

**Suffolk Academies Trust**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2020**

**Company Registration Number:**

**9702333 (England and Wales)**

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**Reference and Administrative Details**

Members	R Carter K Golding N Wingfield-Digby M Wagner J Bloomfield	(Chair)
Trustees	E D'Souza C Higgins N Savvas C Ridgeon J Wakelam S Howard R Inman J Gazzard K Points S Daley S Clarke A Maltpress D Wildridge S Healey Pearce	(Chair) (Chief Executive Officer, Accounting Officer)
Trust Secretary	J Bridges	(to 31 May 2020)
Trust Clerk	T Elkin	(from 9 July 2020)
Senior Executive Team		
<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Financial Officer</li> <li>• Principal One SFC</li> <li>• Principal One SFC</li> <li>• Principal Abbeygate SFC</li> </ul>	N Savvas S Jones J Milsom N Savvas D Gartland	(to 07/06/2020) (from 08/06/2020)
Company Name	Suffolk Academies Trust	
Principal and Registered Office	Out Risbygate Bury St Edmunds Suffolk IP33 3RL	
Company Registration Number	09702333 (England and Wales)	
Independent Auditor	Larking Gowen LLP Kings Street House 15 Upper King Street Norwich NR3 1RB	
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	
Solicitors	Browne Jacobson LLP 15 <sup>th</sup> Floor 6 Bevis Marks London EC3A 7BA	

## **Trustees' Report**

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 charitable company was incorporated on 24 July 2015 and opened as a Multi Academy Trust on 1 September 2015. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Suffolk Academies Trust (the Trust) is a multi-academy trust operating two academies. The first is One Sixth Form College which is a post 16 academy located in Ipswich, Suffolk. Its catchment area is predominantly Ipswich and the rural areas to the South and West of Ipswich but does attract students from many areas of the County. One Sixth Form College has student numbers of approximately 2,000 but has comfortable capacity for 2,200. Prior to academisation, it was known as Suffolk One and was a foundation school that opened in 2010. The second academy is Abbeygate Sixth Form College, a post-16 academy in Bury St Edmunds, which opened on 1 September 2019 in temporary accommodation at West Suffolk College. Its catchment area is Bury St Edmunds and the surrounding areas. The academy opened with 238 year 12 students and will continue to grow in numbers over a five-year period with its new build accommodation capable of accommodating a maximum capacity of 1,700 students.

### **Structure, Governance and Management**

#### **Constitution**

Suffolk Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Suffolk Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Suffolk Academies Trust and its two academies, in the reporting period, are known as One Sixth Form College and Abbeygate Sixth Form College.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

#### **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.

#### **Method of Recruitment and Appointment or Election of Trustees**

The recruitment and appointment of Trustees is the responsibility of the Members of Suffolk Academies Trust.

The members may appoint up to 9 Trustees and additional Trustees can be appointed by West Suffolk College through such process as it may determine. The total number of Trustees including the Chief Executive Officer who are employees of the Trust shall not exceed one third of the total number of Trustees. Provision for at least 2 Parent Local Governors is established on the Local Governing Body of each academy pursuant to Article 101A of the Articles of Association.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Trustee induction and training is determined by a skills audit and annual self-evaluation tools. The skills audit helps the Trust to identify and assess the skills required in the future, understand the skills the Board of Trustees has, who has them and identify what may be missing. Skills gaps inform the personal and collective development needs of Trustees and the Board together with the Annual Self Evaluation tool of Board Effectiveness, used to inform the training and development strategy for the Trust.

#### **Organisational Structure**

The Trust is overseen by the Board of Trustees which has sub-committees comprising Finance, Audit and Risk Management, Property and Related Party Transactions. In addition, each academy has a Local Governing Body which is accountable to the Board of Trustees and has responsibility and oversight for the standards of teaching and learning, the standard and quality of education provided, student outcomes, and how and when performance is to be reviewed, scrutinised and monitored. In line with sector expectations, the Chief Executive of the Trust is the appointed Accounting Officer. The CEO, Chief Financial Officer and the Trust Secretary (until May 2020), are supplied at cost to the Trust by West Suffolk College.

A scheme of delegation showing the decisions that must be approved by the Trust Board and those which can either be approved or co-authorised by the Executive is produced and approved annually by the Trust Board.

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

Neither the Trustees nor the Governors of the Local Governing Body receive remuneration for their roles. Of the academy senior leadership team, remuneration is reflected in their contract of employment and any progression or cost of living

increases must be approved via the Trust policy which is approved by the Trust Board. The Chief Executive Officer (Accounting Officer), Chief Financial Officer and the Trust Secretary are not remunerated by the Trust and instead payment is made direct to West Suffolk College for these services through an approved Service Level Agreement. Any changes in charges to the Trust for these services as a result of pay changes to the individuals employed by West Suffolk College would have to be approved by a modified Service Level Agreement which would be considered and agreed by the Related Party Transactions Committee (which comprises of 3 Trustees who are not conflicted by other roles held at related parties) prior to approval by the Trust Board.

### Trade Union Facility Time

#### Relevant Union Officials

Number of employees who were relevant Union Officials during the relevant period	Full Time Equivalent Employee Number
1	1

#### Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	1
1%-50%	
51%-99%	
100%	

#### Percentage of pay bill spent on Facility Time

Total cost of Facility Time	Nil
Total Pay Bill	£7,531,114
Percentage of the total pay bill spent on Facility Time, calculated as: (total cost of Facility Time + Total Pay Bill) x 100	Nil

#### Paid Trade Union Activities

Time spent on paid 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) x 100	Nil
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#### Related Parties and other Connected Charities and Organisations

One of the five members of Suffolk Academies Trust, in the accounting year, was a Governor of the Corporation of West Suffolk College. West Suffolk College owns the freehold of the site that One Sixth Form College is located on and this property was leased to the Trust for 125 years commencing 1 September 2015. The Principal and CEO, Vice Principal Finance and Resources and the Clerk to the Corporation and College Secretary of West Suffolk College provide the services of Chief Executive/Accounting Officer, Chief Financial Officer and the Trust Secretary respectively to the Trust. These services are charged for via a Service Level Agreement approved by both parties and any other charges between West Suffolk College and the Trust are in line with the requirements of related party transactions as set out in the Academies Financial Handbook. Following the Clerk's resignation from West Suffolk College on 31 May 2020, the Trust appointed a Clerk directly, removing any related party transaction for the services of Clerk from 1 June 2020. Except for three Trustees (non-conflicted with West Suffolk College), all other Trustees are also Governors of the Corporation of West Suffolk College.

## **Objectives and Activities**

The purpose of Suffolk Academies Trust is to provide outstanding quality post-16 education. Currently this is delivered by One Sixth Form College which is located in Ipswich, Suffolk and Abbeygate Sixth Form College, which is located in Bury St Edmunds, Suffolk.

## **Objects and Aims**

As defined in the Articles of Association, the Objects of the Trust are to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering curriculum appropriate to the needs of our 16-19 academy students.

Outstanding achievement and excellence for all: -

- a tradition of outstanding achievement
- a professional environment which encourages and embraces challenge
- students achieve and exceed their initial aspirations
- a learning environment enhanced by vibrant commercial engagement

Excellent personal development opportunities for everyone: -

- outstanding learning and development opportunities for all
- students and staff take responsibility and pride for their personal development
- students and staff enjoy and achieve their very best
- a culture of success and celebration

Exceptional progression opportunities: -

- All students enjoy first class input from the world of business, commerce and higher education.
- Students are able to make informed choices as a result of high-quality advice and guidance.
- All courses demonstrate clear progression opportunities.

## **Objectives, Strategies and Activities**

- To operate at full capacity whilst maintaining a balanced curriculum offer and supporting our staff in delivering outstanding outcomes for the college community.
- Support the opening, operation and growth of Abbeygate Sixth Form College, in Bury St Edmunds
- Maintain a financially sustainable provision in the ever-changing context of national funding decisions and a challenging economic environment.
- Enhancing existing specialist 16-19 and 19–25 provision by supporting Suffolk CC to develop provision to meet the specific needs of particular students.
- Developing One Sixth Form College as a centre for professional development with a particular focus on teacher training and inset around information, advice and guidance for young people. This will help to improve their transition and progression from 16+ onwards and, into higher education and employment.

## **Public Benefit**

The Trustees have complied with their duty to have due regard to exercising their powers to ensure that the Trust is for the advancement of education. The existence of Local Governing Bodies further strengthens the ability of the Trust to meet the needs of the local community. The leisure facilities at One Sixth Form College are made available for community use when public health issues caused by the Coronavirus pandemic do not prevent them from being used safely.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

## Strategic Report

### Achievements – Coronavirus Pandemic Impact

In March 2020, Government issued virus control measures that required the closure to students of both academies within the Trust. The Trust used its ability to switch to online learning platforms, which enabled students to continue their studies from home. Support was given to students with limited access to IT equipment and pastoral care was also undertaken remotely.

The closure of academy buildings provided savings for reduced utility usage and this broadly compensated for the additional virus control measures required for the preparation for the return of students, e.g. increased Coronavirus signage, protective screens, increased cleaning etc. The Trustees consider that there is no significant impact of the financial sustainability of the Trust as a result of these measures.

The Coronavirus pandemic has required changes to the way student recruitment and enrolment has taken place for 2020/21. The usual series of open events was impacted by the closure and Lockdown from March 2020 onwards. Much of the recruitment effort is undertaken in the earlier part of the academic year, but finalising applications and confirming places based on results was impacted by the changes to the GCSE results process. The overall impact on student numbers in 2020/21 has not been significantly affected and this gives the Trustees confidence that this can be maintained in future years if the virus control measures prevent an immediate return to normal procedures.

The staff and students have responded positively to the changes with students showing maturity in complying with significant changes to student life in the colleges. Staff have shown great leadership and resilience in dealing with control measures that were, at times, changing on a daily basis. The Trust has supported both staff and students in the more vulnerable categories, by enabling remote working where possible or other suitable changes on a case by case basis.

The Trust recognised the Coronavirus as a risk, and it was included on the Trust’s Risk Register. Appropriate control measures were put in place, for example monitoring and implementing advice from Public Health England and the ESFA.

The Trustees do not consider that there are any implications for the defined benefit pension scheme liability. There is no impact on the Reserves policy and no funds have been put aside for future Coronavirus specific commitments.

Since the year end, on-site learning has resumed in both academies and Government advice is to continue with face-to-face learning. Suffolk is fortunately experiencing some of the lowest rates of Coronavirus infection in the country and this will hopefully reduce the likelihood of all students being required to study remotely. The Trust maintains its capacity to deliver learning remotely if more restrictive virus control measures are enforced. The Trustees do not expect the continuation of virus control measures during the rest of 2020/21 to adversely affect the aims and activities of the trust. The impact of continuing virus control measures in 2021/22 and beyond will depend on the specific restrictions imposed.

### Achievements and Performance - One Sixth Form College

One Sixth Form College is ‘Outstanding’ (Ofsted), in 2019 one of its teachers won the Pearson FE Teacher of the year Silver Award. Our teachers have been recognised externally, both locally and nationally, for their work with the NHS, the Arts, educational research and STEM projects.

The College is inclusive, offering courses at Levels 4, 3, 2 and Foundation Learning, with 89% of students on Level 3 or 4 programmes, in 2019/20 the student roll was 2,158 with its student population split as follows:

Qualification type	% of Student population
A Level	56
Level 3 Vocational	31
Level 4 (Foundation Art)	2
Level 2	8
FL	3

### Outcomes for Students & Value Added

One Sixth Form College has been in the top 10% of schools and colleges nationally for the past 6 years.

As a direct result of the country being placed in ‘lockdown’, due to the Covid-19 pandemic, examinations for the majority of students were cancelled, as were the DfE measures of education accountability for the year 2019-20.

The qualifications regulator, Ofqual, established an emergency regulatory framework for the awarding of qualification outcomes in summer 2020. This framework required educational institutions to submit 'Centre Assessed Grades' (CAGs) and variations of this process for all vocational qualifications. Ofqual applied an algorithm to moderate the CAGs before their publication.

On the subsequent release of all qualification results, the Government intervened, and required the qualification regulator to award students the grades that had been given by their school/college or the grade that had been the outcome of the moderation process, whichever was higher.

The subsequent outcomes for 2019/20 academic year are presented below:

- A Level 83.3% A\*-C grades
- A Level 99.9% A\*- E grades
- BTEC L3 courses 100% D\*D\*D\*-PPP
- Overall all level 2 courses surpassed the national average at D\*D\*- DD
- Foundation Learning programmes achieved 100% Pass
- A Level: Value Added - Grade 2 (Outstanding) (ALPS – Advanced Level Performance System using the national database and recognised by the DfE & Ofsted)
- BTEC: Grade 2 (Outstanding) (ALPS – Advanced Level Performance System using the national database and recognised by the DfE & Ofsted)

### Attendance & Retention

Attendance was 92.3% which was the same as the previous year. Retention was 94.7% which was a 1.5% reduction compared to the previous year.

### Progression/Destinations

This year 56% of L3 students secured university places which is a similar percentage to that in 2019. Of these, 48% progressed to Russell Group (Higher Tariff) universities compared to 44% in 2019.

We have seen 38% of L3 students choose the employment/apprenticeship/further training route compared to 28% in 2019. 2.4% of L3 students have chosen to take a gap year and for students who are NEET, the figure is currently 5.9%. This includes those students who have yet to confirm their destination.

### Achievements and Performance – Abbeygate Sixth Form College

Abbeygate Sixth Form College is opened in September 2019 with 236 year 12 students.

Qualification type	% of Student population
A Level	100

### Outcomes for Students & Value Added

As a new academy, Abbeygate Sixth Form College has no prior track record of examination success. Student outcomes in 2019/20 were excellent and set the bar for future results.

- Extended Project (Level 3) 93.9% A\*-C grades (49 entrants)
- Extended Project (Level 3) 100.0% A\*- E grades (49 entrants)
- GCSE (Level 2) 100.0% Grade 4+ (14 entrants)

### Attendance & Retention

Attendance was 93.1% in 2019/20. Retention was 91.1% from 2019/20 to 2020/21.

### Progression/Destinations

As 2019/20 is the first year of operation for Abbeygate Sixth Form College and all students started in year 12 with no year 13 students, no destination data is available.

## **Enrichment - One Sixth Form College**

### **The Arts**

In November 2019, the One Anthology of Creative Writing created by our 16-18-year-old students at the College between 2014-2019 was published. This collection transported readers from an 'Armchair on Bradford Road' to 'That Day at Jaywick', via 'Van Gogh's Cornfield', stopping at 'The Figurative Café' and a 'Silent City'. The anthology contained a generous selection of stories and prose pieces featuring a wide range of voices, genres and characters. Many of the poems included have either won or received commendations in the prestigious Suffolk Young Poets and Woodbridge Young Poets competitions. One poem, 'The Figurative Café' was also commended in the Foyles Young Poets of the Year competition. As an extra special dimension, many of the photographs in this book were taken by the late and inimitable Gordon Haws (Photography Teacher at One, 2010-2017).

The past academic year has been another year of hard work, fun and excitement, the College performance of *Sister Act* was simply superb with the parts of 'Deloris Van Cartier' and 'Mother Superior' executed to such a professional level you would have been forgiven for thinking you were in fact in the West End. We were indeed entertained throughout the year with a variety of concerts, an online production of 'A Doll's House (*The Untold Stories*)' and this year's *Roscars* (the Media and Film awards) which was presented as a live streaming event!

In January 2020 students from One took part in an exclusive Portrait Workshop with the world-famous artist Colin Davidson. The workshop had been organised by Emma Connolly, John Sheeran and Ipswich Borough Council to run alongside the exhibition 'Made in Suffolk: Ed Sheeran'. Colin Davidson flew in especially from Belfast to support the workshop, giving students 1:1 support and guidance on their portraiture skills. 13 students from other local schools and colleges were also invited to take part after being nominated by their art teachers. Students from the visual arts also got online exposure, with their summer exhibition presented in a 3D virtual gallery.

### **Bar Mock Trial Competition**

A team of budding barristers from One are preparing to take part in a national event run by Young Citizens – which challenges 15 to 18-year-old students from across the UK to pit their legal wits against other aspiring lawyers from local schools. Ruth Parr (Teacher of History and Politics) supported the students in the run up to this event. She said, "Whilst we don't teach A Level Law at One, many of our students are considering studying law in the future. Therefore, we thought that this would be a great chance for them to get a flavour of this profession, to help determine whether or not this is the career for them."

### **Foundation learning**

As part of the initiative ALL TOGETHER – 26 students undertook mock interview prep and actual interviews with external business partners. Between October 2019 to March 2020, our supported internships ran successfully for six students, their experiences were exceptional, and two interns presented an evaluation to the local governing body.

We ran a Youth Parliament activity which culminated in four students attending a meeting at Suffolk County Council to give feedback on young people's concerns around knife crime.

Students attended the devised Physical Theatre performance – What makes me a me? – this made innovative use of sign language in performance and it further integrated foundation learning with our level 3 students.

### **Christian Collective**

The Christian Collective attracts students with the support of humanities teachers with one student winning a prestigious College award this year for their work with this group.

### **STEM**

In Biology, staff have conducted a research project to specifically develop students' metacognitive and independent learning skills, preliminary results analysis showed that this has positively impacted on attainment in assessments. Biology have also maintained links with the Royal Society and a group of students have taken part in a project with the University of Essex. We have gained further funding last year to run a joint Electronics partnership project with the Royal Society this academic year. The physics team maintained an ongoing partnership with the Institute of Physics, having run numerous CPD sessions for staff from partnership schools last academic year. Year 12 Biology and Chemistry students have also taken part in the Chemistry and Biology Olympiads gaining a variety of commendations and medals.

The Maths team took 14 students to the Maths inspiration lecture day at Cambridge which allowed them to be presented with mathematics in the context of exciting, real-world applications. Another maths group visited AXA insurance where among other exciting tasks, students were guided about graduate schemes and apprenticeships.

The Senior Mathematical Team Challenge & Senior Mathematical Challenge are very popular with our students and we get consistently good results. This year out of the 35 students that took part in the Senior Maths Challenge, 7 students achieved a Gold award, 10 achieved a Silver and 11 achieved a Bronze. All Gold award students qualified for the Kangaroo and achieved a merit certificate in this round. The Senior Kangaroo is a follow-on round to the Senior Mathematical Challenge. The Kangaroo is a 60-minute competition consisting of 20 problems. Entry to the competition is by invitation only and is based on a qualifying score, which is variable from year to year.

In the Senior Mathematical Team Challenge, 4 chosen students – 2 from year 12 and 2 from year 13 took part at Northgate High School where they contended well against many other schools within the area.

In Technology, careers and employer engagement activity included presentations about apprenticeships by an ex-student now working for BT and another by Brafe Engineering. The Engineering team hosted a skills workshop with Superstructure Ipswich. Autoclimate UK hosted an industry air-conditioning training session free of charge to students (RRP around £500 per candidate), and Halfords UK issued our Motor Vehicle students trade cards and spoke to them about tools and equipment they may need in their careers.

### **Institute of Directors (IoD)**

The IoD student member programme has seen a busy and interesting year with 14 students from Year 12 and Year 13 engaging in a variety of talks and visits to local businesses, and also engaging in a number of online webinars and online workshops due to the change in nature of business meetings and events to being online as a result of Covid-19. At the beginning of the year there were a number of guest speakers covering the topics of public speaking, CV's and a director from a logistics company at Felixstowe Docks. The culmination of the IoD student member programme saw the 14 IoD student members organise the Student Leadership Conference. There were a record number of Year 11 students who accepted the invite to hear guest speakers from industry and took part in discussions in relation to leadership; however, it had to be cancelled due to the national Covid-19 lockdown. The IoD students continued to engage in the bespoke webinar sessions provided by the IoD online, with local and national representatives, as this was the 'new way' of working in business and networking. This was a particularly challenging year for the Institute of Directors Student Members as the normal experience of physically attending network events which usually takes place from February onwards was undertaken online and the experience for students was similar to that of experienced directors in that a new way of working and accessing contacts and networks was a virtual experience.

### **Enrichment - Abbeygate Sixth Form College**

#### **Local Press Articles**

Students were invited to write articles for the fortnightly piece in the Bury Free Press on a matter close to their heart.

#### **Performing Arts**

The Abbeygate musicians, members of a combined symphony orchestra, performed at Snape Maltings. Joining forces with King Edward VI School, our singers and instrumentalists took part in a 90's themed concert. The 'Winter Showcase' concert was a hit with the Abbeygate students performing alongside students from other schools interested in A-level music. The Drama and Music students collaborated with King Edward VI to perform 'We Will Rock You' to primary students. Both the A-level Music and A-level Art students worked together for their involvement with the Bury St Edmunds Christmas Fayre. Cellist Imogen Aley gave a stunning performance of the Benedictus from 'The Armed Man' by Karl Jenkins in St Edmundsbury Cathedral, supported by the combined orchestra of ASFC and King Edward VI.

#### **Podcasts**

Students have compiled podcasts on topical but thought-provoking subjects, such as legalisation of class A drugs, rehabilitation programmes, women in STEM and the gender inequality gap. Suffolk Highways website hosted a podcast by a student on road safety. Three A-level Film Studies students were featured in a Spotify podcast discussing the lack of diversity in films, the rise of YouTube and what we can expect from the new generation of filmmakers.

#### **Operation Wallacea**

The 'sign-up' process for a two-week research expedition to South Africa to examine biodiversity was opened but regrettably due to the Coronavirus pandemic the trip was cancelled. It is planned to undertake the expedition when it is safe to do so.

#### **Guest Speakers, Trips & Events**

Criminology students took part in a mock trial, playing the parts of barrister, jury, witnesses and defendants. Students were able to visit Ipswich Crown Courts and Norfolk magistrates presented to the A-level Law and Criminology students, discussing the legal system and processes. Art and Textiles students met Elisabeth Rutt, from Stitched Textiles, a local textile artist, to understand the processes involved in her art. Students were invited to join the West Suffolk College

Leonardo Creative House talks at the Apex in Bury St Edmunds, entitled 'Creative Journeys'. Film and Media students enjoyed a visit to Cineworld in Bury St Edmunds, to take part in the INTO Film Festival. Students took part in Big Bang Digital 2020, an online Science, Engineering and COVID19 themed digital event and the "STEMtastic Live" virtual event which focused on Science, Engineering and Innovation for the next generation. Teenage Summer Writing Workshops were offered which enabled students to create a short script, which was then performed by INK Actors online. Our A-level language students took part in an international project with sixth forms in Germany and France about fast fashion and creating sustainability. 'Take your Place' and 'Operating Theatre – Live' hosted an event for our A-level Science students to have a hands-on experience of some processes involved in various medical professions. The internationally acclaimed 'Hofesh Shechter Company' put our A-level Dance students through their paces in a workshop, including learning the professional repertoire from their current show 'Grand Finale'. 'Abbeygate does Christmas' was an artistic showcase in the Haart Community Marquee at the Bury St Edmunds Christmas Fayre, including a fashion show and open mike event. West End star Richard Woodford met students and gave an impromptu rendition of 'Phantom of the Opera'. Professional artist Madeleine Roberts lead a creative workshop for the A-level Art students creating figures for the Bury St Edmunds Christmas Fayre. A-level Modern Foreign Language students hosted student visitors from Shanghai in collaboration with the King Edward VI led exchange trip. A solicitor from Greene and Greene Solicitors presented to the A-level law students to discuss a career as a solicitor and barrister. A-level Photography students visited the Suffolk Regiment Museum to learn about the history of the regiment and take some incredible photos.

### **Politics**

Abbeygate General Election! students were able to campaign for their preferred political party in our mock general election.

### **Bake off!**

Our student-led Charity Committee hosted refreshments at the Parents Evening to collect money towards the Suffolk Mind charity. Students studying Modern Foreign Languages held a 'Bake Off' sale with creative language inspired bakes, with proceeds to the Bury Deaf Association.

### **Duke of Edinburgh Award**

Led by our very own Geography teacher, the Duke of Edinburgh Gold Award was made available to students.

## Key Performance Indicators

The Trust uses key performance indicators as a tool to assess performance throughout the year. These KPIs are a mixture of financial and non-financial indicators measuring the performance of the Trust in the reporting period. The suite of indicators are regularly reviewed and modified according to need and priority. These indicators are reported to the Trust Finance Committee and the Board of Trustees during the year. The final KPIs presented to Trustees for the 2019/20 year, are shown below.

### Suffolk Academies Trust KPI Report Period ending 31 August 2020

Ref.	KPI	Aug-20	Jul-20	Risk & Direction	Benchmark	RAG Rating		
						Green	Amber	Red
1	Cash reserves – disclose £ value. The benchmark will be 2 months GAG expenditure.	3,232,482	3,198,854	↓	2 months GAG - £1,889,104	> = 2 month GAG	> 90% of 2 month GAG	< 90% of 2 month GAG
2	YTD Actual Income as % of YTD Budget – disclose % value. The benchmark will be the Budget value.	98.80%	100.14%	↑	100% of Budget	> = 100% of budget	> 90% of Budget	< 90% of Budget
3	YTD Actual Expenditure as % of YTD Budget – disclose % value. The benchmark will be the Budget value.	94.81%	97.57%	↓	100% of Budget	< = 100% of budget	< 110% of Budget	> 110% of Budget
4	Forecast Surplus / Deficit for year – disclose £ value. The benchmark will be the Budget value.	290,415	191,428	↓	Budget £125,292	> = 100% of budget	> 90% of Budget	< 90% of Budget
5	YTD Staff Pay as a % of Total Income – disclose % value. The benchmark will be a % based on Budget figures.	70%	68%	↑	Budgeted % of Staff Pay compared to Total Income - 70%	< = budgeted %	< + 1%	> + 1% of
6	Actual staff costs as % of YTD Budget - disclose % value. The benchmark will be 100%.	99.04%	98.82%	↑	100%	< = 100% of budget	< + 1%	> + 1% of
7	Pupil to Teacher Ratio	20.14	20.14	↔	Budgeted PTR = 22.22	> = Budget	> 90% of Budget ratio	< 90% of Budget ratio
8	Current Student Numbers 2019/20	2,200	2,200	↔	Target for Current Year - 2,450	> = Target	< 5% behind Target	> 5% behind target
9	Year 12 student applications for the following year (2020/21)	2,843	2,843	↔	Target for Following Year 20/21 - 2,720	> = Target	< 5% behind Target	> 5% behind target
10	Total Student Numbers Forecast for following year	2,903	2,903	↔	Forecast for 20/21 - 2,822 (Oct 20 census)	> = Target	< 5% behind Target	> 5% behind target

## Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## Financial Review

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31<sup>st</sup> August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy has also been in receipt of capital grants from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities', such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31<sup>st</sup> August 2020 total expenditure of £13,737,959 was supported by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £287,636. This result is greater than the budgeted contribution for the year of £125k. The increase compared to budget comprises a number of factors including additional grant income for Teacher Pay & Pension awards, a shortfall in Abbeigate SFC income due to lower than expected student numbers, and associated staff cost savings and non-pay cost savings.

At 31<sup>st</sup> August 2020 the net book value of fixed assets was £29,028,186 and movements in tangible fixed assets are shown within note 12 to the financial statements and intangible assets within note 11 to the financial statements. The addition of £413k of assets in the year reflects the continuing investment in resources for the students & staff of the Trust. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

At the 31<sup>st</sup> August 2020 the total restricted income funds and unrestricted funds amounted to £1,546,831. This excludes the restricted pension reserve.

In accordance with FRS102, the academy received an actuarial assessment of pension scheme deficit. The deficit balance of £3.957 million is included within the balance sheet as at 31<sup>st</sup> August 2020 and supporting notes to the accounts. A deficit would generally be expected to result in an increase in cash pension contributions over a number of years.

### **Reserves Policy**

Trustees have the responsibility to manage the assets of the Trust. Setting a reserves policy is a central part of managing the Trust's finances and safeguarding the assets. Trustees must consider both the needs of today's students as well as those of the future when setting a reserves policy. Holding back excessive funds for future needs may damage the education of the current students. Conversely, fully spending all of the current funds leaving no money for investment in the future of the Trust, can damage the education of tomorrow's students.

The Trust was created in September 2015 and therefore the financial strategy has been to establish sufficient reserves to ensure financial resilience for the Trust in the longer term so that any future shortfalls in student numbers or cuts in funding do not negate the opportunity to invest in the future of the organisation. To create this resilience, the intended free reserves level that the Trust set for itself in the Autumn of 2016 was the equivalent of 1 month's estimated expenditure which was approximately £850,000. This was considered sufficient a sum to provide some financial resilience but not so large that it would deny current students of appropriate investment in the staffing, resources and infrastructure of the Trust.

During the 2018/19 year the unrestricted reserves figure increased to £1,075,543, which means that the Trust exceeded the aspirant target of £850,000. As the Trust entered a new phase with the advent of a new academy which has to establish its reputation locally and an existing academy where premises expenditure is expected to rise over the coming years the target was extended to 2 months' estimated expenditure for the Trust, including the two sixth form academies, i.e. £2,065,000 until two conditions are fulfilled; firstly that the new academy is established and has sufficient student numbers to deliver the economies necessary and secondly that all significant plant and equipment works identified at One Sixth Form College are fully quantified and provided for. Once both have been addressed then the reserves policy will be reviewed.

As at the end of the 2019/20 financial year, unrestricted reserves amounted to a total £1,304,149 an increase of £228,606 in year which means that the Trust is just over 63% of the way towards its new aspirational unrestricted targets. The achievement of the previous target earlier than planned is a positive position, since it has been completed without detriment to the provision of education to the students, but equally provides the Trust with a robust reserves position ahead of a period of significant change as it continues to develop the second 16-19 academy that opened in September 2019. The level of free reserves reached is a very positive start for the Trust having only been in operation for five years.

The level of restricted general funds amounts to £242,682 at the year end, an increase of £59,032 in year.

With the scale of organisational change approaching the Trust and the continued pressure on the education sector's finances, 2 month's equivalent of expenditure is considered a sufficient reserves position for the Trust.

### **Investment Policy**

The Trust recognises the need to obtain best value from all assets that it holds, including any cash balances that it may periodically hold.

This Trust's policy sets out how those balances will be invested in order to achieve best value whilst also ensuring adequate cash flow to enable the management of the day-to-day accounts.

The Trust does not place cash assets in stocks, shares, bonds or other such investment schemes. Cash assets will only be invested in accounts available through its normal bank, currently Lloyds Bank plc. Cash flow and investments shall be managed by the Trust finance team using the following principles:

- Current account balances earn interest which is aggregated across the Trust and then offset against the commission charges accrued producing a net surplus interest payment to the Trust.
- Cash Flow and Current a/c balances are regularly monitored to ensure immediate financial commitments can be met (payroll and creditor payment runs).

- The Trust will always seek to avoid its current account going overdrawn.
- In balancing risk and reward, will always seek to work with a strategy of minimising risk over maximising reward.

### **Principal Risks and Uncertainties**

The key risks and uncertainties facing the Trust are documented in the risk register of the Trust. This register is regularly triangulated and contains mitigation measures to address or reduce the impact of risks should they come to pass.

The top three risks on the Trust register at the end of the financial year related to:

- Failure to achieve a Shared Services Strategy
- Failure to recruit student numbers at One and Abbeygate Sixth Form Colleges leads to reduced income
- Covid-19 outbreaks leading to full or partial academy closures.

The risk of failure to achieve a Shared Service Strategy is managed via service level agreements (SLAs) with the related party with whom the services are shared. The SLAs are monitored by the Trusts Related Party Transactions (RPT) Committee which is comprised of the 3 Trustees who are not conflicted with positions with the related party. This encompasses due diligence, independence and value for money checks.

The failure to recruit student numbers risk is managed by coordination of student recruitment activities in response to application and enrolment numbers which are monitored frequently by the senior executive team. Use of market research and market share analysis enables the recruitment to be responsive to needs of the local student market. Curriculum planning is also focused on new high growth areas. To minimise the impact of the Coronavirus pandemic, online application & enrolment procedures have been developed to replace on-site events.

The risk of full or partial academy closures is managed by following Public Health England advice and monitoring daily Government advice. The availability and use of virtual platforms for teaching and meetings minimises the impact of staff & students being required to be absent from college locations. Student engagement and progress was tracked during the full "lockdown" and will continue in the event that students are required to be away from college again. Regular meetings of the executive team to review business continuity arrangements have enabled a high level of responsiveness to the frequently changing circumstances affecting the academies.

In part, the KPI schedules also assist in the management of risk and the well-being of the Trust and along with the risk register which has an associated action plan, the KPIs are regularly reviewed by Trustees.

### **Fundraising**

The Trust undertook no fundraising activities during the year.

### **Plan for Future Periods**

In addition to consolidating One Sixth Form College's position as the top provider of post 16 education in the vicinity of Ipswich, the Trust has successfully opened Abbeygate Sixth Form College as a post 16 free school for the west of Suffolk in Bury St Edmunds. This 16-19 academy opened in September 2019, operating, temporarily, out of accommodation at West Suffolk College for its first year. The objective of the Trust will be to replicate the outstanding quality of One Sixth Form College at Abbeygate Sixth Form College and improve the academic offer to the post 16 age group across Suffolk and its wider region, raising performance and aspiration. As part of the opening arrangements, the Department for Education has been engaged in the construction of a new academy building throughout 2019/20, designed and constructed specifically for Abbeygate Sixth Form College. The construction was expected to be available from September 2020, but with delays in construction due to the Coronavirus pandemic it is now expected to be completed in late 2020 with formal handover arrangements completed in late 2020 or early 2021.

### **Funds Held as Custodian Trustee on Behalf of Others**

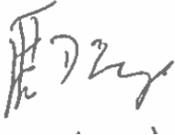
With the exception of modest funds held by the Trust on behalf of the SWISS (South West Ipswich & South Suffolk) schools' partnership, the Trust does not hold funds on behalf of others. The partnership, of which One Sixth Form College is a part, is a unique collaboration of high schools in the South West Ipswich and South Suffolk areas whose objectives are educational.

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 26 January 2021 and signed on the Board's behalf by:



**Elton D'Souza**  
Chair of Trustees  
26 January 2021

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day to day responsibility to the chief executive, 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 Suffolk Academies Trust 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 Trustee's Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Maltpress	3	3
C Higgins	3	3
C Ridgeon	3	3
D Wildridge	3	3
E D'Souza	3	3
J Gazzard	1	3
J Wakelam	2	3
K Points	3	3
N Savvas	3	3
R Inman	3	3
S Howard	2	3
S Healey Pearce	2	3
S Clarke	3	3
S Daley	3	3

There have been no changes in the composition of the Trust Board during the year. The Board has been working closely with the ESFA and the Trust Members during the year on enhancing the Trust's governance. The Trust funded an external review through Hays Macintyre and is progressing the completion of an associated action plan jointly with the ESFA.

The Trust will be conducting a full review of governance in the early part of 2021.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to formulate guidelines for and oversee the discharge of the Trust's responsibilities for the proper management of the finances of the Trust and any of its academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Higgins	4	5
C Ridgeon	5	5
D Wildridge	4	5
E D'Souza	5	5
N Savvas	5	5
S Healey Pearce	4	5
S Clarke	5	5

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to review the effectiveness of the internal control environment and risk management arrangements providing timely advice to the Board of Trustees on areas within its remit.

Attendance at meetings during the year/period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Maltpress	4	4
J Gazzard	4	4
J Wakelam	3	4
R Inman	4	4
S Howard	1	4

The Related Party Transaction Committee is also a sub-committee of the main board of trustees, comprising of the three Trustees who are not conflicted with West Suffolk College. Its purpose is to review and assess the related party transactions disclosed in the business of the Trust and to complete a statement of assurance to demonstrate that the supply of goods or services by a related party to the Trust are charged at no more than cost and that compliance with funding agreement obligations have been considered, satisfied & fulfilled.

Attendance at meetings during the year/period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Ridgeon	3	3
R Inman	3	3
S Healey Pearce	3	3

The Property Committee is also a sub-committee of the main board of trustees. Its purpose is to formulate guidelines for and oversee the discharge of the Trust’s responsibilities for the proper management of the estate and assets of the Trust and any of its academies.

Attendance at meetings during the year/period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Higgins	3	4
D Wildridge	2	4
E D’Souza	3	4
N Savvas	4	4
S Clarke	4	4

**Review of Value for Money**

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

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

- delivering the curriculum with an efficient staffing structure and recruiting high student numbers
- optimising allocation of staff time and centralising many support services
- taking a considered approach to investment in the buildings, infrastructure and IT
- applying the principles of the Trust’s Best Value Statement
- Using a carefully considered Reserves Policy ensured that the long-term financial viability of the Trust is balanced with the needs of current students
- Maintaining high quality outcomes with a positive financial performance

The Coronavirus pandemic created many pressures on the usual operations of the Trust, not least in continuing to ensure that suppliers of regular services to the trust for catering, cleaning & building maintenance were supported under the Procurement Policy Note 02/20 (PPN02/20). This Cabinet Office guidance to public bodies enabled payments to be made to ensure that service continuity during and after the pandemic could be maintained. In the period April to August, payments to the supplier of cleaning & building maintenance services amounted to £100,464 and payments to the supplier for catering

services amounted to £143,177. These were considered to be essential to ensure the continuity of service when the demand for services returns to pre-pandemic levels.

As a Trust and with the support of formula capital funding and self-generated reserves, we are now able to invest in our estate and ICT infrastructure. This enables the Trust to develop a strategy to deal with the estate's priorities with all expenditure of a capital nature now being managed centrally which additionally will bring a number of procurement benefits. The Trust has also looked at a number of new initiatives to increase savings and efficiencies that will benefit the academies within the Trust as we move into a period that will see increased pension costs and uncertain funding. The infrastructure that has been created, and will continue to develop, will offer our academies and those of the future, sustainable value for money.

### **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 Suffolk Academies Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of 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 period 1 September 2019 to 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.

### **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 finance committee and property committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks

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

To buy-in an internal audit service from Schools Choice. The use of a specialist internal audit service is considered beneficial to the Trust in terms of the level of independence and assurance provided in respect of the review of internal controls.

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

Payroll  
Purchasing  
Income controls  
Monitoring & reviewing  
Governance  
Audit  
Planning cycle & budget  
Inventory & security  
Tax  
Data security  
Insurance

Transactional audits included:

Payroll  
Purchasing  
Income controls  
Monitoring & reviewing

Risk Management included:

Risk management  
Risk register  
Risk reporting

On a regular basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor also provides an annual assessment based on its audit work of internal controls including an assessment of the Trust's risk management. The overall assurance opinion grading by the internal auditor of the Trust's effectiveness in these areas was 'Good'.

Schools Choice has delivered their schedule as planned and provided details of any material control issues arising as a result of the review along with recommendations of any remedial action required to rectify the issues. Work arising from the internal review reports and recommendations is managed using an internal audit tracking document to ensure necessary steps are taken in a timely manner. This is subject to the regular review of the Audit Committee.

**Review of Effectiveness**

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 Audit Committee in its annual report to the Board and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the member of the board of trustees on 26 January 2021 and signed on its behalf by:



**Elton D'Souza**  
Chair of Trustees



**Dr Nikos Savvas**  
Accounting Officer

## Statement of Regularity, Propriety and Compliance

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



**Dr Nikos Savvas**  
Accounting Officer  
26 January 2021

## Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2015 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 26 January 2021 and signed on its behalf by:



**Elton D'Souza**  
Chair of Trustees

## **Independent Auditor's Report on the Financial Statements to the Members of Suffolk Academies Trust**

### **Opinion**

We have audited the financial statements of Suffolk Academies Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

### **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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance 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.

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

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

- the Trustees' report and the Strategic 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 Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Trustees' responsibilities statement, 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Use of our report**

This report is made solely to the 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Giles Kerkham FCA DChA (Senior statutory auditor)  
For and on behalf of

### **Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors  
Norwich  
Date: 27 January 2021

## **Independent Reporting Accountant's Assurance Report on Regularity to Suffolk Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 2nd August 2018 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 Suffolk Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Suffolk Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Suffolk Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Suffolk Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Suffolk Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Suffolk Academies Trust's funding agreement with the Secretary of State for Education dated February 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Multi Academy Trust's Directors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest; and
- Observation and re-performance of the financial controls.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA Larking Gowen*

Larking Gowen LLP  
Chartered Accountants  
Statutory Auditors  
Norwich  
Date: 27 January 2021

**Statement of Financial Activities incorporating Income and Expenditure Account  
For the period ended 31 August 2020**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	348,377	<b>348,377</b>	164,831
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	107,214	12,208,994	-	<b>12,316,208</b>	9,813,284
Other trading activities	4	380,405	-	-	<b>380,405</b>	401,181
Investments	5	9,677	-	-	<b>9,677</b>	11,236
<b>Total</b>		<u>497,296</u>	<u>12,208,994</u>	<u>348,377</u>	<u><b>13,054,667</b></u>	<u>10,390,532</u>
<b>Expenditure on:</b>						
Raising Funds	6	11,740	-	-	<b>11,740</b>	11,645
<i>Charitable activities:</i>						
Academy trust educational operations	7	255,470	12,580,407	890,342	<b>13,726,219</b>	10,963,114
<b>Total</b>		<u>267,210</u>	<u>12,580,407</u>	<u>890,342</u>	<u><b>13,737,959</b></u>	<u>10,974,759</u>
<b>Net income / (expenditure)</b>		230,086	(371,413)	(541,965)	<b>(683,292)</b>	(584,227)
<b>Transfers between funds</b>	16	(1,480)	(128,555)	130,035	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	16, 24	-	(464,000)	-	<b>(464,000)</b>	(1,103,000)
<b>Net movement in funds</b>		228,606	(963,968)	(411,930)	<b>(1,147,292)</b>	(1,687,227)
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2019	16	1,075,543	(2,750,350)	28,253,047	<b>26,578,240</b>	28,265,467
<b>Funds carried forward at 31 August 2020</b>		<u><b>1,304,149</b></u>	<u><b>(3,714,318)</b></u>	<u><b>27,841,117</b></u>	<u><b>25,430,948</b></u>	<u>26,578,240</u>

All of the academy's activities derive from continuing operations during the current financial period.

**Statement of Financial Activities incorporating Income and Expenditure Account  
For the period ended 31 August 2019  
Showing comparatives by fund**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019
	£	£	£	£
<b>Income and endowments from:</b>				
Donations and capital grants	-	-	164,831	<b>164,831</b>
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	108,011	9,705,273	-	<b>9,813,284</b>
Other trading activities	401,181	-	-	<b>401,181</b>
Investments	11,236	-	-	<b>11,236</b>
<b>Total income and endowments</b>	<b>520,428</b>	<b>9,705,273</b>	<b>164,831</b>	<b>10,390,532</b>
<b>Expenditure on:</b>				
Raising Funds	11,645	-	-	<b>11,645</b>
<i>Charitable activities:</i>				
Academy trust educational operations	299,041	9,877,078	786,995	<b>10,963,114</b>
<b>Total expenditure</b>	<b>310,686</b>	<b>9,877,078</b>	<b>786,995</b>	<b>10,974,759</b>
<b>Net income / (expenditure)</b>	<b>209,742</b>	<b>(171,805)</b>	<b>(622,164)</b>	<b>(584,227)</b>
<b>Transfers between funds</b>	<b>(13,312)</b>	<b>(286,032)</b>	<b>299,344</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>				
Actuarial (losses) / gains on defined benefit pension schemes	-	(1,103,000)	-	<b>(1,103,000)</b>
<b>Net movement in funds</b>	<b>196,430</b>	<b>(1,560,837)</b>	<b>(322,820)</b>	<b>(1,687,227)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward at 1 September 2018	879,113	(1,189,513)	28,575,867	<b>28,265,467</b>
<b>Funds carried forward at 31 August 2019</b>	<b>1,075,543</b>	<b>(2,750,350)</b>	<b>28,253,047</b>	<b>26,578,240</b>

**Balance Sheet**  
**As at 31 August 2020**

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Intangible assets	11	3,352	6,175
Tangible assets	12	<u>29,024,834</u>	<u>29,499,382</u>
		<u>29,028,186</u>	<u>29,505,557</u>
<b>Current assets</b>			
Stock	13	4,046	3,866
Debtors	14	205,419	310,419
Cash at bank and in hand		<u>3,232,884</u>	<u>2,137,994</u>
		<u>3,442,349</u>	<u>2,452,279</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(1,915,877)</u>	<u>(1,118,894)</u>
<b>Net current assets</b>		<u>1,526,472</u>	<u>1,333,385</u>
<b>Total assets less current liabilities</b>		<u>30,554,658</u>	<u>30,838,942</u>
Creditors: amounts falling due after more than one year	15	<u>(1,166,710)</u>	<u>(1,326,702)</u>
<b>Net assets excluding pension liability</b>		<u>29,387,948</u>	<u>29,512,240</u>
Defined benefit pension scheme liability	24	<u>(3,957,000)</u>	<u>(2,934,000)</u>
<b>Total net assets</b>		<u>25,430,948</u>	<u>26,578,240</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	16	27,841,117	28,253,047
- Restricted income fund	16	242,682	183,650
- Pension reserve	16	<u>(3,957,000)</u>	<u>(2,934,000)</u>
<b>Total restricted funds</b>		<u>24,126,799</u>	<u>25,502,697</u>
<b>Unrestricted income funds</b>	16	1,304,149	1,075,543
<b>Total unrestricted funds</b>		<u>1,304,149</u>	<u>1,075,543</u>
<b>Total funds</b>		<u>25,430,948</u>	<u>26,578,240</u>

The financial statements on pages 25 to 49 were approved by the trustees, and authorised for issue on 26 January 2021 and are signed on their behalf by:



Elton D'Souza  
Chair of Trustees

**Statement of Cash Flows**  
**For the period ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	1,309,799	343,573
<b>Cash flows from investing activities</b>			
	20	(54,917)	(202,529)
<b>Cash flows from financing activities</b>			
	21	(159,992)	(159,992)
<b>Change in cash and cash equivalents in the reporting period</b>		<b><u>1,094,890</u></b>	<b><u>(18,948)</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 01 September 2019	22	2,137,994	2,156,942
<b>Cash and cash equivalents at 31 August 2020</b>		<b><u>3,232,884</u></b>	<b><u>2,137,994</u></b>

## 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 FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Suffolk Academies Trust meets the definition of a public benefit entity under FRS 102.

#### Going Concern

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

#### Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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 when there is 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.

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

## Notes to the Financial Statements for the Year Ended 31 August 2020

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

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.

- **Gifted Assets on Conversion**

The conversion of One Sixth Form College (One SFC) from a state-maintained school to an academy on 1<sup>st</sup> September 2015 involved the transfer of identifiable net assets and liabilities within the school and its operation for £nil consideration.

The assets and liabilities transferred on conversion from One SFC to the Trust have been valued on either the basis of depreciated replacement value (long leased buildings) or their fair value (all other assets).

Upon conversion, One SFC entered into a leasehold agreement with West Suffolk College for the land. A sum of £1.6m will be paid to West Suffolk College at £80,000 per year for 20 years and thereafter a peppercorn rent sum of £1 for 105 years. To reflect the substance of this transaction, the Trust has accounted for the full £1.6m on transfer, with future repayments reducing the liability

### 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 are 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.

### Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Purchased computer software	25%
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### 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 required grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

## Notes to the Financial Statements for the Year Ended 31 August 2020

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

- Long Leasehold Buildings 50 years
- Building improvements 10 years
- Fixtures, fittings & equipment 10 years
- Computer hardware 4 years
- Motor Vehicles 5 years

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

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

### Liabilities

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

### Provisions

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

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

### Leased Assets

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

### Financial Instruments

The academy trust only holds basic financial instruments as defined in 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 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

*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 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### Stock

Unsold art supplies are valued at the lower of cost or net realisable value.

### Taxation

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

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

### Pensions Benefits

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

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

## Notes to the Financial Statements for the Year Ended 31 August 2020

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 a multi-employer scheme with no underlying assets to assign between employees. 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 asset/liability 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 scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

Actuarial 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 the 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 Funding Agency and Department for Education.

### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

#### *Critical areas of judgement*

These accounts are presented as a true and fair view of the Trust's financial position at the balance sheet date and are believed to be materially correct and free from bias. A judgement has been made on the Fixed Asset Policy over the life of an asset.

### 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 26.

The Trust acts as an agent in distributing the SWISS Partnership monies. The funds received and any balances held are disclosed in note 26.

**Notes to the Financial Statements for the Year Ended 31 August 2020****2 Donations and Capital Grants**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Capital grants</b>				
Devolved Formula Capital	-	47,988	<b>47,988</b>	164,831
Capital Donation	-	300,389	<b>300,389</b>	-
	<u>-</u>	<u><b>348,377</b></u>	<u><b>348,377</b></u>	<u>164,831</u>

**3 Funding for the Academy Trust's Educational Operations**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>DfE/ESFA Revenue Grants</b>				
General Annual Grant	-	10,449,992	<b>10,449,992</b>	9,126,483
Rates Relief	-	111,613	<b>111,613</b>	109,466
Teachers' Pay Grant	-	165,667	<b>165,667</b>	87,936
Teachers' Pension Grant	-	465,523	<b>465,523</b>	-
Free School Meals	-	-	-	20,939
Discretionary Bursary/FSM 5% retained	-	16,127	<b>16,127</b>	12,676
Other DfE/ESFA Grants	-	402,134	<b>402,134</b>	-
	<u>-</u>	<u>11,611,056</u>	<u><b>11,611,056</b></u>	<u>9,357,500</u>
<b>Other Government Grants</b>				
SEN Element 3	-	547,484	<b>547,484</b>	247,352
Ipswich Opportunity Fund	-	20,000	<b>20,000</b>	30,000
SCC Reimbursement LGPS insurance	-	26,950	<b>26,950</b>	10,421
Abbeygate PDC final tranche	-	-	-	60,000
Other	-	3,504	<b>3,504</b>	-
	<u>-</u>	<u>597,938</u>	<u><b>597,938</b></u>	<u>347,773</u>
<b>Other income from the academy trust's educational operations</b>				
Academy Trips	107,214	-	<b>107,214</b>	108,011
	<u><b>107,214</b></u>	<u><b>12,208,994</b></u>	<u><b>12,316,208</b></u>	<u>9,813,284</u>

The Other DfE/ESFA Grants income of £402,134 comprises of mainly £400,000 from the DfE in respect of a grant towards the rental of temporary accommodation for Abbeygate Sixth Form College while the new permanent building is under construction.

## Notes to the Financial Statements for the Year Ended 31 August 2020

## 4 Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Hire of Facilities	34,137	-	34,137	73,143
Items Sold	13,869	-	13,869	15,388
Insurance Claims	270	-	270	1,943
ONE Bus	109,967	-	109,967	148,045
Car Parking	14,508	-	14,508	23,742
Exam Resits	12,270	-	12,270	12,807
Work Experience	16,553	-	16,553	14,173
Sale of Assets	-	-	-	4,345
Productions	10,603	-	10,603	10,409
Curriculum Bids	7,739	-	7,739	24,132
Other schools- services provided	88,596	-	88,596	-
Other	71,893	-	71,893	73,054
	<b>380,405</b>	<b>-</b>	<b>380,405</b>	<b>401,181</b>

## 5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Bank Interest	9,677	-	9,677	11,236
	<b>9,677</b>	<b>-</b>	<b>9,677</b>	<b>11,236</b>

## 6 Expenditure

	Non Pay Expenditure			Total 2020	Total 2019
	Staff Costs £	Premises £	Other £	£	£
Expenditure on raising funds					
• Allocated Support Costs	-	-	11,740	11,740	11,645
Academy's educational operations					
• Direct Costs	7,671,285	890,342	928,497	9,490,124	7,737,124
• Allocated Support Costs	1,821,942	1,492,882	921,271	4,236,095	3,225,990
	<b>9,493,227</b>	<b>2,383,224</b>	<b>1,861,508</b>	<b>13,737,959</b>	<b>10,974,759</b>

## Net Income/(expenditure) for the period includes:

	2020 £	2019 £
Operating lease rentals	103,250	120,739
Depreciation	887,519	783,004
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	2,823	3,991
Fees payable to auditor for:		
- audit	12,400	10,964
	<b>1,005,992</b>	<b>918,698</b>

The total Non-Pay Expenditure was £13,737,959 (2019: £10,974,759) of which Staff Costs Direct Costs was £7,671,285 (2019: £6,122,242), Staff Costs Allocated Support Costs was £1,821,942 (2019: £1,403,062), Premises Direct Costs was £890,342 (2019: £786,995), Premises Allocated Support Costs was £1,492,882 (2019: £1,028,167), Other Direct Costs was £928,497 (2019: £827,887), Other Allocated Support Costs was £921,271 (2019: £794,761) and Other expenditure on raising funds was £11,740 (2019: 11,645).

## Notes to the Financial Statements for the Year Ended 31 August 2020

## 7 Charitable Activities

	<b>Total 2020</b>	<b>Total 2019</b>
	£	£
<b>Direct costs - educational operations</b>	<b>9,490,124</b>	<b>7,737,124</b>
<b>Support costs - educational operations</b>	<b>4,236,095</b>	<b>3,225,990</b>
	<b><u>13,726,219</u></b>	<b><u>10,963,114</u></b>

	<b>Educational Operations</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£
<b>Analysis of support costs</b>			
Support staff costs	1,821,942	<b>1,821,942</b>	1,403,062
Technology costs	69,694	<b>69,694</b>	30,015
Premises costs	1,492,682	<b>1,492,682</b>	1,028,167
Other support costs	830,154	<b>830,154</b>	753,782
Governance costs	21,623	<b>21,623</b>	10,964
<b>Total support costs</b>	<b><u>4,236,095</u></b>	<b><u>4,236,095</u></b>	<b><u>3,225,990</u></b>

Other support costs include legal fees of £27,816 (2019: £600)

## 8 Staff

	<b>Total 2020</b>	<b>Total 2019</b>
	£	£
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	<b>6,726,341</b>	5,725,517
Social security costs	<b>621,179</b>	533,263
Operating costs of defined benefit pension schemes	<b>1,973,371</b>	1,236,145
Apprenticeship Levy	<b>18,545</b>	13,846
	<b><u>9,339,436</u></b>	<b><u>7,508,771</u></b>
Supply staff costs	<b>153,791</b>	16,533
Staff restructuring costs	<b>-</b>	-
	<b><u>9,493,227</u></b>	<b><u>7,525,304</u></b>

Staff restructuring costs comprise:

Redundancy payments	-	-
Severance payments	<b>47,178</b>	-
Other restructuring costs	-	-

**b. Non statutory/non-contractual staff severance payments**

Staff restructuring costs or non-statutory/non contractual severance payments totalled £47,178 comprising one payment of £47,178, (2019: £nil).

**Notes to the Financial Statements for the Year Ended 31 August 2020****c. Staff numbers**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No</b>
Teachers	126	108
Administration and support	121	105
Management	6	4
	<b><u>253</u></b>	<b><u>217</u></b>

**d. Higher paid staff**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No</b>
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£90,001 - £100,000	1	2
£110,001 - £120,000		1
£120,001 - £130,000	1	-

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £286,661 (2019: £378,633).

This figure excludes remuneration for the Chief Financial Officer whose costs, along with Chief Executive Officer and Trust Secretary form part of the £71,229 (2019: £64,188) Service Level Agreement between the Trust and West Suffolk College as disclosed in note 25.

**9 Central Services**

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

- Human resources
- Finance
- Marketing
- Admissions
- Operations including, estates, health & safety

As an existing academy, One Sixth Form College had all of these functions operating on behalf of the single academy. With the opening of Abbeygate Sixth Form College, additional demands in each other these areas could not be satisfied by the existing Trust teams alone. To improve quality & capacity of central services, the management teams were strengthened with the support of experienced staff from the related party, West Suffolk College. This cost-effective arrangement continued throughout the year and will be expanded in future years, utilising best-practice and ensuring consistent application of policy & procedure across the Trust.

The Trusts policy for charging for 2019/20 was based upon the estimated level of service required by each academy taking into account the increased demands of the new academy within the Trust.

The amounts charged during the year to Abbeygate SFC were £69,457 (2019: £nil) and One SFC £148,500 (2019: £135,000)

**Notes to the Financial Statements for the Year Ended 31 August 2020****10 Related Party Transactions - Trustees' Remuneration and Expenses**

During the year no Trustees have been paid any remuneration nor received other benefits from an employment with the Trust. The Chief Executive Officer who is also a Trustee, is not paid from the Trust. As per note 8, point e, the Chief Executive Officer is remunerated by a related party and the shared costs are charged to the Trust via a Service Level Agreement.

The value of Trustees' remuneration was as follows:  
£Nil

During the period ended 31 August 2020, travel and subsistence expenses totalling £nil (2019: £nil) were reimbursed or paid directly to nil Trustees (2019: £nil)

Other related party transactions involving the Trustees are set out in note 25.

**11 Trustees' and Officers' Insurance**

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

**12 Intangible Fixed Assets**

	<b>Computer Software</b>	<b>Total</b>
	£	£
<b>Cost</b>		
At 1 September 2019	15,965	<b>15,965</b>
At 31 August 2020	<u>15,965</u>	<u>15,965</u>
<b>Amortisation</b>		
At 1 September 2019	9,790	<b>9,790</b>
Charged in year	2,823	<b>2,823</b>
At 31 August 2020	<u>12,613</u>	<u>12,613</u>
<b>Carrying Amount</b>		
At 31 August 2019	6,175	<b>6,175</b>
At 31 August 2020	<u>3,352</u>	<u>3,352</u>

**13 Tangible Fixed Assets**

	Leasehold Land and Buildings £	Leasehold Improvements £	Furniture and Equipment £	Plant and Machinery £	Computer Equipment £	Vehicles	Total £
<b>Cost</b>							
At 1 September 2019	30,999,999	17,638	236,783	281,353	731,626	8,907	<b>32,276,306</b>
Additions	-	-	18,054	42,594	352,323	-	<b>412,971</b>
At 31 August 2020	<b>30,999,999</b>	<b>17,638</b>	<b>254,837</b>	<b>323,947</b>	<b>1,083,949</b>	<b>8,907</b>	<b>32,689,277</b>
<b>Depreciation</b>							
At 1 September 2019	2,355,556	2,415	40,510	19,392	355,326	3,725	<b>2,776,924</b>
Charged in year	588,889	1,763	25,399	28,527	241,160	1,781	<b>887,519</b>
At 31 August 2020	<b>2,944,445</b>	<b>4,178</b>	<b>65,909</b>	<b>47,919</b>	<b>596,486</b>	<b>5,506</b>	<b>3,664,443</b>
<b>Net Book Values</b>							
At 31 August 2019	28,644,443	15,223	196,273	261,961	376,300	5,182	<b>29,499,382</b>
At 31 August 2020	<b>28,055,554</b>	<b>13,460</b>	<b>188,928</b>	<b>276,028</b>	<b>487,463</b>	<b>3,401</b>	<b>29,024,834</b>

Included within the leasehold land and buildings is a 125 year long leasehold on One Sixth Form College for £1.6m, payable at £80,000 per annum over the first 20 years. Following that, an annual peppercorn rent of £1 per annum over the next 105 years is payable.

Land is not depreciated and was valued at £4.5m at the time of academisation

**14 Stock**

	2020 £	2019 £
Arts supplies	<u>4,046</u>	<u>3,866</u>
	<b>4,046</b>	<b>3,866</b>

**15 Debtors**

	2020 £	2019 £
Trade debtors	16,984	12,879
VAT recoverable	32,788	94,535
Other debtors	-	1,910
Prepayments and accrued income	155,647	201,095
	<u>205,419</u>	<u>310,419</u>

**Notes to the Financial Statements for the Year Ended 31 August 2020****16 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	182,239	289,863
Taxation and social security	149,938	130,759
Other creditors	1,188,239	426,965
Accruals and deferred income	395,461	271,307
	<u>1,915,877</u>	<u>1,118,894</u>

**Deferred Income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred Income at 1 September 2019	170,859	157,738
Released from previous years	(170,859)	(157,738)
Resources deferred in the year	138,847	170,859
Deferred Income at 31 August 2019	<u>138,847</u>	<u>170,859</u>

At the balance sheet date, the Trust was holding funds received in advance for:

- £65,708 Non-Domestic Rates income from the ESFA for the period September 2020 to March 2021.
- £24,360 One Bus payments from students for the Autumn Term 2020.
- £16,816 for specific grants brought forward from 2018/19 but due to the COVID-19 shutdown had not been spent. Specific Grants include Supported Internship; Research Project and Royal Society for Public Health.
- £19,303 Receipts for students for educational trips due to take place in the academic year starting 1st September 2020
- £12,660 Other

Included within other creditors is:

- a debt amount of £80,000 due within 2020/21 year to the ESFA which is provided on the following terms: a debt repayment over 6 years of £80,000 per year
- a debt amount of £80,000 due within 2020/21 to West Suffolk College which is provided on the following terms: a debt repayment over 20 years of £80,000 per year.
- an estimated amount of approximately £679,000 in respect of General Annual Grant (GAG) income that has been received from ESFA. The GAG for 2019/20 was based on an estimated number of students. The actual number of enrolled students was less than the estimate and therefore an amount of GAG clawback has been prudently estimated and included with the accounts. Confirmation of the clawback arrangements for repayment will be agreed with the DfE in February 2021 when an adjustment to GAG funding for the 2020/21 year will be combined to reach a net adjustment for the 2 years.

**Creditors: amounts falling due in greater than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other Creditors	1,166,710	1,326,702
	<u>1,166,710</u>	<u>1,326,702</u>

Included within other creditors is:

- A debt of £46,710 due to the ESFA which is provided on the following term: a debt repayment over 6 years of £80,000 per year with effect from 1st April 2016 and due to end in April 2022.
- A debt of £1,120,000 which is the balance of the rental payments due to West Suffolk College. This is due to be repaid at £80,000 per year over a term of 20 years.

There is no interest due on either of the amounts referred to above.

## Notes to the Financial Statements for the Year Ended 31 August 2020

## 17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2020 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	176,666	10,449,992	(9,771,588)	(612,555)	-	242,515
Abbeygate	6,817	-	(6,817)	-	-	-
Rates	167	111,613	(111,613)	-	-	167
Free School Meals	-	16,127	(16,127)	-	-	-
Teachers' Pay Grant	-	165,667	(165,667)	-	-	-
Teachers' Pension Grant	-	465,523	(465,523)	-	-	-
SEN Element 3	-	542,836	(542,836)	-	-	-
Other Restricted	-	457,236	(457,236)	-	-	-
Pension reserve	(2,934,000)	-	(1,043,000)	484,000	(464,000)	(3,957,000)
	<b>(2,750,350)</b>	<b>12,208,994</b>	<b>(12,580,407)</b>	<b>(128,555)</b>	<b>(464,000)</b>	<b>(3,714,318)</b>
<b>Restricted fixed asset funds</b>						
Transfer on Conversion	27,364,573	-	(589,017)	80,000	-	26,855,556
DfE Group capital grants	273,536	47,988	(34,855)	-	-	286,669
Capital expenditure from GAG	576,776	-	(189,389)	48,555	-	435,942
Other Restricted Funds	21,064	300,389	(73,365)	-	-	248,088
Unrestricted Funds	17,098	-	(3,716)	1,480	-	14,862
	<b>28,253,047</b>	<b>348,377</b>	<b>(890,342)</b>	<b>130,035</b>	<b>-</b>	<b>27,841,117</b>
<b>Total restricted funds</b>	<b>25,502,697</b>	<b>12,557,371</b>	<b>(13,470,749)</b>	<b>1,480</b>	<b>(464,000)</b>	<b>24,126,799</b>
<b>Unrestricted funds</b>						
Unrestricted funds	1,075,543	497,296	(267,210)	(1,480)	-	1,304,149
<b>Total unrestricted funds</b>	<b>1,075,543</b>	<b>497,296</b>	<b>(267,210)</b>	<b>(1,480)</b>	<b>-</b>	<b>1,304,149</b>
<b>Total funds</b>	<b>26,578,240</b>	<b>13,054,667</b>	<b>(13,737,959)</b>	<b>-</b>	<b>(464,000)</b>	<b>25,430,948</b>

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

General Annual Grant (GAG) monies have been received from the ESFA and are restricted for the Academy Educational Operations.

With regard to the restricted general funds, the Trust balance at 31st August 2020 was £243,673, before the pension adjustment.

Of this balance £242,515 relates to unspent GAG which will continue to be used for the academy educational operations and is attributable to the different academies as follows: £367,023 One Sixth Form College, a deficit of (£167,267) Abbeygate Sixth Form College, £42,759 Central MAT.

Included in these figures is the transfer of £80k from the Restricted GAG fund to the Fixed Asset Fund which reflects the leasehold payment for the One Sixth Form College site.

Within the Restricted General funds, Other Restricted category, the sum of £6,817 has been spent thus fully discharging monies held from the PDG for the Abbeygate Sixth Form. The DfE Rental income for the Abbeygate Sixth Form College has been received and fully spent at a value of £400k. The Joskos, Abbeygate ICT Project, sits within these funds and at 31<sup>st</sup> August 2020 there is a small surplus balance of £991 to be spent on the Project in 2020/21.

**Notes to the Financial Statements for the Year Ended 31 August 2020**

The following transfers have taken place into the Fixed Asset Fund for continuing investment in the building and IT operations:

- £48,555 GAG
- £299,398 Restricted Funds. This has been entirely for the IT project at the Abbeygate Sixth Form College.
- £1,480 Unrestricted Funds

A transfer of £484,000 was made to support the pension deficit.

The Trust is carrying a net surplus of £1,304,149 unrestricted funds, attributable to different academies as follows: £1,180,591 One Sixth Form College, £88,727 Abbeygate Sixth Form College, £34,831 Central MAT.

There is a cash balance of £11,939 unspent DFC which represents the difference between the Net Book Value and the Restricted Fixed Asset Fund after adjusting for the outstanding loan to West Suffolk College.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2019 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	246,500	9,126,483	(8,492,285)	(704,032)	-	176,666
Abbeygate	132,542	60,000	(185,725)	-	-	6,817
Rates	169	109,466	(109,468)	-	-	167
Free School Meals	27,276	33,615	(60,891)	-	-	-
Teachers' Pay Grant	-	87,936	(87,936)	-	-	-
SEN Element 3	-	247,352	(247,352)	-	-	-
Other Restricted	-	40,421	(40,421)	-	-	-
Pension reserve	(1,596,000)	-	(653,000)	418,000	(1,103,000)	(2,934,000)
	<b>(1,189,513)</b>	<b>9,705,273</b>	<b>(9,877,078)</b>	<b>(286,032)</b>	<b>(1,103,000)</b>	<b>(2,750,350)</b>
<b>Restricted fixed asset funds</b>						
Transfer on Conversion	27,874,442	-	(589,869)	80,000	-	27,364,573
DfE Group capital grants	120,482	164,831	(11,777)	-	-	273,536
Capital expenditure from GAG	547,928	-	(177,184)	206,032	-	576,776
Other Restricted Funds	28,629	-	(7,565)	-	-	21,064
Unrestricted Funds	4,386	-	(600)	13,312	-	17,098
	<b>28,575,867</b>	<b>164,831</b>	<b>(786,995)</b>	<b>299,344</b>	<b>-</b>	<b>28,253,047</b>
<b>Total restricted funds</b>	<b>27,386,354</b>	<b>9,870,104</b>	<b>(10,664,073)</b>	<b>13,312</b>	<b>(1,103,000)</b>	<b>25,502,697</b>
<b>Unrestricted funds</b>						
Unrestricted funds	879,113	520,428	(310,686)	(13,312)	-	1,075,543
<b>Total unrestricted funds</b>	<b>879,113</b>	<b>520,428</b>	<b>(310,686)</b>	<b>(13,312)</b>	<b>-</b>	<b>1,075,543</b>
<b>Total funds</b>	<b>28,265,467</b>	<b>10,390,532</b>	<b>(10,974,759)</b>	<b>-</b>	<b>(1,103,000)</b>	<b>26,578,240</b>

**Notes to the Financial Statements for the Year Ended 31 August 2020****17 Statement of Funds (cont)****Analysis of academies by fund balance**

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

	<b>Total £</b>
Abbeygate	(78,540)
One	1,547,780
Central services	77,591
Total before fixed assets and pension reserve	<u>1,546,831</u>
Restricted fixed asset fund	<b>27,841,117</b>
Pension Reserve	<b>(3,957,000)</b>
<b>Total</b>	<b><u>25,430,948</u></b>

In 2018/19 the balances above were as follows:

Abbeygate £(18,009); One £1,144,719; Central Services £132,484, Total £1,259,193  
 Restricted fixed asset fund £28,253,047; Pension reserve £(2,934,000); Total £25,319,047

Abbeygate Sixth Form College is carrying a net deficit of £(78,540). A deficit of £(18,009) was brought forward because of spend required ahead of opening on 1 September 2019 for curriculum resources in readiness to receive students. In the first year of operation, student numbers were lower than funded levels so budgets were tightly monitored with a potential clawback of GAG funding due to the ESFA to be agreed in early Spring 2021. The reduced level of GAG funding resulted in a current year deficit of £ 60,532 resulting in the total fund balance of £( 78,540).

The trust is taking the following action to return the academy to surplus by monitoring student numbers and budgets and holding back the money that may need to be returned to the ESFA. The Trust is working across both academies to achieve economies of scale. On 1<sup>st</sup> September 2020 Abbeygate opened part of its new building and work is being undertaken on the recruitment of students for 2021/22.

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

	<b>Teaching and Educational Support Staff Costs £</b>	<b>Other Support Staff Costs £</b>	<b>Educational Supplies £</b>	<b>Other Costs (excluding Depreciation) £</b>	<b>Total £</b>
Abbeygate	988,001	207,920	76,158	602,042	<b>1,874,121</b>
One	5,872,620	1,417,964	793,099	1,543,965	<b>9,627,648</b>
Central services	983,000	23,722	-	339,126	<b>1,345,848</b>
<b>Academy Trust</b>	<b><u>7,843,621</u></b>	<b><u>1,649,606</u></b>	<b><u>869,257</u></b>	<b><u>2,485,133</u></b>	<b><u>12,847,617</u></b>

2019/20 is the first year that the Trust has operated more than one academy. Therefore, no comparative data is available.

**Notes to the Financial Statements for the Year Ended 31 August 2020****18 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 2020 £
Intangible fixed assets	-	-	3,352	3,352
Tangible Fixed assets	-	-	29,024,834	29,024,834
Current assets	1,372,118	2,012,265	57,966	3,442,349
Current liabilities	(67,969)	(1,722,873)	(125,035)	(1,915,877)
Non current liabilities	-	(46,710)	(1,120,000)	(1,166,710)
Pension scheme liability	-	(3,957,000)	-	(3,957,000)
<b>Total net assets</b>	<b>1,304,149</b>	<b>(3,714,318)</b>	<b>27,841,117</b>	<b>25,430,948</b>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2019 £
Intangible fixed assets	-	-	6,175	6,175
Tangible Fixed assets	-	-	29,499,382	29,499,382
Current assets	1,247,094	1,092,146	113,039	2,452,279
Current liabilities	(171,551)	(781,794)	(165,549)	(1,118,894)
Non current liabilities	-	(126,702)	(1,200,000)	(1,326,702)
Pension scheme liability	-	(2,934,000)	-	(2,934,000)
<b>Total net assets</b>	<b>1,075,543</b>	<b>(2,750,350)</b>	<b>28,253,047</b>	<b>26,578,240</b>

**19 Commitments under Operating Leases****Operating Leases**

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

	2020 £	2019 £
Amounts due within one year	63,112	103,250
Amounts due between one and five years	84,063	51,867
Amounts due after five years	1,262	-
	<b>148,437</b>	<b>155,117</b>

In addition to the commitments disclosed above, there was at the year-end a commitment falling due within one year of £500,000 in respect of a premises lease at West Suffolk College. Since the year end, the lease has been surrendered, with no rent charged beyond 1 September 2020. Settlement Agreement liabilities of £229,871 payable to West Suffolk College were agreed and that sum has been paid by the Department for Education, leaving Suffolk Academies Trust with no liability.

**Notes to the Financial Statements for the Year Ended 31 August 2020****20 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities**

	2020 £	2019 £
Net income/(expenditure) for the year (as per the statement of financial activities)	(683,292)	(584,227)
Adjusted for:		
Amortisation (note 12)	2,823	3,991
Depreciation (note 13)	887,519	783,004
Capital grants from DfE and other capital income	(47,988)	(164,831)
Interest receivable (note 4)	(9,677)	(11,236)
Fixed assets transferred from others (note 2)	(300,389)	-
Defined benefit pension scheme cost less contributions payable (note 25)	499,000	188,000
Defined benefit pension scheme finance cost (note 25)	60,000	47,000
(Increase)/decrease in stocks	(180)	(280)
(Increase)/decrease in debtors	105,000	(78,016)
Increase/(decrease) in creditors	796,983	160,168
<b>Net cash provided by / (used in) Operating Activities</b>	<b>1,309,799</b>	<b>343,573</b>

**21 Cash Flows from Financing Activities**

	2020 £	2019 £
Repayments of borrowing	(159,992)	(159,992)
<b>Net cash provided by / (used in) financing activities</b>	<b>(159,992)</b>	<b>(159,992)</b>

**22 Cash Flows from Investing Activities**

	2020 £	2019 £
Dividends, interest and rents from investments	9,677	11,236
Purchase of tangible fixed assets	(412,971)	(378,596)
Capital grants from DfE / ESFA	47,988	164,831
<b>Net cash provided by / (used in) investing activities</b>	<b>(355,306)</b>	<b>(202,529)</b>

**23 Analysis of Cash and Cash Equivalents**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash in hand and at bank	2,137,994	1,094,890	3,232,884
<b>Total cash and cash equivalents</b>	<b>2,137,994</b>	<b>1,094,890</b>	<b>3,232,884</b>

**2018/19 Cash flows movement was £(18,948)**

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 24 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 as stated in Article 8 of the Articles of Association for the debts and liabilities contracted before he/she ceases to be a member.

### 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 Suffolk County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS, 31 March 2019. The TPS actuarial valuations are carried out every 4 years and the LGPS actuarial valuations every 3 years.

Contributions amounting to £165,415 (2019: £126,031) 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

#### 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £989,168 (2019: £604,491).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension website](#)

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

**Notes to the Financial Statements for the Year Ended 31 August 2020****Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £604,572 (2019: £549,332), of which employer's contributions totalled £485,204 (2019: £436,654) and employees' contributions totalled £119,369 (2019: £105,678). The agreed contribution rates for future years are 23.9% for employers and a variable % for employees dependant on the salary of individuals as follows:

<b>Annual Salary</b>	<b>Contribution Rate</b>
£0 - £14,400	5.50%
£14,401 - £22,500	5.80%
£22,501 - £36,500	6.50%
£36,501 - £46,200	6.80%
£46,201 - £64,600	8.50%
£64,601 - £91,500	9.90%
£91,501 - £107,700	10.50%

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**

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
	<b>p.a.</b>	<b>p.a.</b>
Rate of increase in salaries	<b>2.90%</b>	2.60%
Rate of increase for pensions in payment/inflation	<b>2.20%</b>	2.30%
Discount rate for scheme liabilities	<b>1.70%</b>	1.90%
Inflation assumption (CPI)	<b>1.25%</b>	2.30%
Commutation of pensions to lump sums	<b>25.00%</b>	25.00%

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

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
<i>Retiring today</i>		
Males	<b>21.9</b>	21.3
Females	<b>24.1</b>	23.5
<i>Retiring in 20 years</i>		
Males	<b>22.7</b>	22.3
Females	<b>25.6</b>	24.9
	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
<b>Sensitivity analysis</b>		
Discount rate -0.5%	<b>1,187,000</b>	986,000
Salary rate +0.5%	<b>91,000</b>	154,000
Pension Rate CPI rate +0.5%	<b>1,077,000</b>	812,000

**Notes to the Financial Statements for the Year Ended 31 August 2020**

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

	<b>Fair value at 31 August 2020</b>	<b>Fair value at 31 August 2019</b>
	£	£
Equities	2,218,990	1,562,500
Corporate bonds	977,860	843,750
Property	338,490	687,500
Cash and other liquid assets	225,660	31,250
<b>Total market value of assets</b>	<b>3,761,000</b>	<b>3,125,000</b>

The actual return on scheme assets was negative £19,000 (2019: £65,000).

**Amounts recognised in the statement of financial activities**

	<b>2020</b>	<b>2019</b>
	£	£
Current service cost	(943,000)	(582,000)
Past service cost	(40,000)	(24,000)
Interest income	65,000	76,000
Interest cost	(125,000)	(123,000)
Total amount recognised in the SOFA	<b>(1,043,000)</b>	<b>(653,000)</b>

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

	<b>2020</b>	<b>2019</b>
	£	£
<b>At 1 September</b>	<b>6,059,000</b>	<b>4,064,000</b>
Current service cost	943,000	582,000
Interest cost	125,000	123,000
Employee contributions	119,000	106,000
Actuarial (gain)/loss	445,000	1,168,000
Benefits paid	(13,000)	(8,000)
Past service cost	40,000	24,000
<b>At 31 August</b>	<b>7,718,000</b>	<b>6,059,000</b>

**Changes in the fair value of academy's share of scheme assets:**

	<b>2020</b>	<b>2019</b>
	£	£
<b>At 1 September</b>	<b>3,125,000</b>	<b>2,468,000</b>
Interest income	65,000	76,000
Actuarial gain/(loss)	(19,000)	65,000
Employer contributions	484,000	418,000
Employee contributions	119,000	106,000
Benefits paid	(13,000)	(8,000)
<b>At 31 August</b>	<b>3,761,000</b>	<b>3,125,000</b>

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 26 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

#### West Suffolk College

West Suffolk College is the sponsor of Suffolk Academies Trust

West Suffolk College owns the freehold of the site that One Sixth Form College is located on and this property was leased to SAT for 125 years commencing 1 September 2015. One Sixth Form College paid a sum of £80,000 relating to rent to West Suffolk College for the year (2019: £80,000). The year-end liability is £1,200,000 (2019: £1,280,000).

The Principal and Vice Principal Finance and Resources of West Suffolk College provide the services of Chief Executive/Accounting Officer and Chief Financial Officer respectively for the whole year. In addition, during the year the Clerk to the Corporation of West Suffolk College provides Trust Secretary services to the Trust from 1 September 2019 to 31 May 2020. Since 1 June 2020 the Trust has appointed an independent Clerk to the Board. These arrangements were charged for via a Service Level Agreement, approved by both parties and in line with the requirements of the related part transactions as set out in the Academies Financial Handbook.

During 2019/20 a Support Services agreement between West Suffolk College (WSC) and Suffolk Academies Trust (SAT) operated where WSC staff provided support to SAT and some SAT staff have supported WSC. These arrangements were also charged for via a Service Level Agreement, approved by both parties and in line with the requirements of the related part transactions as set out in the Academies Financial Handbook.

The Abbeygate Sixth Form College, due to a delay in their building being ready for 1<sup>st</sup> September 2019, hired accommodation from West Suffolk College with agreement of the Department for Education. The total rental payment was £500,000 (2019: £8,442) and was funded by the DfE to the value of £400,000 (2019: £nil).

The Trust has incurred further expenditure with West Suffolk College for Exam Fees £8,178, Catering £28, Free School Meals £14 (2019: Catering £1,075 and Marketing £600).

The value of the Service Level Agreements in 2019/20 are:

#### West Suffolk College charge to Suffolk Academies Trust

CEO/CFO/Clerk	£71,229.13	(2019: £64,188)
Support Services	£139,732	(2019: £nil).
Abbeygate Accommodation	£500,000	(2019: £8,442)
Abbeygate Exam entries	£8,178	(2019: £nil)
Catering	£28	(2019: £1,075)
Free Meals in Further Education	£14	(2019: £nil)

#### Suffolk Academies Trust charge to West Suffolk College

Support Services	£30,000	(2019: £nil).
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## Notes to the Financial Statements for the Year Ended 31 August 2020

### 27 Agency Arrangements

The Trust distributes 16-19 bursary funds and Free School Meal funds to students as an agent for ESFA.

In the accounting period ending 31 August 2019 for the 16-19 bursary the Trust received £271,716 (2019: £216,741) and disbursed £208,265 (2019: £227,185) from the fund for both academies. An amount of £41,182 (2019: £10,584) is included in other creditors relating to undistributed funds for One Sixth Form College and £32,952 (2019: £nil) for Abbeygate Sixth Form College. The undistributed funds will be used to support students during 2020/21.

The accounting period ending 31 August 2019 was the first year that the Free School Meals had been accounted for as an agency arrangement and the Trust received £63,732 and disbursed £73,497 for both academies. An amount of £11,984 (2019: £29,538) is included in other creditors relating to undistributed funds for One Sixth Form College and £7,789 (2019: £nil) for Abbeygate Sixth Form College. The undistributed funds will be used to support students during 2020/21.

The Trust acts as an agent in distributing the SWISS Partnership monies. In the year the Trust received £nil (2019: £nil) and disbursed £15,190 (2019: £20,170). An amount of £33,346 (2019: £48,536) is included in other creditors.