Implications have been more considerable with regards to the secondary schools where lettings income ranges from educational language schools; to facilities for sport and leisure activities as well community specific use of facilities which has had an adverse impact on the schools reserves position.

Some of the schools within the trust have been able to recover some limited costs of exceptional COVID-related expenditure including provision of the initial two weeks of FSM vouchers and various associated costs of sanitiser and masks. External canopies and benches have been installed to provide the necessary shelter and further adaptations to the sites are being considered where necessary to incorporate additional secure areas for students during the winter months to minimise inside contact.

During the start of the year 2020/21 it has been difficult to plan for cover under the exceptional circumstance of COVID-19 and additional expenditure has been incurred in supply/Agency. Where possible cover resource has been provided internally in order to provide continuity and consistency in so far as possible. Additional expenditure has been incurred in necessary supervisory capacities on some sites due to split lunch and break times in order to manage and segregate bubble groups. Further costs have also been incurred in cleaning and sanitizing facilities as well as provision of masks and visors and this is particularly the case where schools are serving our deprived communities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW - continued

Principal funding sources

The Trust income during the year was primarily obtained in the form of General Annual Grant (GAG) from the ESFA and incorporated pre-16 grant funds, post-16 grants and pupil premium funding. In addition to the trust received pension and pay grant income related to changes in the Teachers' pension rate and pay increase agreed by the government with unions in 2019. These are restricted funds as noted in the SOFA detail and intended to support specific activities of the trust.

Investment policy

The trustees endeavour to optimise investment by earning interest on the Trust's bank deposits whilst maintaining instant access to funds. In the present financial climate however interest rates remain very low, with the Bank of England base interest rate is currently at 0.1 per cent since 19 March 2020 having fallen from 0.75% in August 2018 to 0.25% on 11 March 2020. Future rates are difficult to predict and largely dependent upon the continuance of COVID-19 restrictions, impact of economic growth, unemployment and inflation. The current low rate is a temporary measure in light of the effects of the pandemic and COVID-19 restrictions. It is unlikely that this will be assisted to any degree by a no deal Brexit. The investment policy is to carefully manage balances without taking undue risks.

Interest income during the year was consequently minimal and consisted mainly of small sums from balances held on interest bearing current accounts.

The new Lloyds banks are now the principal accounts held by the trust and returns consequently remain minimal without locking the sums into inaccessible deposit accounts for longer periods of time.

Principle risks and uncertainties

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

The major strategic risks to which the Fort Pitt Thomas Aveling Academies is exposed are as follows;

- Changes in the national funding formula calculations subsequent to the introduction of 'fairer funding'
- Local authority changes to funding formula
- The risk to the schools' future viability from market forces (pupils, competitors, staff)
- A fall in the roll of the academies
- Changes in management, affecting strategic direction
- Major fraud, both internally and externally
- Policy changes introduced by the DfE
- Further reduction in 6th form funding will jeopardise the viability of many secondary school 6th forms
- Reputational risk could arise from an Ofsted or other government report
- Continuance of Pandemic and restrictions adversely affecting school operations and delivery of quality education

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW - continued

Principal risks and uncertainties - continued

Following the outbreak of the COVID-19 pandemic, there are the following unprecedented principal risks:

- Uncertainty of duration of COVID-19 restrictions and effects on staff – uncertainty affects planning and delivery of education and requires a flexible and creative approach from staff. This increases the mental drain on staff and increases pressure and stress. Staff wellbeing is a major consideration and effects on this area risk to the trust in other longer-term absences. The trust are endeavouring to mitigate these affects with provision of peer and senior support programmes, contact and feedback forums, wellbeing schemes and access to 24/7 counselling services.
- Schools unable to meet key objectives defined in the SIP due to necessity to engage third party supply agency staff and to redistribute staff in order to respond to COVID-19 issues. This reduces the amount of funding available to the school to meet strategic objectives. The schools have endeavoured to mitigate increasing agency supply costs utilising cover assistance and HLTA's where possible whilst preserving the integrity of the year groups bubbles in so far as possible together with cross staff support where practical and observing social distancing practices in place. In some schools it is a fine balance between the level of supply that is acceptable and the associated risks in relation to behaviour for learning.
- School unable to complete key development steps due to disruption in the supply chain and access to key resources. Schools are endeavouring to plan site development opportunities at the earliest opportunity in order to maximise time to source component resources.
- Financial budgets adversely impacted by increase in costs due to supply chain issues and scarcity of resources. The trust regularly reviews opportunities to make cross-trust financial savings by pooling service and resource demands to enable bulk purchases where practicable to increase potential leverage of economies of scale and reduce potential supply chain issues. Some short-term supplies are however open to market forces and short term supply issues and where practical resources are shared across the trust. This risk will be additionally heightened post Brexit but our external caterers have a robust plan for this in place.
- Student outcomes and engagement is increasingly difficult to maintain due to disruption in learning programmes. Trust schools have worked hard to access and develop online schemes of work and resources during the pandemic in order to provide a valuable pool of accessible learning material. This provides a valuable and flexible support for continuity of learning programmes. Utilisation of on-line education platforms for exchange of work and direct teacher contact.
- Classroom sizes and capacity to teach maximum number of students have been significantly hampered due to non-varying classroom sizes and capacity whilst maintaining social distancing and teaching staff proximity in accordance with government guidelines. This remains a difficulty to mitigate due to the varying physical sizes and layout of available teaching rooms. Timetabling is the only management tool in effectively optimising and managing available resources but there are insufficient classrooms in the secondary schools are an appropriate size. At this time there remains considerable levels of uncertainty regarding the continuity and extent of the impact of Covid-19 both in respect to learning outcomes for our students and the financial implications in the short term. We will continue to monitor and manage such situations on a daily basis as they arise.

The Trustees regularly review the trust risk register and a copy of this has been provided to each school within the MAT. Each academy keeps its own risk register which is additionally referenced to the trust risk register and is reviewed by the Senior Leadership Team and Local Governing Body.

The above risks, together with the risk of critical damage and urgent maintenance requirements of buildings within the academy trust have been reviewed by the trustees and procedures are being put in place for managing the risks.

Uncertainties of education provision and planned changes with new academies with the authority have introduced a level of uncertainty particularly with regards to new free school planned and located near to one of the secondary schools that is in the process of recovery. The delay beyond the planned 2020 start up and resultant bulge year group intake will benefit the Trust in the short-term and provide much needed additional income and investment. Potential effects and impact beyond September 2020 will need to be evaluated including a second potential bulge year group intake in 2021.

FORT PITT THOMAS AVELING ACADEMIES
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

FUNDRAISING

The academy trust takes a responsible view of its fundraising activities and is dedicated to supporting the educational development of young people attending the trust schools and the local community in general. To help guarantee the availability of ongoing funds to pay for this and to target specific development needs of the Trust schools, the trust aims to maintain a targeted base of different sources of fundraising.

We will actively seek opportunities to work together with external organisations and individuals to achieve shared objectives in accordance with guidance issued by the DfE and Charity Commission and to support the aims and vision of the trust. It is vital however that the independence of the Trust is maintained and no external partnership is allowed to bring the name of FPTA academies into disrepute.

The Trust will accept financial support and work with ethical companies and individuals on the following conditions:

- It shares the same vision and goals for the benefit, the healthy living, and wellbeing of young persons within the trust schools and wider community.
- It provides resources to broaden and promote the educational development of its students and local community.
- It provides for services to support the emotional and physical wellbeing of its students and wider community.

Bodies considered to be appropriate include Sport England and registered national and local charities e.g. Watts Almshouses.

The fundraising activities of the schools are monitored by the local governing bodies to ensure that they conform to recognised and approved standards and an overview is maintained by the board of trustees.

Fundraising activities will be monitored to ensure that they do not prejudice members of the general public, vulnerable groups and do not create undue pressure to donate.

FPTA academies will not accept financial support or partnerships involved in illegal or potentially harmful activities or those that do not support the vision and goals of the trust.

Any complaints with regards to the fundraising activities of the schools within the trust will be reviewed independently by members of the board of trustees. No complaints have been received to date

The academy trust did not work with any commercial participators/professional fundraisers during the year. In its fundraising activities the trust has due regard to the Charity Commission guidance 'Charity Fundraising; a guide to trustee duties (CC20)' and meets the requirements of the 'Fundraising Code of Practice' set by the Fundraising Regulator.

Disabled employees

The Trust's Accessibility Policy supports the aims to ensure provision for disabled students and staff. Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all ground floor areas of the trust buildings. Where appropriate, lifts have been installed to facilitate wheelchair and disabled access to the upper levels (or lower) of the buildings. The policy of the trust is to support recruitment and retention of students and employees with disabilities. The trust does this by adapting the physical environment, by making support resources available, and through training and career development.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

UK energy use and associated greenhouse gas emissions

The Fort Pitt Thomas Aveling Academies Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

STREAMLINED ENERGY AND CARBON REPORTING (SECR) - continued

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 5 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and oil data were all compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet; and total cost figures were used for scope 1 transport using an average £/litre throughout the reporting year. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are mandatory according to the 2018 Regulations, then divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20
Mandatory energy:	
Gas	1,794,924
Purchased electricity	1,614,107
Transport fuel	17,354
Total mandatory energy	3,426,385
Voluntary energy:	
Gas oil	326,909
Total voluntary energy	326,909
Total mandatory & voluntary energy	3,753,294

Intensity Ratio

The chosen primary intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil (based on the 3rd October 2019 census), which is the recommended ratio for the education sector.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the Academy Trusts buildings, which are the source of the majority of emissions.

FORT PITT THOMAS AVELING ACADEMIES
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

STREAMLINED ENERGY AND CARBON REPORTING (SECR) - continued

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20
Mandatory emissions:	
<u>Scope 1</u>	
Natural gas	330.0
Transport - Company owned vehicles (mini-buses)	2.7
<u>Scope 2</u>	
Purchased electricity (location-based)	376.3
<u>Scope 3</u>	
Transport – Business travel in employee owned vehicles	1.5
Total gross mandatory emissions	710.5
<u>Intensity ratios (mandatory emissions only)</u>	
Tonnes of CO ₂ e per pupil	0.215
Tonnes of CO ₂ e per square meter floor area	0.021
Voluntary emissions:	
<u>Scope 1</u>	
Gas oil	83.9
Total gross voluntary emissions	83.9
Total gross voluntary & mandatory emissions	794.4

Energy efficiency action during current financial year

It is worth noting that energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. Despite this temporary reduction in energy use, the Trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures. Throughout this reporting year the Trust has conducted a thorough review of the control settings of all the heating, hot water and air conditioning systems across the whole estate. The settings have all been optimised on both the timing and temperatures to ensure energy is consumed in the most efficient manner. In addition to this, the normal servicing of the heating plant is regularly undertaken.

In investment terms, refurbishment works at both the Fort Pitt and Robert Napier schools have included the replacement of the single glazed windows with double glazing and lighting with LEDs. Moreover, a rolling programme is in place across the whole estate where all lighting is replaced by LED. At the Thomas Aveling school all of the single glazed windows have been replaced with double glazing and building management controls have been installed in all of the Secondary schools.

Future investment plans for immediate consideration include an assessment of the funding for replacing the oil boiler, windows and lighting at Fort Pitt Grammar.

FORT PITT THOMAS AVELING ACADEMIES
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS

The Trust and Executive boards are presently undertaking review of strategic direction and re-appraising plans to establish future development criteria and associated timelines as part of a process of self evaluation and strategic review.

Discussions with other local schools and academies within the local area are ongoing and the Trust will continue to explore opportunities to welcome other educational establishments into the Trust on the basis of willing and like-minded partners who share the same goals and values to deliver a quality education to students in the local area.

With effect from September 2020 Phoenix school welcomed its first cohort of reception age pupils. During 2020 further development of the site has taken place with the installation of a new play area and equipment in preparation for year one pupils from September 2021.

Development at two of the sites within the trust has been undertaken by the Local authority to create additional capacity as part of the Bulge year pupil intake. Work is presently still ongoing on some of the development areas with completion of handover to the Trust due in 2020-21.

Bulge year group work included the addition of a new multi-room English Teaching block, refurbishment of sports hall changing room facilities, a new Muga cover for multi-play area and refurbishment of teaching facilities in a high needs block together with investment in ICT resources and site-wide Wi-Fi upgrade. The bulge year work will flow through into subsequent years with prospect for a further bulge year group in 2021.

The Trust employs centralised ICT, Finance, HR and payroll services, and procurement. During the year this provided greater opportunities to employ centralised purchasing including negotiation of a new trust wide waste collection agreement. In April 2020, the Trust entered the RPA insurance arrangement and transferred the catering contract to an alternative provider. This was a difficult decision to move the contract that was taken by the Trust following a tender programme in the preceding year and is believed that will provide a broader level of consistency of service and food provision across the trust going forwards for the benefit of the Trust schools and pupils. During the year, the Trust continued to employ a programme of internal control scrutiny delivered through a separate division of our auditors. This was regrettably disrupted at the onset of the year due to the initial lockdown restrictions but was picked up later in the year following the lifting of restrictions. The programme incorporated a six-monthly report on the schools' financial controls and procedures have been provided and any recommendations made to improve the controls even further will be implemented as part of the management action. As part of a review programme and in accord with accounting directives the Trust has engaged a third party audit firm to undertake the internal control review programme moving forwards and will meet early in the new year to determine the focus of the initial review. Further reviews will also be planned during the course of the year as directed by the Trustees in conjunction with the Finance and Audit committee in order to help identify potential weaknesses, improve controls and provide further opportunity to reduce inefficiencies.

Review of policies and procedures has continued as necessary during the year to ensure consistency across the Trust schools and to enable contracts and purchasing arrangements to be further harmonised.

The Trust core management functions covering Estates management, ICT, finance, HR and procurement will be further reviewed during the forthcoming year to ensure best value and economies of scale are achieved for the benefit of the trust schools.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust holds no funds as custodian trustee on behalf of others. During the year covered by this report neither the academy trust nor its trustees held any funds as a custodian trustee on behalf of any other charitable organisation.

FORT PITT THOMAS AVELING ACADEMIES
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

AUDITORS

In so far as the trustees are aware:

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

Report of the Trustees, incorporating a Strategic Report, was approved by order of the board of trustees, as the company directors, on 11 January 2021 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Rama', with a stylized flourish at the end.

Veen Rama - Chair of Trustees

FORT PITT THOMAS AVELING ACADEMIES
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Fort Pitt Thomas Aveling Academies 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Fort Pitt Thomas Aveling Academies and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows;

	Meetings attended	Out of a possible
Veen Rama, Chair	6	6
Roger Brown	2	3
Denise Ford	4	5
Emma Miller (Day)	5	5
Chris Sanford	2	3
Dr John Mount	4	6
Patricia Daniels	6	6
Kirstie Cuthbert	4	6
Lawrence McVeigh	5	6
Andy Minchin (ex officio)	3	3
Richard Smith	6	6
Benjamin Streets	5	6
Steve Rayner (Chief Finance Officer)	6	6
Paul Jackson (ex officio)	3	3

During the 2019/20 accounting year, there were three resignations as directors of the trust – Roger Brown, Graham Cottle and Denise Ford, and John Mount resigned after the end of the accounting year. During the year the following were appointed as Directors to the board of Trustees;- Emma Day appointed on 10th December 2019, Christopher Sanford appointed on 31st March 2020, John Mount appointed on 10th March 2020, and Sidrah Ahmed appointed on 12th July 2020. A further two Directors were appointed to the board of Trustees after year end, Cordelia Osewa-Ediae on 10th November 2020 and Barry Symons of 27th November 2020.

During the year, the Board has continued to seek to recruit members who will not only be independent but have a diversity of skills to support the board in its role and during the year four new members were recruited.

The Chair of Trustees has continued to seek new recruits to ensure that there is diversity of skills and competences in existence across the board.

Development of the board has continued during the year including a series of training programs delivered in association with the NGA. Further training including new Governor induction is facilitated via the Trust professional clerking service and additional training courses delivered via the Local Authority. It was proposed that an independent and external review of the performance of the board would be provisioned during the year however this was put on hold due to COVID-19 restrictions and the situation will be reviewed again during coming year to ensure there is continuous improvement in its function.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

Governance - continued

Further development of the board has included a review of the scheme of delegation and constitution of a dedicated Finance and Audit committee with sufficient skills to ensure ongoing and robust review of the Trust financial affairs.

Governance Reviews

FPTA Academies trustees are continuing to develop governance structures across the trust and its schools and are continuing the review and harmonisation of policies and procedures. The board of trustees have continued to appoint independent trustees that are unattached to school LGB's in order to ensure independence of review, scrutiny and accountability between tiers of governance and to develop core trust strategies.

The trust meetings during the year have been structured to fulfil the audit committee role. The Trustees are very aware that the trust schools receive over £20m income, the main source being the Education and Skills Funding Agency. In accounting for this income the directors are fully committed to their responsibilities for ensuring this money is invested in the students' learning and well-being.

Review of Value for Money

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

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

The Accounting Officer has, as part of delivering improved value for money during the year, continued to review facilities and services across the trust and has implemented key financial forecasting software across all of the trust schools that is designed to provide effective budgetary forecasting and modelling of future trust development opportunities. The trust has continued to explore potential improvements in value for money through economies of scale and review of its contractual services in HR and H&S and has negotiated centralised energy contract facilities. The trust has further benefited from continued joint purchasing strategies in ICT including software, licences, consultant services and resources procurement.

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 Fort Pitt Thomas Aveling Academies for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. For 2020/21 onwards a new internal controls audit partner has been engaged and a programme of review and scrutiny will be discussed and implemented from January 2021.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function via the Finance Audit and Risk committee and in accordance with the accounts direction and handbook has engaged an independent internal controls audit partner UHY Hacker Young from the New Year. The internal controls review programme will be delivered in consultation with the Finance Audit and risk committee with the intent to determine and manage any potential areas of risk and identify areas for potential improvement in internal processes and controls.

The external auditor's role in the year included giving advice on financial matters and performing a range of checks on the trust's financial systems. In particular, the checks carried out in the current period included the testing and review of:

- payroll and personnel systems;
- purchase processing systems and tendering procedures;
- completeness of ESFA income;
- completeness of other income;
- sales processing and debtors ledger;
- balance sheet control accounts;
- fixed asset verification;
- expense claims; and
- bank and petty cash reconciliations.

The Chief Finance Officer reports to the board of trustees concerning the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The board of trustees confirms that the internal reviewer function has been fully delivered in line with the ESFA's requirements and that no material internal control issues were identified during those visits. The focus of each review will be discussed and set according to the Trust priorities and risks determined at the time at the meeting of the Trust Finance, Audit and Risk Committee.

Review of Effectiveness

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

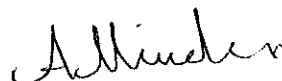
- the work of the external auditor
- additional checks undertaken by McCabe Ford Williams, and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the board of trustees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 January 2021 and signed on its behalf by:



Veen Rama - Chair of Trustees



Mr A Minchin - Accounting Officer

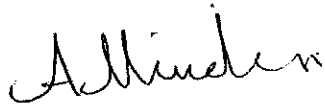
FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of Fort Pitt Thomas Aveling Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding 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 board of trustees are able to identify any material irregular or improper use of all 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 trustees and ESFA.



Mr A Minchin - Accounting Officer

Date: 11 January 2021

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 11 January 2021 and signed on its behalf by:



Veen Rama - Chair of Trustees

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Fort Pitt Thomas Aveling Academies (the 'academy trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the report of the trustees (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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 Report of the Trustees (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Strategic Report and the Directors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 27, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

Use of our report

This report is made solely to the academy trust'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 academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 11 January 2021

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
FORT PITT THOMAS AVELING ACADEMIES
AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fort Pitt Thomas Aveling Academies during the year ended 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 Fort Pitt Thomas Aveling Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fort Pitt Thomas Aveling Academies and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fort Pitt Thomas Aveling Academies and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Fort Pitt Thomas Aveling Academies' Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Fort Pitt Thomas Aveling Academies' funding agreement with the Secretary of State for Education dated 21 December 2016 and the Academies Financial Handbook, effective 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 year ended 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
FORT PITT THOMAS AVELING ACADEMIES
AND THE EDUCATION AND SKILLS FUNDING AGENCY

Approach – continued

The work undertaken to draw to our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the external auditor performing additional system checks during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook, including the distribution of management accounts and quantity of meetings;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the Board of Trustees and the occurrence of transactions with connected parties;
- Review of fixed asset transactions against the requirements of the funding agreement between Fort Pitt Thomas Aveling Academies and the Secretary of State for Education and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

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 year ended 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.



Ashley Phillips FCCA (Reporting Accountant)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 11 January 2021

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.20 Total funds £	31.8.19 Total funds £
INCOME AND ENDOWMENTS						
FROM:						
Donations and capital grants	2	-	45,293	1,241,302	1,286,595	1,044,107
Charitable activities:						
Funding for the academy trust's educational operations	3	385,818	20,509,378	-	20,895,196	20,635,989
Other trading activities	4	56,849	-	-	56,849	67,265
Investment income	5	2,437	-	-	2,437	3,990
Total		445,104	20,554,671	1,241,302	22,241,077	21,751,351
EXPENDITURE ON:						
Raising funds	7	-	2,810	-	2,810	35,894
Charitable activities:						
Academy trust's educational operations	8	470,621	21,707,542	1,299,469	23,477,632	23,396,316
Total	6	470,621	21,710,352	1,299,469	23,480,442	23,432,210
NET INCOME/(EXPENDITURE)		(25,517)	(1,155,681)	(58,167)	(1,239,365)	(1,680,859)
Transfers between funds	20	(54,908)	-	54,908	-	-
Other recognised gains/(losses):						
Actuarial remeasurements on defined benefit pension schemes	25	-	1,788,000	-	1,788,000	(1,941,000)
Net movement in funds		(80,425)	632,319	(3,259)	548,635	(3,621,859)
RECONCILIATION OF FUNDS 20						
Total funds brought forward		677,914	(12,055,766)	52,006,096	40,628,244	44,250,103
TOTAL FUNDS CARRIED FORWARD		<u>597,489</u>	<u>(11,423,447)</u>	<u>52,002,837</u>	<u>41,176,879</u>	<u>40,628,244</u>

All of the academy trust's activities derive from continuing operations.

The notes form part of these financial statements

BALANCE SHEET
AS AT 31 AUGUST 2020

		31.8.20	31.8.120	31.8.19	31.8.19
		£	£	£	£
	Notes				
Fixed assets					
Tangible assets	14		51,424,057		51,766,529
Current assets					
Stocks	15	2,450		595	
Debtors	16	710,126		777,922	
Cash at bank and in hand		<u>2,318,785</u>		<u>2,438,192</u>	
		3,031,361		3,216,709	
Current liabilities					
Creditors: Amounts falling due within one year	17	<u>(1,452,369)</u>		<u>(1,838,994)</u>	
Net current assets			<u>1,578,992</u>		<u>1,377,715</u>
Total assets less current liabilities			53,003,049		53,144,244
Creditors: Amounts falling due after more than one year	18		(3,000)		(5,000)
Provision for liabilities	28		<u>(142,170)</u>		<u>-</u>
Net assets excluding pension liability			52,857,879		53,139,244
Defined benefit pension scheme liability	25		<u>(11,681,000)</u>		<u>(12,511,000)</u>
Total net assets			<u>41,176,879</u>		<u>40,628,244</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	20	52,002,837		52,006,096	
General funds	20	257,553		455,234	
Pension reserve	20	<u>(11,681,000)</u>		<u>(12,511,000)</u>	
Total restricted funds			40,579,390		39,950,330
Unrestricted funds					
General funds	20	<u>597,489</u>		<u>677,914</u>	
Total unrestricted funds			<u>597,489</u>		<u>677,914</u>
Total funds			<u>41,176,879</u>		<u>40,628,244</u>

The financial statements on pages 33 to 61 were approved by the board of trustees, and authorised for issue on 11 January 2021 and are signed on their behalf by:



Veen Rama - Chair of Trustees

The notes form part of these financial statements

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

		31.8.20	31.8.19
	Notes	£	£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	1	(147,561)	(57,769)
Cash flows from financing activities	2	(2,000)	(2,000)
Cash flows from investing activities	3	30,154	(323,654)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		<u>(119,407)</u>	<u>(383,423)</u>
Cash and cash equivalents at 1 September		<u>2,438,192</u>	<u>2,821,615</u>
Cash and cash equivalents at 31 August	4	<u>2,318,785</u>	<u>2,438,192</u>

The notes form part of these financial statements

FORT PITT THOMAS AVELING ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.20	31.8.19
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(1,239,365)	(1,680,859)
Adjustments for:		
Depreciation (note 14)	1,299,469	1,184,150
Capital grants from DfE/ESFA (note 2)	(984,714)	(970,559)
Interest received (note 5)	(2,437)	(3,990)
Defined benefit pension scheme cost less contributions payable (note 25)	726,000	783,000
Defined benefit pension scheme administration expenses (note 25)	7,000	5,000
Defined benefit pension scheme finance cost (note 25)	225,000	244,000
Decrease/(increase) in stocks	(1,855)	(269)
Decrease/(increase) in debtors	67,796	29,804
(Decrease)/Increase in creditors	(386,625)	351,954
(Decrease)/Increase in provision for liabilities	142,170	-
Net cash (used in)/provided by operating activities	<u>(147,561)</u>	<u>(57,769)</u>

2. CASHFLOWS FROM FINANCING ACTIVITIES

	31.8.20	31.8.19
	£	£
Repayments of borrowing	<u>(2,000)</u>	<u>(2,000)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(2,000)</u>	<u>(2,000)</u>

3. CASHFLOWS FROM INVESTING ACTIVITIES

	31.8.20	31.8.19
	£	£
Dividends, interest and rents from investments (note 5)	2,437	3,990
Purchase of tangible fixed assets (note 14)	(956,997)	(1,298,203)
Capital grants from DfE/ESFA (note 2)	<u>984,714</u>	<u>970,559</u>
Net cash (used in)/provided by investing activities	<u>30,154</u>	<u>(323,654)</u>

4. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.8.20	31.8.19
	£	£
Cash at bank and in hand	<u>2,318,785</u>	<u>2,438,192</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of 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 the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. As part of this assessment the trustees have taken account of the impact on its finances as a result of the COVID-19 pandemic and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

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

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

- **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 measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES – continued

Income - continued

- **Other income**
Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **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 financial statements until they are sold. This income is recognised within income from other trading activities.

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

The value of donated services provided to the academy trust are recognised at fair value in the period in which they are receivable as income from donations, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES - continued

Conversion to academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The assets and liabilities transferred on conversion from each school to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Buildings including improvements to property	straight line over 50 years
Land	over the term of the lease (not depreciated if owned)
Furniture and Equipment	straight line over 5 years
Computers	straight line over 3 years
Motor Vehicles	straight line over 5 years

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

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

Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES - continued

Provisions

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

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

Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES - continued

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial remeasurement gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES – continued

Critical accounting estimates and areas of judgement - continued

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight line basis of 50 years, being the estimated useful economic life and it is assumed that the asset has no residual value on the basis of its specialised nature. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

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 trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total Funds £
Capital grants	-	984,714	984,714	970,559
Donations	-	<u>301,881</u>	<u>301,881</u>	<u>73,548</u>
	<u>-</u>	<u>1,286,595</u>	<u>1,286,595</u>	<u>1,044,107</u>

Capital grants received, included in the above, are as follows:

	31.8.20 £	31.8.19 £
Devolved Capital Grant	79,321	269,913
School Condition Allocation	863,343	700,646
Local Authority Grant	<u>42,050</u>	<u>-</u>
	<u>984,714</u>	<u>970,559</u>

FORT PITT THOMAS AVELING ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total Funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	17,675,842	17,675,842	17,715,590
Other DfE/ESFA grants	-	<u>2,252,603</u>	<u>2,252,603</u>	<u>1,432,557</u>
	-	19,928,445	19,928,445	19,148,147
Other government grant				
Local Authority grants	-	315,115	315,115	319,997
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	1,200	1,200	-
Coronavirus exceptional support	-	6,735	6,735	-
Other income from the academy trust's educational operations	<u>385,818</u>	<u>257,883</u>	<u>643,701</u>	<u>1,167,845</u>
	<u>385,818</u>	<u>20,509,378</u>	<u>20,895,196</u>	<u>20,635,989</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £6,735 of free school meals/food vouchers and dedicated deep cleaning costs. These costs are included in notes 6 and 8 below as appropriate.

- The academy furloughed a member of staff under the government's CJRS. The funding received of £1,200 relates to staff costs in respect of one member of staff who is employed on a zero hours contract basis.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total Funds £
Hire of facilities	<u>56,849</u>	-	<u>56,849</u>	<u>67,265</u>
	<u>56,849</u>	-	<u>56,849</u>	<u>67,265</u>

FORT PITT THOMAS AVELING ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

5. INVESTMENTS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Interest received	<u>2,437</u>	<u>-</u>	<u>2,437</u>	<u>3,990</u>
	<u>2,437</u>	<u>-</u>	<u>2,437</u>	<u>3,990</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.20 Total £	31.8.19 Total £
Raising funds					
Costs incurred by trading for a fundraising purpose	-	-	2,810	2,810	35,894
Charitable activities					
Academies educational operations					
Direct costs	15,506,741	1,076,711	1,714,837	18,298,289	18,078,492
Allocated support costs	<u>3,139,589</u>	<u>1,188,005</u>	<u>851,749</u>	<u>5,179,343</u>	<u>5,317,824</u>
	<u>18,646,330</u>	<u>2,264,716</u>	<u>2,566,586</u>	<u>23,477,632</u>	<u>23,396,316</u>
	<u>18,646,330</u>	<u>2,264,716</u>	<u>2,569,396</u>	<u>23,480,442</u>	<u>23,432,210</u>

Net income/(expenditure) for the year includes:

	31.8.20 £	31.8.19 £
Operating lease rentals	48,111	50,301
Auditors' remuneration	18,500	18,000
Auditors' remuneration for non-audit work	2,100	8,615
Auditors' remuneration – other audit costs	7,170	4,200
Depreciation - owned assets	<u>1,299,469</u>	<u>1,184,150</u>

Included within expenditure are the following transactions.

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the academy trust	1,049	<u>-</u>	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Other fundraising costs	-	2,810	2,810	35,894
	-	2,810	2,810	35,894

8. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31.8.20 Total Funds £	31.8.19 Total Funds £
Direct costs				
Teaching and educational support staff costs	-	15,506,741	15,506,741	14,804,835
Depreciation	-	1,076,711	1,076,711	974,142
Technology costs	-	161,033	161,033	172,457
Educational supplies	-	216,687	216,687	290,917
Examination fees	-	274,869	274,869	281,118
Staff development and other staff costs	-	41,449	41,449	79,534
Other direct costs	468,118	552,681	1,020,799	1,475,489
	468,118	17,830,171	18,298,289	18,078,492
Allocated support costs				
Support staff costs	-	3,139,589	3,139,589	3,111,104
Depreciation	-	222,758	222,758	210,008
Technology costs	-	35,715	35,715	37,638
Premises costs	-	965,247	965,247	986,787
Other support costs	2,503	785,761	788,264	941,472
Governance costs	-	27,770	27,770	30,815
	2,503	5,176,840	5,179,343	5,317,824
Total direct and support costs	470,621	23,007,011	23,477,632	23,396,316

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

9. STAFF

a) Staff costs

	31.8.20	31.8.19
	£	£
Wages and salaries	13,515,207	13,227,895
Social security costs	1,333,374	1,302,355
Other pension costs	<u>3,608,491</u>	<u>2,956,019</u>
	18,457,072	17,486,269
Supply teacher costs	189,258	399,671
Staff restructuring costs	<u>-</u>	<u>29,999</u>
	<u>18,646,330</u>	<u>17,915,939</u>

b) Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £nil (2019: £29,999). Individually, the payments were: £nil (2019: £29,999).

c) Staff numbers

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

	31.8.20	31.8.19
Teachers	214	192
Administration and support	174	154
Management	<u>28</u>	<u>35</u>
	<u>416</u>	<u>381</u>

d) Higher paid staff

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

	31.8.20	31.8.19
£60,001 - £70,000	5	4
£70,001 - £80,000	2	4
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£110,001 - £120,000	<u>1</u>	<u>1</u>
	<u>11</u>	<u>11</u>

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team made up of the Executive Principal, Head Teachers and finance director, as listed on page one. The total amount of employee benefits (including employer pension contributions and employer's national insurance contributions) received by key management personnel for their services to the academy trust was £827,126 (2019: £691,679).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

10. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services
- ICT services
- Other as arising

The academy trust charges for these services on the following basis:

- HR, payroll and finance recharges were based on a pupil number basis, unless a cost related to a specific school, when the costs were recharged at the actual cost.
- Legal costs were recharged on an 'as charged' basis specific to the matter at hand.
- Educational support recharges were on a specific basis relative to the school supported.
- Software and licences were recharged on a specific basis attributable to each school for the number of licences etc.

The actual amounts charged during the year were as follows:

	31.8.20	31.8.19
	£	£
Fort Pitt Grammar School	272,267	257,158
Thomas Aveling School	630,122	326,457
The Robert Napier School	339,049	325,571
Balfour Junior Academy	127,017	123,125
Phoenix Junior Academy	<u>93,640</u>	<u>99,691</u>
	<u>1,462,095</u>	<u>1,132,002</u>

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

No trustees have been paid remuneration or have received other benefits from employment with the academy trust. The Executive Head Teacher, who is an ex officio trustee, only receives remuneration in respect of services they provide undertaking their role as a staff member under their contract of employment.

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

Mr P Jackson (Executive Head Teacher) to 31.12.19 - amounts for the current year relate to 1.9.19 to 31.12.19

Remuneration	£40,000 - £45,000	(2019: £115,000 - £120,000)
Employer's pension contributions	£5,000 - £10,000	(2019: £15,000 - £20,000)

Mr A Minchin (Executive Head Teacher) from 1.1.20 – amounts for the current year relate to 1.1.20 to 31.8.20

Remuneration	£70,000 - £75,000	(2019: N/A)
Employer's pension contributions	£15,000 - £20,000	(2019: N/A)

Trustees' expenses

During the period ended 31 August 2020, travel and subsistence expenses totalling £nil (2019: £nil) were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 26.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and. The cost of this insurance is included in the total insurance cost.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	73,548	970,559	1,044,107
Charitable activities				
Funding for the academy's educational operations	726,355	19,909,634	-	20,635,989
Other trading activities	67,265	-	-	67,265
Investment income	3,990	-	-	3,990
Total	797,610	19,983,182	970,559	21,751,351
EXPENDITURE ON				
Raising funds	35,894	-	-	35,894
Charitable activities				
Academy trust's educational operations	722,656	21,489,511	1,184,149	23,396,316
Total	758,550	21,489,511	1,184,149	23,432,210
NET INCOME/(EXPENDITURE)	39,060	(1,506,329)	(213,590)	(1,680,859)
Transfers between funds	(274,778)	(58,086)	332,864	-
Other recognised gains/(losses)				
Actuarial remeasurements on defined benefit pension schemes	-	(1,941,000)	-	(1,941,000)
Net movement in funds	(235,718)	(3,505,415)	119,274	(3,621,859)
RECONCILIATION OF FUNDS				
Total funds brought forward	913,632	(8,550,351)	51,886,822	44,250,103
TOTAL FUNDS CARRIED FORWARD	677,914	(12,055,766)	52,006,096	40,628,244

FORT PITT THOMAS AVELING ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

14. TANGIBLE FIXED ASSETS

	Assets under construction £	Freehold land and buildings £	Leasehold land and buildings £	
COST				
At 1 September 2019	229,028	49,499,787	6,275,475	
Additions	-	517,431	-	
Transfers	(229,028)	229,028	-	
At 31 August 2020	-	50,246,246	6,275,475	
DEPRECIATION				
At 1 September 2019	-	5,196,481	323,827	
Charge for year	-	930,722	71,123	
At 31 August 2020	-	6,127,203	394,950	
NET BOOK VALUE				
At 31 August 2020	-	44,119,043	5,880,525	
At 31 August 2019	229,028	44,303,306	5,951,648	
	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2019	800	1,822,832	711,938	58,539,860
Additions	18,926	215,986	204,654	956,997
Transfers	-	-	-	-
At 31 August 2020	19,726	2,038,818	916,592	59,496,857
DEPRECIATION				
At 1 September 2019	800	647,541	604,682	6,773,331
Charge for year	-	157,210	140,414	1,299,469
At 31 August 2020	800	804,751	745,096	8,072,800
NET BOOK VALUE				
At 31 August 2020	18,926	1,234,067	171,496	51,424,057
At 31 August 2019	-	1,175,291	107,256	51,766,529

Included in freehold land and buildings is land of £6,220,087 (2019 - £6,220,087).

FORT PITT THOMAS AVELING ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

15. STOCKS

	31.8.20	31.8.19
	£	£
Clothing	295	595
Stationery for resale	<u>2,155</u>	<u>-</u>
	<u>2,450</u>	<u>595</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Trade debtors	166,973	41,536
VAT recoverable	105,953	244,934
Prepayments and accrued income	<u>437,200</u>	<u>491,452</u>
	<u>710,126</u>	<u>777,922</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Trade creditors	191,924	815,911
Social security and other taxes	329,602	323,038
Loans (see note 19)	2,000	2,000
Other creditors	484,853	191,850
Accruals and deferred income	<u>443,990</u>	<u>506,195</u>
	<u>1,452,369</u>	<u>1,838,994</u>

Deferred income

	31.8.20	31.8.19
	£	£
Deferred income at 1 September	29,078	30,659
Released from previous years	(29,078)	(30,659)
Resources deferred in the year	<u>28,329</u>	<u>29,078</u>
Deferred income at 31 August	<u>28,329</u>	<u>29,078</u>

The academy trust received rates funding from the ESFA in the period and has deferred £28,329 (2019: £29,078) of this funding which relates to funding for the period after 31 August 2020.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.20	31.8.19
	£	£
Loans (see note 19)	<u>3,000</u>	<u>5,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

19. SALIX LOANS

Included within creditors is a loan originally of £16,000, from Salix which was provided on the following terms. The loan is repayable over an 8 year duration, with six-monthly repayments of £1,000 which commenced in March 2015. The outstanding balances within other creditors were £5,000 (2019: £7,000) at 31 August 2020.

An analysis of the maturity of Salix loans within creditors is given below:

	31.8.20	31.8.19
	£	£
Amounts falling due within one year	2,000	2,000
Amounts falling due between one and two years	2,000	2,000
Amounts falling due between two and five years	<u>1,000</u>	<u>3,000</u>
	<u>5,000</u>	<u>7,000</u>

20. FUNDS

	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	173,011	17,675,842	(17,885,376)	-	(36,523)
School Voluntary Fund	172,640	246,295	(248,223)	-	170,712
Other government grants	48,794	379,931	(378,243)	-	50,482
Other DfE/ESFA grants	60,789	2,252,603	(2,240,510)	-	72,882
Pension reserve	<u>(12,511,000)</u>	<u>-</u>	<u>(958,000)</u>	<u>1,788,000</u>	<u>(11,681,000)</u>
	<u>(12,055,766)</u>	<u>20,554,671</u>	<u>(21,710,352)</u>	<u>1,788,000</u>	<u>(11,423,447)</u>
Restricted fixed asset funds					
Transfer on conversion	41,526,249	-	(1,004,944)	-	40,521,305
DfE/ESFA capital grants	9,650,869	942,664	(155,860)	-	10,437,673
Capital expenditure from GAG, unrestricted & voluntary funds	828,978	-	(102,482)	54,908	781,404
Local Authority capital funding	<u>-</u>	<u>298,638</u>	<u>(36,183)</u>	<u>-</u>	<u>262,455</u>
	<u>52,006,096</u>	<u>1,241,302</u>	<u>(1,299,469)</u>	<u>54,908</u>	<u>52,002,837</u>
Total restricted funds	<u>39,950,330</u>	<u>21,795,973</u>	<u>(23,009,821)</u>	<u>1,842,908</u>	<u>40,579,390</u>
Unrestricted funds					
Unrestricted funds	<u>677,914</u>	<u>445,104</u>	<u>(470,621)</u>	<u>(54,908)</u>	<u>597,489</u>
Total unrestricted funds	<u>677,914</u>	<u>445,104</u>	<u>(470,621)</u>	<u>(54,908)</u>	<u>597,489</u>
Total funds	<u>40,628,244</u>	<u>22,241,077</u>	<u>(23,480,442)</u>	<u>1,788,000</u>	<u>41,176,879</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

20. FUNDS - continued

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the academy trust. Under the master funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

Other restricted general funds

Funding is provided by government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Restricted fixed asset funds

Funding is provided by way of government grants or capital expenditure from the GAG or unrestricted funds in order to acquire specified fixed assets for use by the academy trust in achieving its educational objectives.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Transfers between funds

The academy has, in accordance with its funding agreement, applied some of its unrestricted general funds to purchase fixed assets during the period under review. Accordingly there has been a transfer between unrestricted general funds and restricted fixed asset funds of £54,908 to reflect this.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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20. FUNDS - continued

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

	Balance at 1 September 2018 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	606,269	17,715,590	(18,090,762)	(58,086)	173,011
School Voluntary Fund	203,030	515,038	(545,428)	-	172,640
Other government grants	100,241	319,997	(371,444)	-	48,794
Other DfE/ESFA grants	78,109	1,432,557	(1,449,877)	-	60,789
Pension reserve	<u>(9,538,000)</u>	<u>-</u>	<u>(1,032,000)</u>	<u>(1,941,000)</u>	<u>(12,511,000)</u>
	<u>(8,550,351)</u>	<u>19,983,182</u>	<u>(21,489,511)</u>	<u>(1,999,086)</u>	<u>(12,055,766)</u>
Restricted fixed asset funds					
Transfer on conversion	42,333,163	-	(806,914)	-	41,526,249
DfE/ESFA capital grants	9,009,317	970,559	(329,007)	-	9,650,869
Capital expenditure from GAG, unrestricted & voluntary funds	<u>544,342</u>	<u>-</u>	<u>(48,228)</u>	<u>332,864</u>	<u>828,978</u>
	<u>51,886,822</u>	<u>970,559</u>	<u>(1,184,149)</u>	<u>332,864</u>	<u>52,006,096</u>
Total restricted funds	<u>43,336,471</u>	<u>20,953,741</u>	<u>(22,673,660)</u>	<u>(1,666,222)</u>	<u>39,950,330</u>
Unrestricted funds					
Unrestricted funds	<u>913,632</u>	<u>797,610</u>	<u>(758,550)</u>	<u>(274,778)</u>	<u>677,914</u>
Total unrestricted funds	<u>913,632</u>	<u>797,610</u>	<u>(758,550)</u>	<u>(274,778)</u>	<u>677,914</u>
Total funds	<u>44,250,103</u>	<u>21,751,351</u>	<u>(23,432,210)</u>	<u>(1,941,000)</u>	<u>40,628,244</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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20. FUNDS - continued

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	31.8.20	31.8.19
	£	£
Fort Pitt Grammar School	(167,634)	(84,569)
Thomas Aveling School	614,427	754,839
Robert Napier School	(528,505)	(379,797)
Phoenix Junior Academy	394,175	499,166
Balfour Junior Academy	341,983	326,766
MAT	<u>200,596</u>	<u>16,743</u>
Total before fixed assets and pension reserve	<u>855,042</u>	<u>1,133,148</u>
Restricted fixed asset fund	52,002,837	52,006,096
Pension liability	<u>(11,681,000)</u>	<u>(12,511,000)</u>
Total	<u><u>41,176,879</u></u>	<u><u>40,628,244</u></u>

Whilst two of the schools within the trust are presently in deficit a financial recovery program has been implemented and Trust unspent restricted capital funds (£578,780) include funds held by Fort Pitt (£5,615) and Robert Napier (£52,117) and the cumulative net revenue reserves are maintained across the MAT as a whole.

Analysis of academies by cost

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

	Teaching and educational support costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total 31.8.20	Total 31.8.19
	£	£	£	£	£	£
Fort Pitt Grammar School	2,990,204	420,187	49,363	656,912	4,116,666	4,157,806
Thomas Aveling School	4,931,257	441,608	58,469	851,317	6,282,651	6,309,990
Robert Napier School	4,793,914	621,767	42,118	857,877	6,315,676	6,410,158
Phoenix Junior Academy	1,027,124	167,575	49,280	213,000	1,456,979	1,458,576
Balfour Junior Academy	1,513,792	126,359	16,540	217,275	1,873,966	1,842,883
MAT	<u>392,621</u>	<u>491,924</u>	<u>1,086</u>	<u>1,249,404</u>	<u>2,135,035</u>	<u>2,032,753</u>
	<u><u>15,648,912</u></u>	<u><u>2,269,420</u></u>	<u><u>216,856</u></u>	<u><u>4,045,785</u></u>	<u><u>22,180,973</u></u>	<u><u>22,212,166</u></u>

The pension adjustments are included in the above MAT figure. This is because the actuary provides a consolidated pension report, meaning any adjustments required cannot be reflected against the individual schools within the MAT.

FORT PITT THOMAS AVELING ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	51,424,057	51,424,057
Current assets	532,591	1,671,967	826,803	3,030,361
Current liabilities	64,898	(1,272,244)	(243,023)	(1,450,369)
Non-current liabilities	-	-	(5,000)	(5,000)
Provisions for liabilities	-	(142,170)	-	(142,170)
Pension scheme liability	-	(11,681,000)	-	(11,681,000)
Total net assets	<u>597,489</u>	<u>(11,423,447)</u>	<u>52,002,837</u>	<u>41,176,879</u>

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	51,766,529	51,766,529
Current assets	701,703	1,415,606	1,099,400	3,216,709
Current liabilities	(23,789)	(960,372)	(854,833)	(1,838,994)
Non-current liabilities	-	-	(5,000)	(5,000)
Pension scheme liability	-	(12,511,000)	-	(12,511,000)
Total net assets	<u>677,914</u>	<u>(12,055,766)</u>	<u>52,006,096</u>	<u>40,628,244</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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22. OPERATING LEASE COMMITMENTS

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

	31.8.20	31.8.19
	£	£
Other		
Amounts due within one year	55,711	48,295
Amounts due between one and two years	46,238	48,295
Amounts due between two and five years	<u>15,311</u>	<u>25,232</u>
	<u>117,260</u>	<u>121,822</u>

23. MEMBERS' LIABILITY

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

24. CAPITAL COMMITMENTS

There were no capital commitments at the 31 August 2020 (2019: £nil).

25. 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 Kent County Council. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £335,080 (2019: £56,066) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' pension scheme

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- 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. 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 TPS in the period amounted to £2,202,468 (2019: £1,485,046).

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £902,000 (2019: £887,000), of which employer's contributions totalled £695,000 (2019: £684,000) and employees' contributions totalled £207,000 (2019: £203,000). The agreed contribution rates for future years are 21.0 per cent for employers and range between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet date were:

	31.8.20	31.8.19
Discount rate	1.60%	1.85%
Future salary increases	3.30%	3.70%
Future pension increases	2.30%	2.20%
CPI increases	2.30%	2.20%
Commutation of pension to lump sums	50.00%	50.00%

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

	31.8.20	31.8.19
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

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

Change in assumptions:	Obligation at 31 August 2020 £	Obligation at 31 August 2019 £
0.1% decrease in real discount rate	25,734,000	25,025,000
0.1% increase in real discount rate	24,591,000	23,977,000
1 year increase in member life expectancy	26,098,000	25,419,000
1 year decrease in member life expectancy	24,249,000	23,605,000
0.1% increase in the salary increase rate	25,216,000	24,549,000
0.1% decrease in the salary increase rate	25,097,000	24,441,000
0.1% increase in the pension increase rate	25,670,000	24,969,000
0.1% decrease in the pension increase rate	24,654,000	24,032,000

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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25. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme - continued

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

	Fair value at 31.8.20 £	Fair value at 31.8.19 £
Equities	8,728,000	8,169,000
Gilts	91,000	86,000
Other bonds	1,740,000	1,081,000
Property	1,480,000	1,397,000
Cash	410,000	320,000
Target return portfolio	<u>1,026,000</u>	<u>931,000</u>
Total market value of assets	13,475,000	11,984,000
Present value of scheme liabilities		
- Funded	<u>(25,156,000)</u>	<u>(24,495,000)</u>
Deficit in the scheme	<u>(11,681,000)</u>	<u>(12,511,000)</u>

The actual return on scheme assets was £907,000 (2019: £501,000).

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.20 £	31.8.19 £
Current service cost	(1,421,000)	(1,274,000)
Past service cost	-	(193,000)
Interest cost	(451,000)	(539,000)
Interest income	226,000	295,000
Administrative expenses	<u>(7,000)</u>	<u>(5,000)</u>
	(1,653,000)	(1,716,000)
Actuarial remeasurements	<u>1,788,000</u>	<u>(1,941,000)</u>
Total (cost)/gain recognised	<u>135,000</u>	<u>(3,657,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

25. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme - continued

The actuarial remeasurements for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial remeasurements recognised in the Statement of Financial Activities since the adoption of the relevant pensions accounting is a £2,056,000 loss (2019: £3,844,000 loss).

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
At 1 September	(24,495,000)	(20,310,000)
Current service cost	(1,421,000)	(1,274,000)
Contributions by scheme participants	(207,000)	(203,000)
Interest cost	(451,000)	(539,000)
Change in financial assumptions	(1,667,000)	(3,393,000)
Change in demographic assumptions	568,000	1,246,000
Experience (loss)/gain on defined benefit obligation	2,036,000	-
Benefits paid	481,000	171,000
Past service costs	-	(193,000)
	<u>(25,156,000)</u>	<u>(24,495,000)</u>
At 31 August		

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
At 1 September	11,984,000	10,772,000
Return on assets less interest	681,000	206,000
Contributions by employer	695,000	684,000
Contributions by scheme participants	207,000	203,000
Interest on assets	226,000	295,000
Other actuarial gains/(losses)	170,000	-
Administrative expenses	(7,000)	(5,000)
Benefits paid	(481,000)	(171,000)
	<u>13,475,000</u>	<u>11,984,000</u>
At 31 August		

The estimated value of employer contributions for the year ending 31 August 2021 is £682,000.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

26. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and 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 period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

27. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In the accounting period ended 31 August 2020 the trust received £44,554 (2019: £49,305) and disbursed £35,085 (2019: £44,200) from the fund. An amount of £41,791 (2019: £32,322) is included in other creditors relating to undistributed funds that is repayable to ESFA.

28. PROVISIONS FOR LIABILITIES

	31.8.20	31.8.19
	£	£
Provisions for liabilities at 1 September	-	-
Released from previous years	-	-
Provisions made in year	<u>142,170</u>	<u>-</u>
Provisions for liabilities at 31 August	<u>142,170</u>	<u>-</u>

During the year, certain trade unions began looking at potentially making claims against Kent and Medway based education employers regarding the calculation of term time only workers' annual leave. This has arisen across the Local Authorities as a whole and is not unique to this trust. The trust has estimated a liability to be due of £142,170 but are unsure of any payment dates at this point, however, payment is not expected to be made within 12 months of the year end as this is a developing situation.