

Company Registration No. 07465343 (England and Wales)

**GREAT HEIGHTS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

GREAT HEIGHTS ACADEMY TRUST

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GREAT HEIGHTS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Griffiths (Chair)
G Newton
C Midgley
P Cocker
J Flynn

Trustees

C Midgley (Chair)
A Bennett (Chief Executive Officer and Accounting Officer)
J Fryer
K Inwood (Chair of Standards Committee)
J Midgley (Chair of Finance and Premises Committee)
J Nellis
A Birt
E Flaxman (Appointed 5 June 2020)
I Jaffar (Appointed 5 June 2020)
J Power (Appointed 5 June 2020)

Senior management team

A Bennett	- Chief Executive Officer and Accounting Officer
A Rawson	- Chief Finance Officer
J Firth	- Chief Operating Officer
A Midgley	- Principal, Raynville Academy
J Pearson	- Head of Teamworks Teaching School Alliance
H Crowther	- Principal, The Greetland Academy
F Gardiner	- Principal, West Vale Academy
A Harris	- Deputy Principal, The Greetland Academy
S Scott	- Deputy Principal, West Vale Academy
S Read	- Assistant Principal, The Greetland Academy
J Mellor (nee Clynes)	- Director of Teamworks Teaching School Alliance
G Balsdon	- Deputy Principal, Raynville Academy
J Hopwood	- Deputy Principal, Raynville Academy
H Aston	- Assistant Principal, The Greetland Academy (from 1 September 2020)
L Whiteley	- Assistant Principal, The Greetland Academy (from 1 September 2020)
C Peel	- Assistant Principal, Carlinghow Academy (from 1 April 20 to 31 August 2020)
B Fretwell	- Deputy Principal, Carlinghow Academy (from 1 April 2020)
D Worthington	- Principal, Carlinghow Academy (from 1 April 2020)
E Patel	- Assistant Principal, Carlinghow Academy (from 1 April 2020 to 31 August 2020)

Company registration number 07465343 (England and Wales)

Registered office School Street
Greetland
Halifax
HX4 8JB

GREAT HEIGHTS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

The Greetland Academy
West Vale Academy
Raynville Academy
Carlinghow Academy

Location

School Street, Greetland, Halifax, HX4 8JB
Stainland Rd, Greetland, Halifax, HX4 8EG
Cross Aston Grove, Bramley, Leeds, LS13 2TQ
Ealand Road, Batley, West Yorkshire, WF17 8HT

Principal

Mrs H Crowther
Mrs F Gardiner
Mr A Midgley
Miss D Worthington

Independent auditor

Simpson Wood Limited
Bank Chambers
Market Street
Huddersfield
HD1 2EW

Bankers

Lloyds Bank PLC
Commercial Street
Halifax
HX1 1BB

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

The Academy Trust operates four primary academies in Calderdale, Leeds and Kirklees local authorities: The Greetland Academy, West Vale Academy, Raynville Academy and Carlinghow Academy which joined the Trust on 1 April 2020.

Its academies, excluding Nursery, have a combined pupil capacity of 1393 and had 1265 on roll in the school census in October 2020. Nursery provision at Raynville Academy has a capacity of 78 and had 39 on roll; Carlinghow has a capacity of 52 and had 27 on roll; the numbers in Nursery increase over the year as admissions continue in the spring and summer terms. N.B. the October 2020 Census has been used as the most up to date record of pupil numbers at the time of the Report and because the May 2020 Census (usually utilised) was cancelled due to the coronavirus pandemic.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The charitable company operates as Great Heights Academy Trust; it also has the following trading names:

The Greetland Academy
Raynville Academy
West Vale Academy
Carlinghow Academy
Teamworks Teaching School Alliance
AA Teamworks West Yorkshire SCITT

The trustees of Great Heights Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Trust utilises the Education and Skills Funding Agency's Risk Protection Assurance (RPA) scheme. The RPA provides for unlimited indemnity cover. The total cost of RPA for the Trust within the period was £18,045; the cost of indemnity cover is not separately identifiable. As a PFI school, Carlinghow Academy is not part of the RPA and separate insurance cover, including governors' liability of £5M, has been purchased from 1 April to 31 August 2020 (on conversion) at a cost of £2,734.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of Trustees

The Members may appoint by ordinary resolution up to 10 Trustees.

The total number of Trustees (including the CEO, if they choose to act as Trustee under Article 57) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. In recruiting new trustees, the Trust is mindful of the skill set of existing trustees and any skills gaps. Potential new trustees are interviewed prior to appointment by the Chair and CEO. Where necessary, reference to Academies Ambassadors supports the recruitment of trustees.

In circumstances where the Trustees have not appointed Local Governing Bodies where Parent Local Governors are represented (two Parent Local Governors on each established Local Governing Body) there shall be two Parent Trustees.

Parent Trustees and Parent Local Governors are elected by parents of registered pupils in the Trust; a Parent Trustee / Local Governor must be a parent of a pupil at one or more academies that are part of the Trust at the time when he / she is elected. The number of Parent Trustees / Local Governors required shall be made up by Parent Trustees / Local Governors appointed by the Trust Board if the number of parents standing for election is less than the number of vacancies. If appointing a Parent Trustee / Local Governor, the Trust Board will appoint a person who is a parent at one or more academies that are part of the Trust; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience; an Induction Pack is given to all Trustees. During the period, the Trust has obtained membership of the National Governors Association (NGA), which includes a weekly update on governance matters. It has also considered the training offered by the Governing Training programme; attendance at courses provided by independent providers; updates from academy senior leaders involved in national remits; as well as courses provided by the local authority. A Governor Induction Pack is provided to all new Trustees; this includes Trustees responsibilities, Committee Terms of Reference, Trustee and school expectations including a Code of Conduct. All Trustees are provided with access to minutes, accounts, budgets, school development and school self-evaluation plans; risk assessments, plus any other documents that they will need to undertake their role as Trustee. Trustees are given access to the Trust document sharing system 'Trello', which contains all key Trust documentation.

Induction tends to be done informally and is tailored specifically to the individual, as there are normally only a few new appointments each year.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The management structure of Great Heights Academy Trust consists of four levels: the Trustees, the Core MAT team, the Senior Leadership Team and the Extended Management Team. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trust Board establishes the overall scheme of delegation for the governance within the Trust and determines membership, terms of reference and procedures of Local Governing Bodies, Senior Leadership Team and other bodies / committees. The Trustees are responsible for: setting the strategic policies of the Trust; approving the Trust budget; Trust financial and audit accountability; appointing senior leaders; holding academies to account on the key priorities and their performance; capital development plans.

The Core MAT team consists of the Chief Executive Officer, the Chief Operating Officer and the Chief Finance Officer. The Core MAT team is responsible for coordinating strategic leadership, business and finance operations of the Trust.

The Senior Leadership Team consists of the Core MAT team along with the Principals of the academies and the Head of Teamworks Teaching School. These managers control the constituent academies at an executive level implementing the policies laid down by the Trust and reporting back to them. As a group, the Senior Leadership Team are responsible for the School Development Plan and Self Evaluation Form; academy performance; head of designations (SCITT, TSA, Research School, English Hub); H&S and other compliance; pupil numbers & admissions; HR activity; financial tracking and financial assurance; safeguarding; the appointment of staff (with reference to the HR Scheme of Delegation).

The Extended Management Team supports the work of the Senior Leadership Team and has the responsibility for the day to day operation of the academies, in particular organising the teaching staff and curriculum, overseeing the curriculum delivery and co-ordinating staff and children well-being. The Extended Management Team includes the Deputy Principals, Director of Teamworks, Assistant Principals, Curriculum Managers.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Decisions regarding pay and remuneration take account of the Department of Education's framework "School teachers' pay and conditions document and guidance on school teachers' pay and conditions"; the complexities of the Trust's operation in relation to this guidance; reference to independent advice on pay and remuneration to ensure recruitment and retention of appropriately qualified and experienced key management personnel.

The Performance Management Committee (comprising Chair of Trustees and independent School Improvement Consultant) determine arrangements for setting pay and remuneration of the Chief Executive Officer. The Chief Executive Officer determines the arrangements for setting pay and remuneration of the remaining senior management team with reference to the Chair of Great Heights Academy Trust.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

From the 1 September 2017 The Greetland Academy has had sole responsibility for the Teaching School 'Teamworks Teaching School Alliance' (previously a shared responsibility).

The areas of responsibility of a teaching school alliance include ITT, School to School Support and Continuing Professional Development. Teamworks works with partners across the local authority areas of Calderdale, Leeds, Bradford, Kirklees, Tameside and Oldham to deliver on these responsibilities.

The Greetland Academy has also been designated as a SCITT (School Centred Initial Teacher Training) by the Department of Education since 1 September 2016. The collaborating partners for the SCITT are schools across the region and The University of Huddersfield. In the reporting period, 34 NQTs across primary and secondary phases of education were trained and employed in schools within the surrounding area.

In July 2017 The Greetland Academy was designated as a National Research School by the Education Endowment Foundation and the Department of Education. During the reporting period we have supported the Opportunity Area of Oldham, sitting on the Opportunity Area Board and the Interim School Improvement Board and working with more than 100 schools in West Yorkshire and East Lancashire via training and communication events.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of The Greetland Academy to provide education for pupils of different abilities between the ages of 4 and 11.

The Academy Trust's main strategy is encompassed in its mission statement, which is: The Greetland Academy Trust strives to always provide an inspirational, positive and welcoming environment where there is a sense of pride and fun and where everyone works together with confidence, enthusiasm and mutual respect. We aim to nurture academic, personal, spiritual and social development in a caring and professional manner so that all achieve their full potential and all can reach great heights.

Objectives, strategies and activities

The Trust's objectives and strategies for the year ended 31 August 2020 are detailed below; however, the closure of all schools on 20 March (other than to key-workers and vulnerable pupils) due to the Covid-19 pandemic impacted on the focus of the work of the Trust.

1. To share the vision and values of the Trust with all stakeholders to ensure greater understanding of the Trust's purpose and secure support for the key performance indicators.
2. To develop governance at Trust and LGB level to hold schools to account and ensure that they comply with their statutory duties.
3. To develop school leadership to ensure that self-evaluation is systematic, rigorous and accurate and there is a relentless focus on school improvement.
4. To enhance financial management and business processes by integrating support and shared services through the Trust Executive Leadership team to achieve best value for all schools.
5. To share expertise across our partnerships, maximising the potential and access to our designations and their combined offers.
6. To expand our partnership reach, networking with collaborations across LA and Key Stages.
7. To further develop our bespoke HR, ICT & communication marketing offers.

As a result of the Covid-19 pandemic, the focus of the Trust from March 2020 was to respond to the DfE change of school provision to support the children of key workers and vulnerable pupils, ensuring that risk assessments and due diligence processes enabled this to be delivered in as safe environment as possible, whilst also continuing to provide an educational offer to pupils not in attendance at school. The academies were able to re-open to all pupils from September 2020. During the period of 'closure' staff who were able to work from home did so; teaching staff and teaching assistants worked remotely and also, on a rota basis, delivered lessons to the pupils who were in school; remote education was provided to pupils not able to attend utilising online learning platforms and also by sending work home. The catering function was suspended, and the Trust therefore participated in the national free school meals voucher scheme to ensure that children normally in receipt of a free school meal continued to be supported. The Trust utilised the Coronavirus Job Retention Scheme for catering and out of school club staff who were furloughed.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

During the reporting period, the Trust was still able to grow with Carlinghow Princess Royal J, I & N School joining the Trust on 1 April 2020. In addition, Bowling Green Primary School is due to join the Trust on 1 December 2020. Partnership working has also been extended to Kirklees and the Church school networks this year.

In addition, the Trust has continued to provide support via the DfE's School Improvement Offer to support underachieving schools and staff in a number of settings. This was significantly increased in the summer term 2020, in response to the Covid pandemic, by providing support to three schools, as part of the DfE's 'Recovery Offer'. In addition, the Chief Executive Officer, Mrs Bennett, has continued as Teaching School Council (TSC) representative for Lancashire and West Yorkshire (LWY) region. This responsibility has enabled the Trust to be at the forefront of national DfE school improvement development, which has benefitted the Trust as a whole. The Greetland Academy has also continued to have the financial and organisational responsibility for the TSC LWY region finances.

In reviewing the Trust's objectives and strategies as a whole, much has been achieved and developed over the year: Governance of the Trust has been strengthened both at Trust level and also within the local governing bodies in terms of membership (particularly at Carlinghow Academy) and also reporting, via improved report formatting. The establishment of Principals as 'champions' of the trust and securing greater understanding of trust structures through the MAT senior management team has ensured the vision and values of the Trust are able to be shared with all stakeholders confidently. This has been further supported with the development and implementation of peer reviews between the schools. The development and also establishment of new networks and partnerships across the trust (e.g. SEND, remote learning via Seesaw, curriculum groups via co-ordinators networks) has enabled the trust to share expertise across its schools effectively and to further drive school improvement. This has been additionally supported by the MAT SMT seeking to align designation offers to ensure opportunities and expertise is maximised across the Trust. Remote CPD for curriculum developments has also continued.

During the year the Trust reviewed its branding and positioning, utilising the skills of a local marketing and website development company, which has led to a change in the Trust name to "Great Heights Academy Trust" from the predecessor name of "The Greetland Academy Trust", as this was felt to be too closely linked to the founding school of The Greetland Academy. As part of this review, the names of West Vale Primary and Raynville Primary were changed to West Vale Academy and Raynville Academy and new logos and branding are now in place across the Trust. The Trust has also planned for and is in the process of implementing new websites for the Trust, the academies and designations. New marketing materials have also been produced, including contribution to the Parliamentary Review publication to assist in the expansion of our partnership reach, networking and collaborations.

The English Hub designation 'Teamworks English Hub at The Greetland Academy', continued into its second year of operation. The first two terms were very successful during which 87 new schools were engaged, 34 schools attended Showcase events, 70 schools received medium level support, 16 audits were completed, 63 Literacy Specialist support days were delivered, 18 schools received resource funding. In March 2020 the work of the English Hub ceased due to the Covid-19 pandemic. The action plan for 2020-21 has had DfE approval and met all required criteria in order for the Hub to continue with its work, which has recommenced from the autumn term 2020.

The Research School continued to develop, with the DfE extending the region of operation from Oldham to include Calderdale, Kirklees and Tameside. The Teaching School and SCITT also continue to operate successfully providing school to school support, continuous professional development programs and student teacher training across the local regions. Again, this work was significantly impacted on from March 2020, however, training and support has now moved online. The relocation of the SCITT premises to West Vale was delayed due to Covid-19, but is due to complete in Autumn 2020.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The objectives, strategies and activities of The Greetland Academy for the year ended 31 August 2020 can be summarised as:

1. Improve reading across the school
2. Improve writing across the school

The objectives, strategies and activities of West Vale Academy for the year ended 31 August 2020 can be summarised as:

1. Improve writing across the school
2. Improve consistency of curriculum planning across the school

The objectives, strategies and activities of Raynville Academy for the year ended 31 August 2020 can be summarised as:

1. Improve reading across the school
2. Improving curriculum provision
3. Review staff workload

Public benefit

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 and performance

The Trustees approve the School Development Plans of its constituent academies at the beginning of the year and receive regular reports on progress; the objectives and activities for year ended 31 August 2020 are detailed on pages 7 and 8. These were in progress to be successfully achieved as part of the ongoing development and experience provided for pupils in our schools; however, activities were curtailed in March 2020 due to Covid-19 pandemic. The work of the School Development Plans would usually reference to the end of Key Stage outcomes; however, all assessments were cancelled as a result of the pandemic and therefore there is no data to report for 2020. The data below therefore reflects the last available data from 2019.

In response to the pandemic, all academies progressed with laying the foundations for re-engagement and 'catch-up', as part of the required planning for September 2020 're-opening' of schools, which included early identification of gaps in learning from the periods of remote learning that were being monitored.

Greetland Academy 2019 data performance:

The standards of attainment continued to be very high at The Greetland Academy, which is supported by 2019 (2018) results data:

- End of KS2 outcomes 2019:
 - 92% (90%) of pupils met or exceeded the expected standard in reading
 - 97% (95%) of pupils met or exceeded the expected standard in writing
 - 98% (80%) of pupils met or exceeded the expected standard in mathematics
 - 98% (87%) of pupils met or exceeded the expected standard in GP&S
 - 90% (70%) of pupils met or exceeded the expected standard in combined reading, writing & mathematics. The school therefore performed significantly above the National Average of 65%
- End of KS1 outcomes 2019:
 - 83% (79%) of pupils met or exceeded the expected standard in reading, writing & mathematics. The school therefore performed significantly above the National Average of 65%
- Year 1 Phonics 2019:
 - 93% (93%) of pupils met or exceeded the expected standard in phonics. The school therefore performed significantly above the National Average of 82%
- EYFS 2019:
 - 85% (88.3%) of pupils met or exceeded the expected good level of development in the EYFS goals. The school therefore performed significantly above the National Average of 72%

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

West Vale Academy 2019 data performance:

- End of KS2 outcomes 2019(2018):
 - 80% (48%) of pupils met or exceeded the expected standard in reading
 - 76% (72%) of pupils met or exceeded the expected standard in writing
 - 80% (60%) of pupils met or exceeded the expected standard in mathematics
 - 76% (64%) of pupils met or exceeded the expected standard in GP&S
 - 68% (32%) of pupils met or exceeded the expected standard in combined reading, writing & mathematics. The school therefore performed above the National Average of 65% and more than doubled the performance achieved in 2018; with which Trustees were very pleased.
- End of KS1 outcomes 2019:
 - 46% (61.5%) of pupils met or exceeded the expected standard in reading, writing & mathematics
- Year 1 Phonics 2019:
 - 75% (88.5%) of pupils met or exceeded the expected standard in phonics
- EYFS 2019:
 - 77.8% (70.6%) of pupils met or exceeded the expected good level of development in the EYFS goals

Raynville Academy 2019 data performance:

- End of KS2 outcomes 2019(2018):
 - 90% (81%) of pupils met or exceeded the expected standard in reading
 - 79% (77%) of pupils met or exceeded the expected standard in writing
 - 92% (81%) of pupils met or exceeded the expected standard in mathematics
 - 94% (85%) of pupils met or exceeded the expected standard in GP&S
 - 73% (67%) of pupils met or exceeded the expected standard in combined reading, writing & mathematics. The school therefore performed well above the National Average of 65%
- End of KS1 outcomes 2019:
 - 69.4% (65%) of pupils met or exceeded the expected standard in reading, writing & mathematics. The school therefore performed above the National Average of 65%
- Year 1 Phonics 2019:
 - 83.6% (88.2%) of pupils met or exceeded the expected standard in phonics.
- EYFS 2019:
 - 61% (63%) of pupils met or exceeded the expected good level of development in the EYFS goals.

Key performance indicators

In addition to academic performance, Trustees also monitor several key performance indicators, as detailed on the DfE's School Resource Self-Assessment Management Tool, which focuses on several financial performance and benchmarking analyses. Of specific focus have been the following Key Performance Indicators:

	The Greetland Academy	West Vale Academy	Raynville Academy	Carlinghow Academy
Ofsted Grade	Outstanding	Special Measures	Good	Special Measures
Pupil Numbers (Oct 20 Census)	407 (PAN 420)	153 (PAN 182)	416 (PAN 420) Nursery: 39 (PAN 78; aut term lower)	289 (PAN 371) Nursery: 27 (PAN 52; aut term lower)
Attendance (Oct 20 Census)	The DfE made a decision not to collect data in May or October 2020 due to the CV19 pandemic; however, daily attendance has been a focus of the Trust due to CV19.			
Persistent absence (Oct 20)				
Staff costs as a % to income (excluding catering)	74.7%	78.5%	76.9%	61.7% - teaching staff not fully in place due to CV19
In year balance as a % of total income	£147.3k; 8.5% of revenue income	£42.5k; 4.9% of revenue income	£133.1k; 5.7% of revenue income	£113.6k; 13.6% of revenue income

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Trust'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 to support the objects of Great Heights Academy Trust. These grants continued to be received in full during the period and therefore the majority of the Trust's income was not adversely affected by the pandemic during the period. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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 period ended 31 August 2020, total expenditure of £7,758,327 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit) was £599,227. This increase was largely due to the incorporation of Carlinghow Academy on 1 April 2020 and their total reserves at the end of the period of £342,025. In addition, the impact of Covid-19 resulted in a reduction in planned curriculum and central costs, which offset increases in spending on personal protection equipment (PPE) and increased cleaning and hygiene costs.

At 31 August 2020 the net book value of fixed assets was £18,225,548 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Carlinghow Academy joined the Trust on 1 April 2020. As a result, a total asset value of £6.7m was transferred from Kirklees Council to the Trust. Cash reserves comprising £219,088 revenue and £35,028 capital balances were also transferred on conversion. All financial activities of the new academy are reported within the Annual Accounts from 1 April 2020.

The Trust held fund reserve balances at 31 August 2020 of £15,083,451 comprising £680,885 of restricted funds, £1,163,567 of unrestricted general funds, £18,442,999 restricted fixed asset fund and a pension reserve deficit of £5,204,000. The pension deficit has increased due to Carlinghow Academy joining the Trust on the 1 April 2020 and a change in financial assumptions. The Trust reviews the pension contribution triennially and an increased pension contribution came into effect in April 2020 of 18%.

Reserves policy

The Trustees implemented a formal Reserves Policy during the period, which requires all entities to hold one month's expenditure in reserves, or work towards this if not currently achieved. The reserves of the Trust are considered as part of the monthly management accounts. Academies and designations are able to utilise their reserves following specific request and approval by the Core MAT team.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The level of reserves are detailed below:

Entity	Unrestricted Reserves (including School Fund, if applicable)	Restricted Reserves (excluding GAG)	Nature of Restricted Reserve (excluding GAG)
Central MAT	£163,661	£17,300	£17,300 StSS grants
The Greetland Academy	£100,395	£11,231	£6,793 PE grant £4,438 Pupil Premium
West Vale Academy	£84,235	£4,751	£4,751 PE grant
Raynville Academy	£180,646	£7,792	£4,549 Pupil Premium £3,117 PE grant £126 Erasmus grant
Carlinghow Academy	£228,418	-	-
TSA (including SCITT)	£406,212	£69,727	£52,687 EEF grants £9,294 Bradford LA £7,746 SCITT Mosaic
Total	£1,163,567	£110,801	

The Academy had a total of £680,885 restricted reserves (including General Annual Grant, excluding pension and capital). Details of these funds are provided above and at note 19. The Trust will use the restricted reserves, in line with their intended purpose, in 2020-21.

All entities are in excess of the reserves policy of retaining one month's expenditure. The development of the SCITT premises will utilise approximately £136k of TSA reserves in 2020/21. It is currently anticipated that these funds will be required to support the Trust budgets for future years.

The total balance of restricted general funds (excluding pension and fixed assets) and unrestricted funds as of 31 August 2020 is £1,844,452.

Investment policy

Great Heights Academy Trust has one bank account for each of the different entities in which it holds all its cash balances; these being required to fund its operational activity. Great Heights Academy Trust takes into account social, environmental and ethical considerations with regard to its investments and therefore has chosen a bank of national repute.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the Trust, and its finances, all of which are detailed in the Risk Register (further information below). The Trustees have implemented a number of systems to assess risks that the school faces, especially in operational areas (e.g. in relation to teaching, health and safety, and school trips) and in relation to the control of finance as evidenced by the Financial Management and Governance Self-Assessment. Where significant financial risk remains, they have ensured that they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. A significant focus in the period has been the risks to which the Trust has been exposed due to the Coronavirus and additional risk assessments were put in place to protect staff and pupils. This continues to be a key focus of attention, as the local and national situation changes, and new advice continues to emerge as the pandemic continues. The Trustees received regular updates on risk assessments and the impact of Covid 19 during the Summer Term lockdown and this continues into the Autumn Term 2020.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Great Heights Academy Trust's income is obtained from the ESFA in line with the Funding Agreement of the Academy. As such, the Trust's exposure to financial risks is limited to cash flow and liquidity risks; at 31 August 2020 the Academy Trust had £354,151 owed to creditors (including accruals), which was fully funded by the bank balance of £2,332,429.

Great Heights Academy Trust has a pension deficit of £5,204,000 relating to the LGPS defined benefit pension scheme, which is an increase from the deficit of £2,906,000 at 31 August 2020. The increase of £2,298,000 is a combination of the absorption of Carlinghow Princess Royal J, I & N School into the Trust, which brought a net liability of £901k and changes in actuarial assumptions including in response to Covid 19. The actuarial review took place during 2020 which increased employer contributions in April 2020 from 17.0% to 18.0%; this will then rise to 18.5% in April 2021 and 19.0% in April 2022.

The Trust has a Risk Register that is reviewed regularly by the Trustees. The principal risks, other than the financial risks detailed above, come under the headings of: political; strategic/reputational; social; technological; legislative/regulatory; environmental; operational; managerial; legal; and physical. A summary of the key risks are shared with Trustees. During the period, the following risks were identified:

Due to the controls in place, there were no high risks to which the Trust was exposed at The Greetland Academy. Due to the poor Ofsted inspection at West Vale Academy, prior to it joining the Trust, the Trustees identified this as an area of focus. Significant improvements have been demonstrated in terms of pupil progress, however until a further Ofsted takes place the school may still be viewed in a poor light, which impacts on the number on roll at the school and associated funding allocations. In addition, due to two external arson attacks in the summer term, potential arson attacks have been identified as a high risk at West Vale Academy; the external site boundaries have been reviewed. Raynville Academy had previously identified as high risk the risk to the budget and cash flow due to historic factors. Since conversion costs have been reviewed and income increased, which has removed these risks; there are no other high risks identified for Raynville Academy. Carlinghow Academy had a poor Ofsted inspection, prior to conversion, and similarly to West Vale Academy, therefore has a risk to reputation, pupil numbers on roll and associated grant funding and cash flow risks; this remains a focus, although the Academy's high level of reserves mitigate against these in the short term. A new leadership team is in place at Carlinghow Academy from 1 September 2020 to address the school improvement needs of the school.

A separate Risk Register has also been established for the SCITT and TSA. The principal risk areas come under the same headings for the Trust (detailed above). There were several high-risk areas identified: change of government / policy approach linking to the end of Teaching School Alliance designation on 31 August 2021; poor student recruitment; loss of facilities at Savile Park; uncertainty over other grants receivable and income generation. The Trustees have reviewed these risks and have put in place actions to manage them in order so that there is no detrimental effect to Great Heights Academy Trust. The SCITT recruitment for 2020-21 continues to remain strong, which enables the SCITT to remain financially viable. Premises developments at West Vale Academy to accommodate the SCITT will remove the loss of facilities risk. Plans are in place to manage the cessation of teaching schools nationally at the end of the 2020-21 academic year.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The Trust has a Fundraising Policy, which is available on the Trust website. This outlines the rationale for fundraising activities, which are for the benefit of the Trust and also for fundraising to benefit others less fortunate.

The Trust works with the parent associations of its academies to fund raise on behalf of the individual academies.

The Fundraising Policy clearly defines the level of fundraising activity that is to take place during each academic year, which is monitored by the Chief Operations Officer.

All fundraising activities and contributions are entirely voluntary. During the Coronavirus pandemic fundraising activities have been cancelled, but due to the majority of the Trust's income is in the form of recurrent grants, there has been no adverse effect on the finances of the Trust.

Plans for future periods

The Trust's plans for future periods are detailed below, followed by the individual school development targets. These have been developed following review of the performance of the trust and its academies and its ambition to 'reach great heights'. The plans are also in response to the curtailment of 'normal' operations in March 2020 and the re-opening of schools in September 2020.

Trust plans for 2020-21:

1. To re-brand our growing Trust, revisiting and promoting our shared vision and values, and secure support for future growth.
2. To further strengthen governance at Trust and LGB level to hold schools to account and ensure that they comply with their statutory duties.
3. To embed new Trust leadership roles to ensure that self-evaluation is systematic, rigorous and accurate and there is a relentless focus on school improvement.
4. To enhance financial management and business processes by integrating support and shared services through the Trust Executive Leadership team to achieve best value for all schools.
5. To share expertise across our partnerships, maximising the potential and support from and access to our designations and their combined offers.
6. To expand our partnership reach, networking with collaborations cross LA and phases.
7. To promote our bespoke HR, ICT & financial support offers.

GREAT HEIGHTS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The School Development Plans for The Greetland Academy has the following key priorities for 2020-21:

1. Improving reading across the school
2. Improve writing across the Board
3. Effective whole school re-engagement (As a result of lockdown 20 March 2020)

The School Development Plans for West Vale Academy has the following key priorities for 2020-21:

1. Improve writing across the school
2. Planning for progression: Teaching and Learning: Curriculum sequencing
3. Effective whole school re-engagement (As a result of lockdown 20 March 2020)

The School Development Plans for Raynville Academy has the following key priorities for 2020-21:

1. Improve reading and phonics across the school
2. Further improve curriculum provision
3. Effective whole school re-engagement (As a result of lockdown 20 March 2020)

The School Development Plans for Carlinghow Acadey has the following key priorities for 2020-21:

1. Improving the quality of teaching across the school
2. Improving leadership
3. Improve pupils development and wellbeing
4. Improve the provision in EYFS
5. To ensure Safeguarding is effective in the school.

Bowling Green Primary School has converted on 1 December 2020 and the Trust has been actively supporting this new school during 2020. Therefore, the school has set its School Development Plan in conjunction with the Trust, with the following key priorities for 2020-21:

1. Improving reading and phonics across the school
2. Improving the curriculum provision
3. Effective whole school re-engagement (as a result of lock down on 20 March 2020)

Auditor

In so far as the Trustees are aware:

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

The auditors, Simpson Wood Limited are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2020 and signed on its behalf by:

C Midgley
Chair

GREAT HEIGHTS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Great Heights Academy 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
C Midgley (Chair)	6	6
A Bennett (Chief Executive Officer and Accounting Officer)	6	6
J Fryer	5	6
K Inwood (Chair of Standards Committee)	5	6
J Midgley (Chair of Finance and Premises Committee)	6	6
J Nellis	5	6
A Birt	6	6
E Flaxman (Appointed 5 June 2020)	1	1
I Jaffar (Appointed 5 June 2020)	1	1
J Power (Appointed 5 June 2020)	1	1

GREAT HEIGHTS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trust Board reconstituted on 25 January 2018 to align with the requirements of the Articles of Association as the Trust moved from a single academy trust to a multi academy trust on 1 March 2018. In addition, the Members and Trustees have continued to review their structures, including that of the Local Governing Bodies. As a result, in the autumn term 2018, the Trust increased the number of Members to five and restructured membership at Member and Trustee level to introduce separation of representation across the two levels, in accordance with Academy Financial Handbook best practice. Parental governor membership is provided by each Local Governing Body; the structure of each Local Governing Body is: two community governors, two staff governor and two parent governors.

During the 2019-20 period, the Trust Board has continued to review its membership and skill set and has been actively seeking to strengthen the Board. As a result, the Board were pleased to appoint three new trustees in summer term 2020 who bring the particular skills of: legal, marketing, procurement. This takes the number of trustees to ten, which is the maximum number of trustees allowed under the Articles of Association.

As detailed on page 1 the reference and administrative information provides the changes that were made to the Trustees during 2019-20.

In order to help fulfil its duties, the Board has appointed a Finance and Premises Committee; a Standards Committee; and Local Governing Bodies at each of the constituent academies. At each Board meeting the Trustees consider reports from the CEO, COO and CFO on the performance of the Trust, the academies and designations. The financial management accounts are considered at each Board meeting and these are also sent to the Chair of the Trust and the Chair of the Finance and Premises Committee every month. As a result of the Coronavirus pandemic, the format of the reports changed to reflect the new and exceptional circumstances facing the Trust. The Board continue to offer challenge and support to the Core MAT Team both at meetings and whilst on visits to schools to meet Principals and staff, which it undertakes to see 'first hand' educational delivery and to help ensure robust governance.

The purpose of the finance and premises committee is to assist the decision making of the Trust Board, by enabling more detailed consideration of the Trust's responsibility to ensure sound management of the Trust's finances, premises and resources, including proper planning, monitoring, probity and compliance with the latest version of the Academies Financial handbook.

In addition, the Finance and Premises Committee fulfils the responsibilities of the Audit Committee, as determined by the ESFA's Financial Handbook, which includes to:

1. Review the risks to internal financial control at the Trust, agreeing a programme of work to address, and provide assurance on, those risks.
2. Recommend to Members the appointment or reappointment of the external auditors of the academy; and, to the Trust Board, the arrangements for all other assurance provision in line with the requirements of the Academies Financial Handbook.
3. Review the external auditor's annual planning and approve the planned audit approach, ensuring that staff are available to meet the external audit requirements.
4. Review the Trust's financial statements and reports to ensure that they reflect best practice and that they are filed in accordance with the Companies Act, ESFA and Charity Commission requirements.
5. Consider all relevant reports by the Comptroller and Auditor General or the appointed external auditor, monitor the implementation of audit recommendations.
6. Ensure that all allegations of fraud or irregularity are managed and investigated properly.
7. The outcome of the committee's work should inform the governance statement that accompanies the Trust's annual accounts, and, so far as is possible, provide assurance to external auditors.

On 9th December 2019 J Midgley, who is a qualified accountant and Director at a large international audit firm, was appointed as Chair of the Finance and Premises Committee.

GREAT HEIGHTS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Midgley (Chair)	2	2
A Bennett (Chief Executive Officer and Accounting Officer)	2	2
J Fryer	2	2
J Midgley (Chair of Finance and Premises Committee)	2	2
A Birt	2	2

The Finance and Premises Committee was due to meet on Monday 30th March; however, this was cancelled due to the Covid 19 pandemic. The CFO communicated regularly via email with the Chair of Trustees, Accounting Officer, Chief Operations Officer, Chair of Finance and Premises and Chair of Standards during the summer term closure on the financial impact of the pandemic, including furlough and Public Procurement Notices, as well as revised financial procedures to take account of remote working.

Review of value for money

As Accounting Officer, the Chief Executive Officer 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 Trust Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for Trust has delivered improved value for money during the year by:

- Ensuring that provision of education has been maintained throughout a period of national crisis (Coronavirus pandemic) and that very effective support has continued to be provided for the children of key workers and vulnerable pupils, as well as for those pupils who were not able to attend school. During this period the welfare of staff was also maintained.
- The Trust accessed the Coronavirus Job Retention Scheme with respect to catering and out of school club staff that were furloughed during the period the academies were closed to the majority of pupils. This enabled the impact on the loss of catering and out of school club income to be mitigated, allowing the funds of the academies to continue to focus on the purposes originally intended.

GREAT HEIGHTS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- Ensuring that Public Procurement Notices issued by the DfE (PPN02/20 and PPN 04/20) were applied effectively. During the period of closure, the Trust challenged suppliers who continued to invoice (or request to invoice) for work / services not able to be delivered due to the closure of schools. The Trust worked with these suppliers to direct them to other forms of government support (e.g. furlough, business loans) and where suppliers had accessed these no payments were made. Where suppliers confirmed that they had not, or were not eligible to access other forms of government support, the Trust issued five variation to contracts to suppliers to reflect payments being made to secure continuity of supply in the medium and long term. These were to:
 - Artforms Music (Raynville Academy)
 - Catering provisions – Leeds City Council (Raynville Academy)
 - Catering provisions – Kirklees Council (Carlinghow Academy)
 - Professional Sports Coaching (Carlinghow Academy)
 - Locala Community Partnerships – speech and languages services (Carlinghow Academy)
- Utilising the expertise of our leadership and teaching staff to support the development of other schools. Whilst impacting positively on the schools receiving the support it has also enabled Great Heights Academy Trust, or the constituent academies, to receive additional income and also have a positive impact upon the personal and professional development of the Trust staff e.g. Leadership support to Carlinghow pre and post conversion; delivery of the English Hub offer to supported schools.
- The work to review service level agreements and contracts across the Trust is ongoing, particularly with new schools to the Trust, but specific examples of work to date include: further review of premises and administrative staffing structures across the Trust; review of catering procurement processes and staffing; alignment of systems (eg accounting software); alignment in approach to: staff absence insurance cover, payroll, DPO, Health and Safety SLA and Safeguarding SLA; savings by purchasing group Engineering Inspection Insurance and Occasional Business Use Insurance.

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 ongoing 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 Great Heights Academy Trust for the year ended 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements, including throughout the period of schools closure from March 2020 to September 2020.

Capacity to handle risk

The Trust Board 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 Trust Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Trust Board.

GREAT HEIGHTS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Finance and Premises 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 Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. In the autumn term 2019 Trustees reviewed the external scrutiny processes of the Trust and went out to tender for: external audit of the accounts and annual report; a programme of internal scrutiny checks. For 2019-20, Simpson Wood were appointed to audit the annual accounts; BHP were appointed to undertake a programme of internal scrutiny. This was to provide a more robust risk and control framework and ahead of the new requirements of FRC Ethical Standards for auditors that came into effect in March 2020.

The internal control checks carried out in the current period included:

- testing of ESFA updates
- testing of payroll systems
- testing of purchase systems
- testing of monthly close down procedures
- testing of financial monitoring
- testing of Covid-19 related policies and controls

On a bi-annual basis (Spring and Summer Terms), the BHP auditor reports to the board of Trustees, through the Finance and Premises Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The schedule of checks was carried out as planned during 2019-20, irrespective of the Coronavirus pandemic. There have been no material control issues identified as a result of external audit monitoring that has taken place.

Simpson Wood report to the Board in the autumn term on the annual audit checks.

GREAT HEIGHTS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

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

- the work of the external auditor;
- the internal audit work conducted by external advisors
- the school resource management self-assessment tool;
- a review by an ESFA School Resource Management Advisor (February 2020)
- the work of the Chief Finance Officer within the academy trust who has 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 Finance and Premises Committee and a plan to address any identified weaknesses to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14 December 2020 and signed on its behalf by:

C Midgley
Chair

A Bennett
Chief Executive Officer and Accounting Officer

GREAT HEIGHTS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

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

I confirm that I and the Academy Trust's board of 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.

A Bennett
Accounting Officer

14 December 2020

GREAT HEIGHTS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

In preparing these accounts, the Trustees are required to:

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

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 14 December 2020 and signed on its behalf by:

C Midgley
Chair

GREAT HEIGHTS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT HEIGHTS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

GREAT HEIGHTS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT HEIGHTS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

In preparing the accounts, the 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

GREAT HEIGHTS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT HEIGHTS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Daniel McAllister FCA (Senior Statutory Auditor)
for and on behalf of Simpson Wood Limited

14 December 2020

Chartered Accountants
Statutory Auditor

Bank Chambers
Market Street
Huddersfield
HD1 2EW

GREAT HEIGHTS ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREAT HEIGHTS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 10 October 2016 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 Great Heights Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Great Heights Academy Trust's funding agreement with the Secretary of State for Education dated 17 December 2010 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance which may include review and corroboration of the most recent Financial Management and Governance Evaluation or equivalent.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
- When performing sample testing of expenditure, consider whether the activity is permissible within the academy trust's framework of authorities.

GREAT HEIGHTS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

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

Reporting Accountant

Simpson Wood Limited
Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 14 December 2020

GREAT HEIGHTS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	27,456	2,090	286,896	316,442	95,483
Donations - transfer from local authority on conversion	30	219,535	(901,000)	6,746,864	6,065,399	4,430,887
Charitable activities:						
- Funding for educational operations	4	-	6,335,429	-	6,335,429	4,072,597
- Funding for teaching school unrestricted	28	284,313	-	-	284,313	267,750
- Funding for teaching school restricted	29	-	175,120	-	175,120	102,150
Other trading activities	5	538,733	26,154	-	564,887	505,241
Investments	6	1,211	-	-	1,211	495
Total		<u>1,071,248</u>	<u>5,637,793</u>	<u>7,033,760</u>	<u>13,742,801</u>	<u>9,474,603</u>
Expenditure on:						
Raising funds	7	268,634	26,094	-	294,728	308,582
Charitable activities:						
- Educational operations	9	32,954	6,645,562	359,513	7,038,029	4,321,174
- Teaching school unrestricted	29	262,487	-	-	262,487	290,323
- Teaching school restricted	29	-	163,083	-	163,083	162,031
Total	7	<u>564,075</u>	<u>6,834,739</u>	<u>359,513</u>	<u>7,758,327</u>	<u>5,082,110</u>
Net income/(expenditure)		507,173	(1,196,946)	6,674,247	5,984,474	4,392,493
Transfers between funds	18	(26,478)	34,901	(8,423)	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(1,009,000)	-	(1,009,000)	(1,180,000)
Net movement in funds		480,695	(2,171,045)	6,665,824	4,975,474	3,212,493
Reconciliation of funds						
Total funds brought forward		682,872	(2,352,070)	11,777,175	10,107,977	6,895,484
Total funds carried forward		<u>1,163,567</u>	<u>(4,523,115)</u>	<u>18,442,999</u>	<u>15,083,451</u>	<u>10,107,977</u>

GREAT HEIGHTS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2019 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	28,599	10,303	56,581	95,483
Donations - transfer from local authority on conversion	30	105,807	(694,814)	5,019,894	4,430,887
Charitable activities:					
- Funding for educational operations	4	-	4,072,597	-	4,072,597
- Funding for teaching school unrestricted	28	267,750	-	-	267,750
- Funding for teaching school restricted	29	-	102,150	-	102,150
Other trading activities	5	440,760	64,481	-	505,241
Investments	6	495	-	-	495
Total		<u>843,411</u>	<u>3,554,717</u>	<u>5,076,475</u>	<u>9,474,603</u>
Expenditure on:					
Raising funds	7	305,619	2,963	-	308,582
Charitable activities:					
- Educational operations	9	60,563	4,070,253	190,358	4,321,174
- Teaching school unrestricted	29	290,323	-	-	290,323
- Teaching school restricted	29	-	162,031	-	162,031
Total	7	<u>656,505</u>	<u>4,235,247</u>	<u>190,358</u>	<u>5,082,110</u>
Net income/(expenditure)		186,906	(680,530)	4,886,117	4,392,493
Transfers between funds	18	(3,229)	(15,608)	18,837	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,180,000)	-	(1,180,000)
Net movement in funds		183,677	(1,876,138)	4,904,954	3,212,493
Reconciliation of funds					
Total funds brought forward		499,195	(475,932)	6,872,221	6,895,484
Total funds carried forward		<u>682,872</u>	<u>(2,352,070)</u>	<u>11,777,175</u>	<u>10,107,977</u>

GREAT HEIGHTS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		18,225,548		11,673,324
Current assets					
Stocks	14	4,733		4,448	
Debtors	15	455,171		218,665	
Cash at bank and in hand		2,332,695		1,427,776	
		<u>2,792,599</u>		<u>1,650,889</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(730,696)		(310,236)	
Net current assets			2,061,903		1,340,653
Net assets excluding pension liability			<u>20,287,451</u>		<u>13,013,977</u>
Defined benefit pension scheme liability	20		(5,204,000)		(2,906,000)
Total net assets			<u>15,083,451</u>		<u>10,107,977</u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			18,442,999		11,777,175
- Restricted income funds			680,885		553,930
- Pension reserve			(5,204,000)		(2,906,000)
Total restricted funds			<u>13,919,884</u>		<u>9,425,105</u>
Unrestricted income funds	18		1,163,567		682,872
Total funds			<u>15,083,451</u>		<u>10,107,977</u>

The accounts on pages 29 to 56 were approved by the Trustees and authorised for issue on 14 December 2020 and are signed on their behalf by:

C Midgley
Chair

Company Number 07465343

GREAT HEIGHTS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21	562,598		430,560	
Cash funds transferred on conversion		219,088		108,771	
		<u>781,686</u>		<u>539,331</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		1,211		495	
Capital grants from DfE Group		277,604		56,581	
Capital funding received from sponsors and others		9,292		-	
Purchase of tangible fixed assets		<u>(164,874)</u>		<u>(32,026)</u>	
Net cash provided by investing activities			<u>123,233</u>		<u>25,050</u>
Net increase in cash and cash equivalents in the reporting period			<u>904,919</u>		<u>564,381</u>
Cash and cash equivalents at beginning of the year			<u>1,427,776</u>		<u>863,395</u>
Cash and cash equivalents at end of the year			<u><u>2,332,695</u></u>		<u><u>1,427,776</u></u>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 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.

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Raynville Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.

1.4 Income

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

Grants

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

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

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

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets on conversion

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets and depreciation

Assets costing £ 3,000 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	15% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

No depreciation is provided in respect of freehold land.

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

1.7 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 of services it must provide.

1.8 Leased assets

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

1.9 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.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 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. Therefore potentially have a tax liability to pay.

1.12 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.13 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 Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

No critical areas of judgement have been identified which would have a significant impact on the valuation of assets and liabilities within the accounts.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	286,896	286,896	56,581
Other donations	27,456	2,090	29,546	38,902
	<u>27,456</u>	<u>288,986</u>	<u>316,442</u>	<u>95,483</u>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,675,519	4,675,519	2,898,471
Start up grants	-	12,000	12,000	135,000
DfE teaching school	-	175,120	175,120	102,150
Other DfE group grants	-	1,287,524	1,287,524	942,563
	-	6,150,163	6,150,163	4,078,184
Other government grants				
Local authority grants	-	319,615	319,615	96,563
Exceptional government funding				
Coronavirus job retention scheme grant	-	40,771	40,771	-
Teaching school	284,313	-	284,313	267,750
Total funding	284,313	6,510,549	6,794,862	4,442,497

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

The funding received for coronavirus exceptional support covers £40,771 for furlough claims for Breakfast club staff, OOSC Staff and Catering staff.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	6,062	-	6,062	5,458
Catering income	211,153	-	211,153	213,204
Consultancy	81,528	-	81,528	8,125
Out of school activities	56,344	-	56,344	71,528
Teaching school	95,023	-	95,023	100,327
Teaching school restricted income	-	26,154	26,154	64,481
Other income	88,623	-	88,623	42,118
	538,733	26,154	564,887	505,241

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,211	-	1,211	495

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	128,558	-	166,170	294,728	308,582
Academy's educational operations					
- Direct costs	3,949,592	-	644,794	4,594,386	2,855,963
- Allocated support costs	1,109,308	779,162	555,173	2,443,643	1,465,611
Teaching school unrestricted					
- Direct costs	77,991	-	130,441	208,432	242,205
- Allocated support costs	25,736	200	28,119	54,055	48,118
Teaching school restricted					
- Direct costs	87,302	-	38,742	126,044	131,026
- Allocated support costs	32,571	-	4,468	37,039	31,005
	5,411,058	779,362	1,567,907	7,758,327	5,082,510

Net income/(expenditure) for the year includes:	2020 £	2019 £
Fees payable to auditor for:		
- Audit	13,000	6,300
- Other services	2,500	2,040
Operating lease rentals	28,100	25,140
Depreciation of tangible fixed assets	359,513	190,358
Net interest on defined benefit pension liability	60,000	28,000

8 Central services

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

- educational support services;
- human resources;
- financial services;
- others as arising.

The Academy Trust charges for these services on the following basis:

- 6% as determined by the trust board.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2020 £	2019 £
The Greetland Academy	89,310	59,818
West Vale Academy	40,265	40,019
Raynville Academy	69,634	41,650
Carlinghow Academy	36,631	-
	<u>235,840</u>	<u>141,487</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	20,595	4,573,791	4,594,386	2,855,963
Teaching school unrestricted	208,432	-	208,432	242,205
Teaching school restricted	-	126,044	126,044	131,026
Support costs				
Educational operations	12,359	2,431,284	2,443,643	1,465,211
Teaching school unrestricted	54,055	-	54,055	48,118
Teaching school restricted	-	37,039	37,039	31,005
	<u>295,441</u>	<u>7,168,158</u>	<u>7,463,599</u>	<u>4,773,528</u>

	Teaching school restricted £	Teaching school unrestricted £	Educational operations £	Total 2020 £	Total 2019 £
Analysis of support costs					
Support staff costs	32,571	25,846	1,110,264	1,168,681	797,526
Depreciation	-	-	359,513	359,513	190,358
Technology costs	2,597	3,512	85,199	91,308	56,012
Premises costs	-	200	419,649	419,849	194,569
Legal costs	-	1,112	70,998	72,110	23,437
Other support costs	1,871	23,385	382,520	407,776	274,092
Governance costs	-	-	15,500	15,500	8,340
	<u>37,039</u>	<u>54,055</u>	<u>2,443,643</u>	<u>2,534,737</u>	<u>1,544,334</u>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,036,756	2,594,569
Social security costs	226,362	217,863
Pension costs	1,102,991	576,077
	<hr/>	<hr/>
Amounts paid to employees	5,366,109	3,388,509
Agency staff costs	44,949	40,090
	<hr/>	<hr/>
Amounts paid to staff	5,411,058	3,428,599
Staff development and other staff costs	36,372	15,362
	<hr/>	<hr/>
Total staff expenditure	5,447,430	3,443,961
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2020 Number	2019 Number
Teachers	52	46
Administration and support	143	104
Management	19	13
	<hr/>	<hr/>
	214	163
	<hr/> <hr/>	<hr/> <hr/>

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

	2020 Number	2019 Number
Teachers	44	40
Administration and support	77	56
Management	18	13
	<hr/>	<hr/>
	139	109
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	2	2
£80,000 - £90,000	1	-
£110,000 - £120,000	-	1
£130,000 - £140,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,187,343 (2019: £757,186)

11 Trustees' remuneration and expenses

The Principal and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees. During the year, travel and subsistence payments totalling £628 (2019: £654) were reimbursed to 2 Trustees (2019: 4 Trustees)

The value of Trustees' remuneration including pension costs was as follows:

A Bennett (CEO)	Remuneration	£130,000 - £135,000(2019: £115,000 - £120,000)
	Pension costs	£30,000 - £35,000 (2019: £15,000 - £20,000)

Other related party transactions involving the Trustees are set out within the related parties note.

12 Insurance for Trustees and officers

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 Trust business, and provides unlimited cover. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	12,046,359	102,029	420,839	12,569,227
Transfer on conversion	6,746,864	-	-	6,746,864
Additions	138,330	24,694	1,850	164,874
At 31 August 2020	18,931,553	126,723	422,689	19,480,965
Depreciation				
At 1 September 2019	591,226	88,435	216,242	895,903
Charge for the year	227,697	16,980	54,837	299,514
Impairment	-	-	60,000	60,000
At 31 August 2020	818,923	105,415	331,079	1,255,417
Net book value				
At 31 August 2020	18,112,630	21,308	91,610	18,225,548
At 31 August 2019	11,455,133	13,594	204,597	11,673,324

14 Stocks

	2020 £	2019 £
School uniform	2,178	2,012
Catering stock	2,555	2,436
	4,733	4,448

15 Debtors

	2020 £	2019 £
Trade debtors	266,500	71,486
VAT recoverable	17,224	-
Prepayments and accrued income	171,447	147,179
	455,171	218,665

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	86,654	60,290
Other taxation and social security	-	2,299
Accruals and deferred income	644,042	247,647
	<u>730,696</u>	<u>310,236</u>

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	376,546	184,041
	<u>376,546</u>	<u>184,041</u>
Deferred income at 1 September 2019	184,041	84,468
Released from previous years	(184,041)	(84,468)
Resources deferred in the year	376,546	184,041
	<u>376,546</u>	<u>184,041</u>
Deferred income at 31 August 2020	<u>376,546</u>	<u>184,041</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Income Free School Meals, NCTL bursaries, NLE Support, English Hub, Rates relief and Parental contributions.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	317,673	4,675,519	(4,458,009)	34,901	570,084
Start up grants	105,737	12,000	(117,737)	-	-
Other DfE / ESFA grants	88,069	1,287,524	(1,334,645)	-	40,948
Other government grants	-	360,386	(360,386)	-	-
Teaching school restricted	31,536	201,274	(163,083)	-	69,727
Other restricted funds	10,915	2,090	(12,879)	-	126
Pension reserve	(2,906,000)	(901,000)	(388,000)	(1,009,000)	(5,204,000)
	<u>(2,352,070)</u>	<u>5,637,793</u>	<u>(6,834,739)</u>	<u>(974,099)</u>	<u>(4,523,115)</u>
Restricted fixed asset funds					
Inherited on conversion	10,604,420	6,746,864	(49,405)	-	17,301,879
DfE group capital grants	1,090,304	286,896	(280,819)	(8,423)	1,087,958
Capital expenditure from GAG	32,169	-	(26,979)	-	5,190
Sports England	47,902	-	-	-	47,902
Friends of Greetland	2,380	-	(2,310)	-	70
	<u>11,777,175</u>	<u>7,033,760</u>	<u>(359,513)</u>	<u>(8,423)</u>	<u>18,442,999</u>
Total restricted funds	<u>9,425,105</u>	<u>12,671,553</u>	<u>(7,194,252)</u>	<u>(982,522)</u>	<u>13,919,884</u>
Unrestricted funds					
General funds	367,032	691,912	(301,588)	-	757,356
Teaching school unrestricted	315,840	379,336	(262,487)	(26,478)	406,211
	<u>682,872</u>	<u>1,071,248</u>	<u>(564,075)</u>	<u>(26,478)</u>	<u>1,163,567</u>
Total funds	<u>10,107,977</u>	<u>13,742,801</u>	<u>(7,758,327)</u>	<u>(1,009,000)</u>	<u>15,083,451</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE / ESFA grants related to PE and Sports grant, Teaching School Council grant and English Hub.

Teaching School restricted funds relate to Mosaic and Research School Grant.

Restricted fixed assets were funded by government grants and transfer from predecessor school.

Other restricted funds carried forward is in relation to Erasmus fund.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	171,652	2,898,471	(2,736,842)	(15,608)	317,673
Start up grants	-	135,000	(29,263)	-	105,737
Other DfE / ESFA grants	96,480	942,563	(950,974)	-	88,069
Other government grants	-	96,563	(96,563)	-	-
Teaching school restricted	26,936	166,631	(162,031)	-	31,536
Other restricted funds	-	19,489	(8,574)	-	10,915
Pension reserve	(771,000)	(704,000)	(251,000)	(1,180,000)	(2,906,000)
	<u>(475,932)</u>	<u>3,554,717</u>	<u>(4,235,247)</u>	<u>(1,195,608)</u>	<u>(2,352,070)</u>
Restricted fixed asset funds					
Transfer on conversion	5,705,505	5,019,894	(120,979)	-	10,604,420
DfE group capital grants	1,075,156	56,581	(41,433)	-	1,090,304
Capital expenditure from GAG	38,968	-	(25,636)	18,837	32,169
Sports England	47,902	-	-	-	47,902
Friends of Greetland	4,690	-	(2,310)	-	2,380
	<u>6,872,221</u>	<u>5,076,475</u>	<u>(190,358)</u>	<u>18,837</u>	<u>11,777,175</u>
Total restricted funds	<u>6,396,289</u>	<u>8,631,192</u>	<u>(4,425,605)</u>	<u>(1,176,771)</u>	<u>9,425,105</u>
Unrestricted funds					
General funds	261,109	475,334	(366,182)	(3,229)	367,032
Teaching school unrestricted	238,086	368,077	(290,323)	-	315,840
	<u>499,195</u>	<u>843,411</u>	<u>(656,505)</u>	<u>(3,229)</u>	<u>682,872</u>
Total funds	<u>6,895,484</u>	<u>9,474,603</u>	<u>(5,082,110)</u>	<u>(1,180,000)</u>	<u>10,107,977</u>

GREAT HEIGHTS ACADEMY TRUST

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

18 Funds

(Continued)

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
The Greetland Academy	921,984	700,222
West Vale Academy	140,663	96,843
Raynville Academy	225,676	101,154
Carlinghow Academy	342,024	-
Central services	214,105	338,583
	<u>1,844,452</u>	<u>1,236,802</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	18,442,999	11,777,175
Pension reserve	(5,204,000)	(2,906,000)
	<u>15,083,451</u>	<u>10,107,977</u>
Total funds	<u><u>15,083,451</u></u>	<u><u>10,107,977</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
The Greetland Academy	1,354,076	407,901	150,038	858,813	2,770,828	2,681,490
West Vale Academy	543,707	95,376	8,714	194,279	842,076	860,709
Raynville Academy	1,585,836	181,522	43,385	391,273	2,202,016	894,479
Carlinghow Academy	389,868	81,418	11,346	236,533	719,165	-
Central services	659,524	107,860	2,143	95,202	864,729	159,523
	<u>4,533,011</u>	<u>874,077</u>	<u>215,626</u>	<u>1,776,100</u>	<u>7,398,814</u>	<u>4,596,201</u>
	<u><u>4,533,011</u></u>	<u><u>874,077</u></u>	<u><u>215,626</u></u>	<u><u>1,776,100</u></u>	<u><u>7,398,814</u></u>	<u><u>4,596,201</u></u>

Included within The Greetland Academy's fund balance are amounts totalling £425,560 (2019: £347,376) relating to Teaching School activities.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	18,225,548	18,225,548
Current assets	1,189,873	1,385,275	217,451	2,792,599
Creditors falling due within one year	(26,306)	(704,390)	-	(730,696)
Defined benefit pension liability	-	(5,204,000)	-	(5,204,000)
Total net assets	1,163,567	(4,523,115)	18,442,999	15,083,451

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	11,673,324	11,673,324
Current assets	704,198	842,840	103,851	1,650,889
Creditors falling due within one year	(21,326)	(288,910)	-	(310,236)
Defined benefit pension liability	-	(2,906,000)	-	(2,906,000)
Total net assets	682,872	(2,352,070)	11,777,175	10,107,977

20 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 the West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £555,923 (2019: £251,915).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18% for employers and 5.5-12.5% for employees. The estimated value of employer contributions for the forthcoming year is £255,000.

The LGPS obligation relates to the employees of the Academy Trust, including the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	239,000	157,000
Employees' contributions	87,000	59,000
Total contributions	<u>326,000</u>	<u>216,000</u>

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.55	3.25
Rate of increase for pensions in payment/inflation	2.3	2.00
Discount rate for scheme liabilities	1.7	1.90
Inflation assumption (CPI)	2.3	2.00
Revaluation of pension accounts	<u>2.3</u>	<u>2.00</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	22.2
- Females	24.6	25.4
Retiring in 20 years		
- Males	22.5	23.2
- Females	<u>25.7</u>	<u>27.2</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

The Academy Trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	4,058,000	3,027,000
Bonds	767,000	586,000
Property	224,000	172,000
Other assets	167,000	117,000
Total market value of assets	<u>5,216,000</u>	<u>3,902,000</u>

The actual return on scheme assets was £(19,000) (2019: £198,000).

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	567,000	276,000
Past service cost	-	104,000
Interest income	(85,000)	(77,000)
Interest cost	145,000	105,000
Total operating charge	<u>627,000</u>	<u>408,000</u>

Changes in the present value of defined benefit obligations

2020
£

At 1 September 2019	6,808,000
Obligations acquired on conversion	1,917,000
Current service cost	567,000
Interest cost	145,000
Employee contributions	87,000
Actuarial loss	905,000
Benefits paid	(9,000)
At 31 August 2020	<u>10,420,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets

2020
£

At 1 September 2019	3,902,000
Assets acquired on conversion	1,016,000
Interest income	85,000
Actuarial loss/(gain)	(104,000)
Employer contributions	239,000
Employee contributions	87,000
Benefits paid	(9,000)
At 31 August 2020	<u>5,216,000</u>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	5,984,474	4,392,493
Adjusted for:		
Net surplus on conversion to academy	(6,065,399)	(4,430,887)
Capital grants from DfE and other capital income	(286,896)	(56,581)
Investment income receivable	(1,211)	(495)
Defined benefit pension costs less contributions payable	328,000	223,000
Defined benefit pension scheme finance cost	60,000	28,000
Depreciation of tangible fixed assets	359,513	190,358
(Increase) in stocks	(285)	(97)
(Increase) in debtors	(236,505)	(90,606)
Increase in creditors	420,460	149,259
Stocks, debtors and creditors transferred on conversion	447	26,116
Net cash provided by operating activities	<u>562,598</u>	<u>430,560</u>

22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	<u>1,427,776</u>	<u>904,919</u>	<u>2,332,695</u>

23 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	32,115	29,508
Amounts due in two and five years	25,906	38,646
	<u>58,021</u>	<u>68,154</u>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	1,002,401	204,373

The above relates to roofing works, Fire improvements & Lighting, flat roof works and SCITT refurbishment.

25 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 Trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

A Griffiths owns and is a director of The Education Guidance Service Ltd. £Nil (2019 - £1,320) was paid to the company in the year in respect of services received for pupil assessments and reports.

A Midgley, who is employed by the Trust as Principal at Raynville Primary School, is the son of Trustee C Midgley and brother of Trustee J Midgley. A Midgley was employed by the school as headteacher prior to it joining the Trust and TUPE to the Trust on the terms and conditions that had been set by the Governors of the previous school. A Midgley is employed on the Leadership scale within the Teachers Pay & Conditions document and receives no special treatment as a result of his relationship to trustees. Total remuneration, including pension benefits, during the period was £89,892.

26 Members' liability

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

27 Agency arrangements

Bursaries totalling £264,600(2019: £251,200) have been paid to students in the year. An amount of £1,625 (2019: £18,400) is held by the academy at the year end.

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

28 Teaching school unrestricted trading account	2020		2019	
	£	£	£	£
Direct income				
Other direct income		284,313		267,750
Other income				
Fundraising and other trading activities		95,023		100,327
Total income		<u>379,336</u>		<u>368,077</u>
Direct costs				
Direct staff costs	77,991		82,075	
Staff development	920		-	
Other direct costs	126,224		156,113	
Educational supplies and services	99		-	
Examination fees	798		1,367	
Educational consultancy	2,400		2,650	
		<u>208,432</u>		<u>242,205</u>
Other costs				
Support staff costs	25,846		31,088	
Technology costs	3,512		3,379	
Maintenance of premises and equipment	200		-	
Other support costs	23,385		12,089	
Share of governance costs	1,112		1,562	
		<u>54,055</u>		<u>48,118</u>
Total expenditure		(262,487)		(290,323)
Transfers between funds excluding depreciation		(26,478)		-
Surplus from all sources		<u>90,371</u>		<u>77,754</u>
Teaching school unrestricted balances at 1 September 2019		315,840		238,086
Teaching school unrestricted balances at 31 August 2020		<u><u>406,211</u></u>		<u><u>315,840</u></u>

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Teaching school restricted trading account

	2020		2019	
	£	£	£	£
Direct income				
Government grants		175,120		102,150
Other income				
Fundraising and other trading activities		26,154		64,481
Total income		201,274		166,631
Direct costs				
Direct staff costs	87,302		83,641	
Educational supplies and services	62		-	
Staff development	-		1,200	
Other direct costs	38,680		46,185	
	126,044		131,026	
Other costs				
Support staff costs	32,571		25,232	
Technology costs	2,597		1,847	
Other support costs	1,871		3,526	
Share of governance costs	-		400	
	37,039		31,005	
Total operating costs		(163,083)		(162,031)
Surplus from teaching school restricted		38,191		4,600
Teaching school restricted balances at 1 September 2019		31,536		26,936
Teaching school restricted balances at 31 August 2020		69,727		31,536

GREAT HEIGHTS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

30 Conversion to an academy

On 1 April 2020 the Carlinghow Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Great Heights Academy Trust from the Kirklees Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Carlinghow Academy	Ealand Road, Batley, West Yorkshire, WF17 8HT	1 April 2020		
		Unrestricted funds	Restricted funds:	Total
			General	2020
			Fixed asset	
Net assets transferred:		£	£	£
Freehold land and buildings		-	-	6,746,864
Cash		219,088	-	-
Pension scheme deficit		-	(901,000)	-
Debtors		7,922	-	-
Creditors		(7,475)	-	-
		<u>219,535</u>	<u>(901,000)</u>	<u>6,746,864</u>
		<u><u>219,535</u></u>	<u><u>(901,000)</u></u>	<u><u>6,746,864</u></u>
				6,065,399
		Unrestricted funds	Restricted funds:	Total
			General	2020
			Fixed asset	
Funds surplus/(deficit) transferred:		£	£	£
Fixed assets funds		-	-	6,746,864
LA budget funds		219,535	-	-
LGPS pension funds		-	(901,000)	-
		<u>219,535</u>	<u>(901,000)</u>	<u>6,746,864</u>
		<u><u>219,535</u></u>	<u><u>(901,000)</u></u>	<u><u>6,746,864</u></u>
				6,065,399