

Education and Leadership Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

Hallidays
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Education and Leadership Trust

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Reference and Administrative Details

Members

Mr Ronan Brindley (left 05.10.2020)
Mr Stephen Griffiths (appointed 05.10.2020)
Mr Andrew Sean Mullen (left 05.10.2020)
Mr Richard Paver
Ms Julie Marie Price (appointed 05.10.2020)

Trustees (Directors)

Ms Emma Jane Antrobus
Mr Dale Edward Bassett
Mr Matthew Begg (left 29.01.2020)
Ms Jessica Bowles (left 15.06.2020)
Mr Ronan Brindley (left 24.04.2020, appointed 05.10.2020)
Ms Majella Dalton-Bartley (left 21.11.2019)
Prof Elaine Ferneley (appointed 21.11.2019)
Dr Johan MacKinnon (appointed 01.09.2019, left 21.05.2020)
Ms Emma-Jane McLaren (appointed 05.05.2020)
Mrs Sandra Milne
Mr Andrew Sean Mullen
Mr Richard Paver (left 24.04.2020, appointed 05.10.2020)
Mr Allan John Torr (appointed 15.06.2020, left 26.10.2020)
Mrs Catherine Elizabeth Wragg (left 10.03.2020)

Senior Leadership Team

Dr Johan MacKinnon, Executive Headteacher and Accounting Officer (from 01.09.2019); Headteacher of Levenshulme High School until 23.02.2020
Mrs Elizabeth Hole, Academy Headteacher (left 31.08.2020)
Mrs Jane Barnes, Deputy Headteacher
Ms Jaqueline Fahey, Deputy Headteacher (to 31.08.2020), Academy Headteacher (appointed 01.09.2020)
Mr Michael Lea, Deputy Headteacher
Mrs Catherine Wragg, Deputy Headteacher
Mr Jonathan Atkinson, Assistant Headteacher
Mrs Morresa Connolly, Assistant Headteacher (to 31.08.2020), Deputy Headteacher (appointed 01.09.2020)
Mrs Julie Lomax, Assistant Headteacher (left 31.08.2020)
Mr Besim Mustafa, Assistant Headteacher (appointed 01.09.2020)
Mr Stephen Mycock, Assistant Headteacher
Mr Samuel Parker, Assistant Headteacher
Mrs Sofia Zarar, Assistant Headteacher
Ms Deborah Collier, Trust Finance Officer
Mrs Jenny Kennedy, Trust HR Director
Mr Neil Johnson, Deputy Headteacher (to 31.08.2020), Acting Joint Academy Headteacher (from 24.02.2020)
Ms Donna Johnson, Deputy Headteacher (to 31.08.2020), Acting Joint Academy Headteacher (from 24.02.2020)
Mr Thomas Norton, Assistant Headteacher
Mr Peter Taylor, Deputy Headteacher
Ms Lauren Dooley, Assistant Headteacher
Mrs Amanda Moretta, Assistant Headteacher (started 01.01.2020)
Mr Mark McNulty, Business Manager
Miss Jacqueline Bowen, Academy Headteacher
Mrs Paula Bentley, Business Manager
Mrs Jane Clewlow, Deputy Headteacher (left 31.08.2020)
Mr David Goddard, Deputy Headteacher
Miss Sinead Hosty, Assistant Headteacher (started 01.09.2019)
Miss Holly Koval, Assistant Headteacher (started 01.09.2019)
Miss Stephanie Lonsdale, Assistant Headteacher (started 01.09.2019)
Miss Rebecca Moules, Assistant Headteacher
Mr Ian Mountain, Assistant Headteacher
Miss Lucy Neukom, Deputy Headteacher (started 01.09.2020)
Ms Nicolla Watts, Assistant Headteacher

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Reference and Administrative Details (continued)

Principal and Registered Office	Whalley Range 11-18 High School Wilbraham Road Manchester M16 8GW
Company Registration Number	08913502
Independent Auditor	Hallidays Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD
Bankers	Lloyds Bank 42-46 Market Street Deansgate Manchester M1 1PW
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Education and Leadership Trust

Trustees' Report

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

The academy trust operates three secondary academies in Manchester. Its academies have a combined capacity of 3,652 and had a roll of 3,579 in the school census on 4th October 2020

	Secondary	Number on roll
Whalley Range 11-18 High School	11-18	1,581
Levenshulme High School	11-16	1,004
The East Manchester Academy	11-16	994

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 Trustees of Education and Leadership Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Education and Leadership Trust. Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 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 whilst 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

Professional Indemnity Insurance is in place to protect Members, Trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring on trust business.

Method of Recruitment and Appointment or Election of Trustees

Trustees and Governors are recruited by invitation, dependent on their expertise, experience and skills. They can be identified for invitation in a range of ways, including via organisations such as Academy Ambassadors or from personal recommendation by colleagues. Trustees may be appointed as specified in the articles of association (50 to 63), and are appointed for a term of 4 years. The Executive Headteacher is the Accounting Officer, with no term end date. Although the ESFA/DfE guidance is that members of staff can be Trustees, the strong recommendation of the Office of the Regional Schools Commissioner and thus, via them, the DfE is that best practice now is that members of staff are not Trustees to give greater separation between the Trust Board and staff and making lines of accountability clearer. This was discussed and agreed with the colleagues affected, and with Trustees, and there are no longer any staff Trustees.

The current Trust Board has a strong skill-base, from a wide range of industries and organisations, with Trustees holding, or having held, senior management roles in: Public Sector Finance; Human Resource Management; Educational Standards, Higher Education; Improvement and Governance; Arts and Culture; Law; and Governance.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are interviewed and selected to ensure that a robust overview of governance is maintained throughout the trust. New Trustees are provided with an induction which includes access to documentation in respect of all trust policies and procedures. In addition, appropriate training opportunities may be offered, depending on their current level of experience and expertise. The trust has membership of the National Governors' Association (NGA), which is also a source of training and support for trustees, and the Confederation of School Trusts (CST).

Education and Leadership Trust

Trustees' Report (continued)

Trustees and governors attend development sessions to inform and review strategic planning; and also, to ensure high and consistent standards of governance and challenge across all schools in the trust. All Trustees and governors have access to the suite of online training provided by the NGA.

Organisational Structure

On the strong recommendation of the DfE, through the Office of the Regional Schools Commissioner, we have moved to create separation between Members and Trustees during this year. From a position where each of our three Members was also a Trustee, we now have three Members only one of whom is also a Trustee. Having one person in this dual role is accepted as effective practice in the sector. The process of identifying and appointing a further two Members, to take us to the recommended number of five, is currently underway. The role of Members is described in the DfE Governance Handbook, and Members are undertaking some consultancy work with a National Leader of governance, through CST, to develop their understanding and operation of the role.

The Trustees are responsible for authorising a core set of policies and procedures, the determination of the annual funding allocations to each academy, compliance with DfE/ESFA requirements in relation to financial management, accounting and reporting, oversight of the educational vision and strategic planning and development of the trust and its academies, including the approval of the academy development plans, and the appointment of the Executive Headteacher. The Trustees also approve the Annual Report and Financial Statements.

The Trustees delegate responsibility for oversight of a range of defined aspects of school operation, compliance and impact to the Academy Committees. These responsibilities are detailed in the Trust Scheme of Delegation and the Terms of Reference for the committees. Each Academy Committee has a designated governor for safeguarding and for students with special educational needs and/or disabilities (SEND) and there is a role descriptor for this governor and for the nominated safeguarding Trustee. There is a nominated Trustee for safeguarding who is establishing new ways of working with the link governors and Designated Safeguarding Leads to secure oversight across the Trust. The Chair of the Trust Board meets periodically with Academy Committee Chairs to co-ordinate governance across the committees and ensure clear and consistent communication flow between the tiers of governance. The Local Governing body (as they were then known) for TEMA was replaced by an Interim Management Board (IMB) following the section 5 inspection in December 2019. This put in place a group of education, safeguarding and social care professionals who could provide the expertise and capacity to drive and evaluate improvements at the school at the rate needed. To this end, it was agreed that 2 of the IMB members would be paid at consultancy rates for this governance activity (as is increasingly common in the Academies sector) – the Chair and the Vice Chair – one of whom is an ex-Headteacher with significant school improvement experience and impact; and the other was a Director of Education at a Greater Manchester local authority. The IMB meets much more frequently than Academy Committees, meeting every 3 weeks, and has a regular presence in school to carry out evaluative activity as well as providing support and guidance to school leaders.

The Executive Headteacher is the accounting officer. The day-to-day management of the trust academies is delegated to the Executive Headteacher and the Academy Headteachers and Senior Leadership Teams (SLT) of each academy. The SLT, as appropriate to each academy, consists of the Academy Headteacher, Deputy Headteachers, Assistant Headteachers and School Business Manager. In addition, there is a Trust HR Director and Trust Finance Director who report to the Executive Headteacher, and also to the Headteacher in each academy.

The SLT in each academy is responsible for implementing the agreed policies and procedures set down by the trust, including the implementation of all statutory regulations. The Academy Headteachers are responsible for appointing all staff, managing the delegated budgets and resources, ensuring the delivery of an appropriate curriculum, together with the development and implementation of measures to secure the highest possible standards of teaching and learning and student progress and achievement. The Academy Headteachers are also responsible for ensuring the development and implementation of measures to secure effective support for students together with the delivery of high standards of student behaviour, safety and well-being.

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Trustees' Report (continued)

The Trustees meet, from September 2020, each half term (i.e. 6 times per year) – previously the meeting pattern was four times per school year - with one meeting in each academic year being the annual general meeting. Academy Committees meet 5 times per year. During the 2019/20 academic year, there were an additional five extraordinary Board meetings. These were triggered by the section 5 inspection at TEMA and then, latterly, responding to the COVID-19 pandemic and the need to fulfil responsibilities for risk assessments and other statutory obligations. Reports from the Academy Committees are received and scrutinised by trustees.

Roles and responsibilities of trustees, governors, the Executive Headteacher, Academy Headteachers and senior leaders are defined in the trust's Scheme of Delegation and the Financial Scheme of Delegation. Each committee has Terms of Reference.

Arrangements for setting pay and remuneration of key management personnel

The salaries of the Senior Leadership Teams in each academy are set in line with the ISR (Individual School Range) set out in the Blue Book. Assistant Headteachers and Deputy Headteachers are on 5-point ranges, and the Academy Headteachers are on 7-point ranges.

The performance of all members of the Senior Leadership Teams is appraised on an annual basis, and recommendations for pay progression are reviewed by the Executive Headteacher.

The remuneration of the Executive Headteacher is set by the board of trustees/directors; and is benchmarked against Executive Headteachers in other multi-academy trusts. The remuneration and performance of the Executive Headteacher is appraised on an annual basis by the board of trustees/directors. An external School Improvement Partner is employed to lead this process for the Executive Headteacher in order to provide objective, professional advice to the trustees. The Executive Headteacher carries out the appraisal of Headteachers with the Chair of the Academy Committee for the school.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.87

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£22,707
Provide the total pay bill	£18,895,813
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.12%

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Trustees' Report (continued)

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	2.1%
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Related Parties and other Connected Charities and Organisations

The trust is part of a network, the Manchester Schools Alliance, which includes a number of other schools and academies in the Manchester area. This involves collaborative working across a range of disciplines to help to improve the educational outcomes for children in the Manchester area. The trust is also a strategic partner of 'Teach Manchester', one of the teaching school alliances in the city.

The trust is working with the Alliance Manchester Business School (AMBS - University of Manchester). AMBS provides mentors, speakers for certificate evenings, enterprise links, competitions for students, English as an additional language (EAL) support for parents, and aspiration-raising visits and events. The trust is part of the Cooperative Schools Society, which operates across the UK, sharing good practice and accountability, together with promoting cooperative values and ethical working practices.

The trust is working with the Manchester United Foundation and the link was established due to shared values of: inspiring leadership in young people; promoting sport and healthy lifestyles; and, inspiring raised aspirations via a range of activities linked to a top global brand for sport. The civic pride it promotes means a number of the trust's key values are promoted. Manchester United Foundation employees work in the three schools to: mentor some vulnerable students; engage others in sports leadership; provide expert coaching in football; and promote a wide range of careers. The Trust also works with City in the Community and an increasing range of partners in the voluntary and community sector.

Whalley Range 11-18 High School shares its site with Range Stadium, a sports facility owned by Manchester City Council. There is a lease agreement and a management agreement in place in respect of the use of Range Stadium, which is currently shared between the school, GLL and the Greater Manchester Basketball Club.

Levenshulme High School shares one of its buildings with Acacias Community Primary School, a community school owned by Manchester City Council. There is a shared use agreement between Levenshulme High School, Acacias Community Primary School and Manchester City Council.

The East Manchester Academy shares its building with Beswick Library which is owned and operated by Manchester City Council. There is a shared use agreement in place between The East Manchester Academy and Manchester City Council's Library Service, currently under review.

The East Manchester Academy shares its site with a rugby pitch, a sports facility owned by Manchester City Council. There is a lease agreement and a management agreement in place in respect of the use of the rugby pitch, however this is under review. The lettings company which ran the facilities hire at The East Manchester Academy went out of business due to the impact of the COVID-19 pandemic.

The trust commissions the following services from the Local Authority: Disclosure and Barring Service (DBS) checking, Legal Services, Staff Insurances, Internal Audit, Payroll and Personnel, Recruitment Advertising, Pupil Admission and Appeals, Pupil Referral Unit, Risk Management, Trade Union Facilities Management.

The trust commissions the following services from One Education, which is an LA related organisation: Attendance Support (pupils), Educational Psychologist, Peripatetic music service.

Engagement with employees (including disabled persons)

Education and Leadership Trust communicates regularly with all employees through staff briefing sessions (email, face to face and virtual) to ensure they are kept up to date on matters concerning them.

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Trustees' Report (continued)

We welcome the views of our employees on a variety of different subject areas. We regularly meet employee representatives to ensure employees' views and feedback on local issues are considered when making decisions which impact our employees.

We use staff surveys at both school and trust level to understand how valued and involved our employees feel in their everyday work, and to identify any areas in which we can better support them in their roles.

We have a robust recruitment and selection process which is fully compliant with the Equality Act 2010. Career development and training is a key priority. We provide a personalised induction programme along with high quality training and opportunities for professional development.

We are a flexible employer and the health and well-being of our employees is important. We provide ongoing support to all staff through our Employee Assistance Programme and Occupational Health provider to ensure we can support our employees.

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

Education and Leadership Trust aims to deal fairly and consistently with all those in a business relationship with the trust.

Whilst we have established good relationships with key suppliers, we welcome approaches from all suppliers to our sector; but particularly from UK-based organisations in general, and local businesses in particular.

We recognise the importance of cashflow for many of our suppliers and aim to pay all invoices within a maximum period of 30 days; although in practice, many debts are settled with 14 days.

The trust has a Best Value approach to larger purchases, with the selection of goods and services based on a combination of competitive pricing and also good quality.

We continue to maintain business relationships with Manchester Local Authority, in part due to the quality of their offer in specialised sectors; but also, to ensure our schools continue to be part of a team effort to improve educational outcomes for students in our city.

Objectives and Activities

Objects and Aims

The trust's object is specifically restricted to the following:

to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the Academies) offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The Trust's main aim is to inspire and nurture young people who:

- learn throughout their lives.
- play a full part in life and work - guided by Co-operative values.
- are active citizens of Greater Manchester, the UK and the world.
- achieve to their potential and
- lead fulfilling lives as valued members of society.

Education and Leadership Trust

Trustees' Report (continued)

The work of the Trust is built on the principles of Excellence, Leadership and Teamwork including:

- high expectations for all.
- an inspiring and challenging curriculum through which students will develop broad knowledge and personal leadership qualities.
- staff and students collaborating to attain high outcomes and make accelerated progress, working collaboratively as a community

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

- To raise the standard of educational achievements of all pupils in the trust's academies.
- To ensure that every pupil enjoys the same high-quality education in terms of resourcing, teaching and learning.
- To ensure that pupil behaviour is excellent; and to ensure exemplary standards of safeguarding.
- To improve the effectiveness of the academies by keeping the curriculum and organisational structures under continual review.
- To comply with all statutory and curriculum requirements.
- To maintain close links with industry and commerce and to utilise those links for the benefit of the trust and pupils
- To provide value for money for the funds expended.
- To conduct the trust and academy business in accordance with the highest standards of integrity, probity and openness.
- To ensure every pupil has the opportunity to take part in leadership opportunities in order to help prepare them for a positive future beyond school.

The details of the activities in place to deliver these aims and objectives, and the success criteria for them, are captured in the Trust Strategic Plan, the individual academy development plans and the Executive Team's operational plan.

Public Benefit

Throughout the 2019-20 academic year, the Trust has provided education for over 3,500 young people in the city of Manchester aged 11-18. The Trust uses the Manchester City Council admissions service to administer applications and place management for 11-16 students. Places are allocated on a proximity basis and there is no academic or other selection – other than that both Levenshulme and Whalley Range are single sex schools. Whalley Range 11-18 High School manages its own admissions for places in the Sixth Form, for which there are minimum standards of achievement in Key Stage 4 qualifications required to access the courses. Achievement at Levenshulme and Whalley Range continues to be excellent and that at The East Manchester Academy is improving.

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

Education and Leadership Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The COVID-19 pandemic and associated lockdown led to the cancellation of GCSE, A' level and vocational qualification exams in the 2020 summer exam series. The outcomes achieved by young people in summer 2020 were, in the end, generated from a combination ('best-of') of Centre Assessed Grades (CAGs) and national dataset output based on an algorithm created by Ofqual which was subsequently withdrawn (having been discredited due to flaws in the algorithm introducing some significant biases which would particularly affect disadvantaged students and those attending schools in challenging circumstances). Because of the pandemic and its impact, there are no accountability tables for either performance or attendance for the 2019-20 academic year.

As a Trust, we followed agreed protocols for generating these CAGs, which were evidence-based and worked through with integrity and challenge in each school. Nationally, for a range of reasons, there was an increase in the rate of achievement of grades 4 and above across subjects. The schools worked closely with the post-16 providers that our Year 11 students had applied to so that we could be as confident as possible that students were able to move on to appropriate courses in September, despite the disruption to the exams and shifts in national outcomes. Sixth Form staff at Whalley Range also worked closely with the universities to ensure that all Year 13 students could progress to one of their top choices of course and university.

During the period of full national lockdown, all three schools offered provision for the children of key workers and children with SEND or other significant vulnerabilities. Uptake of this provision was low, despite extensive communication with parents and carers, and the provision for Levenshulme and Whalley Range students was amalgamated onto the Whalley Range site for a period of time. During this time the vast majority of staff at all our schools worked from home and communication with them was a priority for all team leaders as well as for our senior leadership teams. Staff have also continued to have access to the Employee Assistance Programme as normal. For the last few weeks of the summer term, in line with government expectations, Year 10 and 12 students were brought back into schools on a rota, giving the opportunity to assess and discuss their learning during lockdown and set further work.

All three schools reopened fully to students in September 2020, following significant work over the summer to produce plans and risk assessments which met the expectations of the DfE, the HSE and Public Health England hierarchy of control. Trustees were fully involved in review and approval of these risk assessments, and consultation was carried out with staff and the professional associations at both school and Trust level.

Staff in all three schools have reported that they feel that they have been listened to, communicated with and supported well throughout this process. Manchester City Council's Health & Safety team also reviewed all schools' risk assessments and reported back that ours were fully compliant.

The continuing COVID-19 situation means that there are significant stresses on our ability to function 'normally' in the 2020-21 school year. As positive cases among the student population are notified, groups of students who have potentially been close contacts are sent home to self-isolate while others have to self-isolate because of contacts outside of school. For some students, they will have repeated periods of self-isolation throughout the year which will increasingly lead to differentials in how those students make progress. As more staff are also required to self-isolate, compounding the 'normal' reasons for, and levels of, absence among staff, we will also at times be potentially unable to remain open to all year groups. Prior to the October half term break, Whalley Range had to fully close to two year groups for several days, due to staff absence. Even when open, students will be likely to experience a higher than usual level of provision through supply teachers, which is also disruptive for them.

Education and Leadership Trust

Trustees' Report (continued)

Key Performance Indicators

Key Stage 4 results	WRHS	LHS	TEMA	National
Basics (Students achieving a grade 5 or better in English and maths GCSEs)	51.3%	50.7%	22.8%	49.2%
Basics (Students achieving a grade 4 or better in English and maths GCSEs)	73.4%	70.4%	49.2%	71.5%
Attainment 8 score	53.6	54.4	40.4	50.7
Progress 8 score	0.62	1.29	-0.47	0
English Baccalaureate average point score per slot	5.08	5.23	3.58	4.35

Whalley Range 11-18 High School: Key Stage 5

Performance measure	WRHS Sixth Form	Local Authority	National
Key Stage 5 - A Level cohort (2019-20 provisional)			
Number of students at the end of 16-18 study with an A level exam entry	34		-
Average point score per A level entry expressed as a grade	C+	-	-
Average point score per A level entry	33.5	-	-
A-level Value-added score	0.34		

Key Stage 5 – Vocational (Applied General) qualifications (2019-20 provisional)			
Number of students at the end of 16-18 study with an applied general exam entry	54		-
Average point score per applied general entry expressed as a grade	Dist-	-	-
Average point score per applied general entry	31.6	-	-
Key Stage 5 – English and maths (GCSE resits) progress measure			
Number of students at the end of 16-18 study in scope for English progress measure	17		-
Average progress made in English	-1	-	-
Number of students at the end of 16-18 study in scope for maths progress measure	26	-	-
Average progress made in maths	0.42	-	-

All three schools predicted increases in outcomes in 2020, when we expected exams to take place. It was particularly frustrating for the Year 11 students at TEMA not to get the chance to show what they really were capable of during such a period of change and challenge at the school. Our schools were very careful not to inflate outcomes through the generation of CAGs, and the national data did increase from 2019 in a way that it wouldn't normally (given that the comparable outcomes system in operation now precludes this).

However, the improved progression at TEMA in subjects across the curriculum can be seen in the increase in P8 score from -0.8 to -0.47 despite very little change in the English and maths outcomes from 2019. In the last year where national accountability data was published (2019) the Progress 8 scores (DfE) at Levenshulme and Whalley Range put them, respectively, in the top 0.5% and 5% of schools nationally, which is a fantastic achievement for the Trust. The overall progress 8 score of +0.59 for the Trust (DfE compare schools and multi-academy trusts website publication) for schools which have been in the organisation for 3 or more years (which includes TEMA) puts us at 5th position nationally – again, a significant achievement.

Education and Leadership Trust

Trustees' Report (continued)

Levenshulme High School was inspected by Ofsted in October 2016 and judged to be Outstanding in all areas. Whalley Range 11-18 High School received a short inspection in April 2017 and continues to be judged to be Good. The East Manchester Academy was inspected by Ofsted in December 2019 and judged to require Special Measures. The inspectors recognised the high quality and strengths of the current senior leadership team at the school; however, the quality, capacity and impact of governance at all levels was severely criticised in the inspection and its report.

Due to the COVID-19 pandemic, Ofsted suspended its normal inspection activity and so The East Manchester Academy has yet to receive its first Her Majesty's Inspector (HMI – of school) monitoring visit. In the time since the inspection, however, the school has made significant progress across all of the areas for improvement – including immediately addressing the safeguarding concerns raised around the use of attendance codes for a small number of students. Improvements in safeguarding practice and impact and the personal development curriculum have been validated by external review (including by ex-HMI who was national lead on PSHRE and Citizenship) and the use of external review is continuing in these areas. There has also been external review of SEND systems and training which has found significant improvement such that the SEN register is now accurate and the needs of children with specific or additional needs are increasingly being met. The period of COVID-19 lockdown actually presented a great opportunity for the school to develop much stronger relationships with the families in its community, which it has done successfully and this had led to greater parental engagement and higher attendance levels since September than previously, which is a significant achievement.

Attendance monitoring for 2019-20 ended when lockdown commenced and so there is no direct comparison that can be made with data either locally or nationally with previous years. Attendance had started to fall in many schools in the week or two prior to start of lockdown as rumours about closures abounded and some families began to keep children from school. The data for the period up to the start of lockdown is shown in the table below, alongside the 2018/19 full year data. The data for national attendance is always a year behind, and the national figures in the table are for the full year 2018/19.

Attendance at two of our schools continued to be above the previous national average through the first part of 2019-20. Attendance at TEMA was affected negatively by the inspection and the high number of students excluded and unmet SEND need. For the first half term of 2020-21, attendance at all three schools is higher than national by some margin (national secondary attendance is below 90% at time of writing and attendance in our schools is between 94 and 96%).

Pupil attendance (2019-20 is until start of lockdown)	WRHS		LHS		TEMA		National (2018/19)
	2019-20	2018/19	2019-20	2018/19	2019-20	2018/19	
Overall	96.1%	95.4%	96.3%	96.4%	92.8%	93.7%	94.5%
Pupil Premium	95.2%	94.7%	95.7%	95.9%	91.4%	92.5%	91.8%
Non-Pupil Premium	96.8%	96.1%	96.8%	96.8%	95.3%	96.1%	95.5%

Other notable achievements across the Trust's academies during the year include:

- All academies are now over-subscribed at 11-16 and Sixth Form student numbers continue to be maintained at Whalley Range.
- All schools have achieved excellent results in external competitions for: STEM (science, technology engineering and maths) work; debating; creative writing; and enterprise skills. Employers are really impressed by their confidence, communication and teamwork skills.
- Whalley Range achieved the SSAT's Excellence in Education Award and The East Manchester Academy achieved a Quality Mark for Outstanding PE provision. Levenshulme is a lead school in Greater Manchester Combined Authority (GMCA) Careers Hub and has achieved the Leading Parent Partnership Award. All three schools hold awards for their LGBTQ+ work.

Education and Leadership Trust

Trustees' Report (continued)

- Websites in all schools show the wide range of educational activities, extra-curricular activities and achievements. We have hosted: authors; speakers who are from a wide range of career backgrounds with very different personal stories; visitors from overseas Embassies; MPs and business people who have all given up their time to talk to our students. The link with The Alliance Manchester Business School has enhanced these opportunities. All three schools usually provide work experience for students in Year 10, however this was prevented by the COVID-19 lockdown in 2020.
- The City of Manchester aspires to be one of the world's top ten digital cities and there are extensive visits, experiences and visits by speakers to promote careers in STEM and the digital sector to our students. We have strong links with partners in the City who are developing the digital curriculum, and one of our Deputy Headteachers is part of the working group. In 2019-20 this programme was cut short by the COVID-19 lockdown.
- Despite the challenges of operating under COVID-19 restrictions, a number of refurbishment projects have been undertaken at all three schools during the summer of 2020 to continue to provide excellent teaching, learning and intervention classrooms and improved facilities for staff.
- The response of staff across all three schools during the period of COVID-19 lockdown was phenomenal, with significant innovation in IT and other resources and provision ensuring continuity of education for students. The level and quality of communication with, and support for, families throughout this time was exemplary – particularly for those of our most vulnerable students and those with SEND. We were able to offer on-site provision for key students throughout lockdown, although uptake was low (as was the case everywhere). All three schools welcomed back all students in the target year groups (Y10 and Y12) during June/July, as expected by the DfE.
- Staff in all three schools worked tirelessly throughout the summer 'holidays' to prepare for the reopening of schools to all students in September. School leaders engaged fully with external guidance and support, including the Health & Safety team at Manchester City Council and DfE/PHE guidance, to put together the plans and associated risk assessments. Trustees were fully involved in reviewing and agreeing the plans and risks assessments and the professional associations were consulted in each school and at Trust level. Staff in all three schools were consulted throughout, with developing plans shared regularly, and felt well-supported and well-informed as a result. The contribution of site/facilities teams has been remarkable throughout the pandemic period, dealing with huge changes to practice and significant health and safety challenges with commitment and skill.

Going Concern

The COVID-19 virus control measures have resulted in a number of additional expenses, both one-off and ongoing, including:

- Additional resources to enable the students to access the curriculum from home, when the schools were shut, and also since September 2020 due to periods of self-isolation.
- Additional resources to enable the staff to teach live lessons from home, and also to create additional teaching materials (including videos), when the schools were shut, and also since September 2020 due to periods of self-isolation.
- Significant increase in the amount of supply teacher cover required due to number of staff self-isolating.
- Additional resources such as text books, revision guides and pencil cases in order that students do not have to share materials.
- Increased cleaning regime, including additional day cleaners and specialist equipment.

Education and Leadership Trust

Trustees' Report (continued)

- Equipment, signage and other materials required to create Year Group 'zones', including the creation of additional dining and social spaces, external seating, physical barriers to keep colleagues safely distanced from each other, from students and from the public.
- Supplies of personal protective equipment (PPE) for all staff; supply of masks for students; additional PPE for unavoidable close contact e.g. for first aiders.
- Temporary employment of additional catering staff due to changes to the school day resulting in four distinct break/lunch periods in four separate settings.
- Increased energy costs due to significantly increased ventilation in classrooms and social spaces.

We also plan to create more covered outdoor spaces through the addition of canopies.

Despite all these and numerous other measures, through careful management of ongoing budgets and its reserves, the trust is sustainable financially for the foreseeable future.

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

Promoting the success of the company

In 2019-20, the trust has acted in a way most likely to promote the success of the company, and in doing so the trustees have had due regard to:

- **the likely consequences of any decision in the long term:** by ensuring that outcomes for pupils continue to be good (or improving), which sustains pupil rolls and therefore ongoing funding. Also, continued investment in the land and buildings via a programme of capital improvements, refurbishments, re-developments and ongoing maintenance and repairs.
- **the interests of the trust employees:** continual focus on staff well-being via staff surveys; consultation with trade unions, investment and opportunities for training and development; access to apprenticeships at all levels; policy of paying Manchester Minimum Wage as a minimum.
- **the need to foster the trust's business relationships with suppliers, customers and others:** all three schools strive to communicate effectively with students and their families, as part of the trust's commitment to provide all-round support, with the education and well-being of students at the heart of all that we do. In the case of suppliers, we endeavour to support them within the parameters of financial propriety of public funds, by ensuring that they are paid promptly. In the case of some smaller key suppliers, payments were made during lockdown, in line with the Government's Procurement Policy Notes 01/20 and 02/20.
- **the impact of the trust's operations on the community and the environment:** the wider community access the sports and leisure facilities at Levenshulme High School and The East Manchester Academy. In addition, the trust has established good relationships with other organisations sharing the schools' sites: Acacias Community Primary School at Levenshulme High School, Beswick Library at The East Manchester Academy, and GLL and Greater Manchester Basketball Club at Range Stadium at Whalley Range 11-18 High School.

Education and Leadership Trust

Trustees' Report (continued)

- **the desirability of the trust maintaining a reputation for high standards of business conduct:** via following co-operative values, and also via applying high standards to all financial matters, recognising the importance of sustaining good relationships with the Education & Skills Funding Agency, the Regional Schools Commissioner and the Greater Manchester Local Authority.
- **the need to act fairly as between members of the company:** via following co-operative values, maintaining a register of pecuniary interests for staff, governors, trustees, members, renewed annually.

Financial Review

The majority of the trust and academy 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. The grants received from the ESFA in the year ended 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also received grants from the ESFA and other organisations. 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 restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the **expected** useful life of the assets concerned.

During the year ended 31st August 2020, total expenditure of £27.4 million was incurred, which was covered by the recurrent grant income from the ESFA, together with other incoming resources which totalled £26 million. Total funds carried forward amount to £6.7 million. This is in line with the trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the year ended 31st August 2020 amounted to £644,223 and £nil respectively.

At 31st August 2020 the net book value of fixed assets amounted to £66.8 million and movements in fixed assets are shown in note 12 of the financial statements. The cost of fixed asset additions in the year ended 31st August 2020 amounted to £659,245

Reserves Policy

The trust has a Reserves Policy, and the trustees review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trust's current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve) is £6.7 million. The amount is kept **secure** for a time when it is needed to: self-finance short term deficits in annual budgets; restructuring of **operations**; or funding capital projects, either by way of local contributions to grant aided schemes or fully funding IT and other capital investment, for which no grants are available.

The trustees have decided to adopt a prudent approach to reserves and aim to maintain a group reserve of designated funds of at least 5% of annual income to safeguard against: unforeseen circumstances, capital improvements or developments, late ESFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the trust's business activities and quality of education at all the academies in the trust.

Annual budgets are not usually subject to large in-year variances as most income is generated via pupil numbers, measured in the proceeding financial year. As a significant proportion of spend is staffing, budgets can be planned with a reasonable degree of accuracy, subject to fluctuations in in-year agency supply costs. **External** alternative provision placements for students remain a more volatile/less predictable area of spend but are relatively small when looked at Trust level.

Education and Leadership Trust

Trustees' Report (continued)

In addition, the net liability due to the trust's participation in the Local Government Pension scheme (Greater Manchester Pension Fund – GMPF) amounts to £11 million as measured in line with the Accounting Standard. In practical terms the trust is part of a pooled arrangement with Manchester City Council and at the last triennial valuation the pool was in surplus which has delivered a small reduction in the primary contribution rate for the next three years. It should be noted, however, that an immediate liability for deficit as measured under accounting standards is not crystallised at the financial year end.

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

Any surplus or deficit position of the LGPS pension scheme as measured at the triennial valuation would generally result in a cash flow effect for the trust in the form of an increase or decrease in employers' pensions contributions over a period of years.

The GMPF (LGPS) 2019-20 charge to Profit & Loss (P&L) is based on financial conditions at the start of the year (i.e. assumptions as at 31st August 2019). The service cost and net interest cost for 2019-20 should be broadly in line with the projections made, as payroll has not changed materially. However, due to the lower net discount rate at 31st August 2020, the projected 2020-21 charge to P&L is likely to increase compared to 2019-20.

Disclosure of funds in deficit is also included in Funds Note in financial statements (note 15).

Investment Policy

Cash balances are safeguarded by investing them in UK-based interest-bearing current and deposit accounts with sound commercial banks (currently: Barclays Bank plc, Lloyds Bank PLC, Nationwide Building Society).

Where cashflow identifies a base level of cash funds that will be surplus to requirements, this surplus may be invested only in the following:

- Transfer to Instant Access Deposit or High Interest Deposit with current bankers or other UK banking institutions regulated by the Financial Conduct Authority.
- Interest bearing deposit accounts (including fixed term bonds with a term not exceeding six months).
- Treasury deposits, or other secure UK Government investment instruments.
- Manchester City Council and other local authority term deposit schemes.
- COIF (Charities Investment Fund).

The day-to-day balances for the three schools and the trust are held at Lloyds Bank PLC. Cash balances are currently spread across four institutions to reduce the impact of one or more of them falling (on a short or long-term basis). In addition, the possible impact of the ongoing Brexit negotiations is being kept under review.

The trust has significant sums on deposit with UK-based interest bearing accounts. Given the current poor returns available, the insecurity of the UK economy, the uncertainty around Brexit and the FSCS limits of £85,000 per account, the trust will look to place some funds on deposit with the Local Authority (Manchester City Council) in the months ahead.

Education and Leadership Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The principal risks to the Trust are documented and managed using a risk management register which is reviewed at every Board meeting. In addition, individual risk registers are maintained and reviewed by the Local Governing Body of each school, and are then reviewed in turn by the main Trust Board.

The main risks currently are:

- Loss of reputation due to: a significant safeguarding or other incident affecting students and/or staff, or; a drop in standards and academic performance.
- Unexpected loss of key personnel; or failure to recruit sufficient subject specialist teachers.
- Falling student numbers (e.g. due to changing local educational landscape) and the impact of overstretched budgets and rising employee costs.
- Failure of IT systems/cyberattack; or failure to adequately protect data; or lack of accurate reliable management information.
- Significant deficit to a defined benefit pension scheme, leading to increased employer contributions.
- Current COVID-19 pandemic, or other national/local crisis subsequently, that significantly impacts on schools' ability to function normally for a significant period of time. This could have potential medium and long-term impacts on finance (particularly around potential, significant and unpredictable cover for staff absence), outcomes for students, and staff/student wellbeing.

Key controls in place to mitigate these risks are:

- Robust safeguarding policies, procedures and training, including safer recruitment and regular DBS checks (which exceed the statutory minimum requirements).
- Employee policies which are readily accessible to all staff, and regularly reviewed.
- Ongoing Continuing Professional Development (CPD) and succession planning.
- Detailed annual school development plans, including curriculum offer review.
- Robust self-evaluation and student progress assessment procedures.
- Good governance with documented terms of reference for all Trust Committees and sub-committees, and each Governing Body.
- Organisation structures with clearly defined roles, responsibilities and authority levels.
- Financial planning including budgeting and regular management reporting, highlighting any areas of financial risk.
- Business continuity plans and procedures which are reviewed and updated regularly. Comprehensive Covid-19 and Brexit risk assessments under regular review. Significant ongoing investment in IT to facilitate remote teaching and learning.

Education and Leadership Trust

Trustees' Report (continued)

Fundraising

There is a Trust Policy and Procedure for Charitable Collections. All schools in the trust undertake a number of fundraising activities for local and national charities, and the framework for these is set at the beginning of the academic/financial year.

There is a pre-approved list of charities for which staff and students may raise funds, which is reviewed regularly. This includes fundraising for global emergencies, which must be for organisations which are faith-neutral and support humanitarian aid.

All fundraising activities by staff and students must be for the benefit of a recognised charity or to benefit the school community, for example in supporting a food bank.

Each school has a Charity Lead who is responsible for ensuring that all processes and procedures are followed accurately, and that security of charitable funds raised is maintained at all times.

Funds raised for charities are separately identified, and monies paid directly to the verified bank accounts of the charity.

The COVID-19 closure and subsequent virus control measures has resulted in much reduced fundraising activities in all three schools in 2019-20.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	5,762,553
Energy consumption break down (kWh) (optional):	
• gas	Levenshulme High School 1,136,750 The East Manchester Academy 1,221,614 Whalley Range High School 1,259,561
• electricity	Levenshulme High School 475,955 The East Manchester Academy 755,626 Whalley Range High School 913,047
• transport fuel	Not available

Scope 1 emissions in metric tonnes CO2e	
Gas consumption	665.23
Owned transport – mini-buses	-
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	499.99
Scope 3 emissions in metric tonnes CO2e	-
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO2e	1,165.22
Intensity ratio Tonnes CO2e per pupil	0.33

Education and Leadership Trust

Trustees' Report (continued)

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

It hasn't been possible to produce transport data for the 2019-2020 return.

Systems are currently in place to collate this information for future year returns. This will involve collating minibus usage and monitoring fuel expenditure.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The steps taken to improve energy efficiency during the period include:

- The appointment of local authority energy team.
- The continued practice of upgrading lighting to LED.
- Condition Improvement Funding to replace the original windows at Levenshulme High School and Whalley Range 11-18 High School in 2020-21.
- Condition Improvement Funding bids in the 2021-22 round to replace the original heating systems and end-of-life boilers at Levenshulme High School and Whalley Range 11-18 High School, and replace roof (including insulation) of Block C at Whalley Range 11 – 18 High School

Plans for Future Periods

Achievement

The Trust is committed to providing a broad, balanced, engaging and ambitious curriculum for all its students. The Trust does not consider the EBacc subjects to be appropriate for all students and will continue to offer expert advice and guidance to help students make the best choices for their future aspirations and career hopes.

Whalley Range 11-18 High School and Levenshulme High School need to continue to focus on always matching or exceeding progress and attainment of girls nationally, rather than just comparing to national averages, which include mixed gender schools, as girls tend to outperform boys nationally. In all three schools we need to match or exceed the outcomes for all ability bands and ensure that students in vulnerable groups are at least as successful as their peers nationally.

In all three schools, continuous assessment needs to be securely in place which is evidence-based and moderated such that we have a secure basis for any requirement to submit 'Centre Assessed Grades' or similar if exams are cancelled again or modified to take account of centre assessment.

Sixth Form outcomes need to match or exceed national pass rates and value added. At Whalley Range 11-18 High School we need to continue to ensure improved/consistently high value-added scores each year and be able to show excellence in both progress and pass rates in all subjects. The economic viability of the Sixth Form continues to be scrutinised to ensure it is cost neutral, and efficient in terms of costs versus achievement. The curriculum offer in the Sixth Form is under regular review, particularly currently as the profile of post-16 provision in the city undergoes significant change.

Education and Leadership Trust

Trustees' Report (continued)

Attendance

Whalley Range 11-18 High School and Levenshulme High School need to continue to exceed national averages (as a minimum) for attendance and to continue to achieve/better the benchmark for Persistent Absentees. The East Manchester Academy needs to reach and sustain at least national averages for attendance and Persistent Absenteeism then improve to match the other two schools.

Behaviour and Safeguarding

The standards of behaviour at The East Manchester Academy need to continue to improve, using the strategies and partnerships developed during 2019-20 and post-inspection, such that learning can take place effectively for all students and students feel safe in school. Safeguarding procedures at all three schools must be exemplary at all times and the increasing Cross-Trust quality assurance and development and sharing of best practice, at both Executive Leader and governance levels, will enable and support this.

Conduct and attitudes to learning at Levenshulme and Whalley Range must continue to be excellent, with high levels of engagement in both learning and leadership among all students.

The continued strengthening of how we work with parents and community partners, including Manchester Local Authority and the community of schools in the city, will be a key strand in this.

Ensuring that the needs of students with Special Needs are met, particularly those with Social/Emotional/Mental Health needs, is a key focus in improving both behaviour and safeguarding at The East Manchester Academy. This has improved markedly since the inspection in Dec 2019 and we expect that improvement trajectory to continue in 2020-21.

Succession planning and management development

Leaders at all levels are developed actively in all three schools – with review of needs and opportunities taking place regularly. Colleagues have access to a wide range of continued professional development (CPD) to support with this – including external programmes such as national professional qualifications (NPQs), Teaching Leaders courses and involvement with the Ambition Institute. Cross-Trust in-house leadership development programmes are also in place, including for aspirant colleagues, and the use of shadowing and coaching is increasing. Middle leaders are encouraged to contribute/gain experience beyond their own immediate area of responsibility, where ready. The most senior middle leaders (Heads of Faculty and Heads of Progress/House) work closely with their peers at the other two schools in very practical as well as strategic ways.

A new Executive Leadership team structure has been developed, giving strategic responsibilities across the Trust to each Headteacher as well as to those employed in designated Trust roles. This has enhanced our capacity to ensure that strategic and holistic development and review is in place, enabling more effective talent and resource management and better facilitation of collaboration across all levels of school leadership. The Trust aims to be considered an employer of choice for staff by valuing commitment, creativity, diversity and flexibility; enabling outstanding performance, providing continuous professional development and promoting a high quality of work life. Innovative approaches to recruitment, such as a Trust-wide recruitment fair have taken place and we have developed strong relationships with both Initial Teacher Education (ITE) providers of various sorts as well as organisations such as Teaching Leaders and Ambition Institute.

An annual, overarching staff (non-teaching and teaching) well-being and workload survey is carried out, as well as other listening and co-construction activity with colleagues throughout the year; which helps us to ensure that strategic development and planning also focuses on staff needs.

We have an annual whole-staff training day, which is very popular with colleagues across all roles. It enables colleagues to develop their skills and expertise collaboratively with their peers from across the Trust as well as providing some very practical time to carry out evaluation and planning/development work together. We also have some Twilight training sessions at other times of year which are at the same time, to facilitate joint working.

Education and Leadership Trust

Trustees' Report (continued)

Financial Strategy

- To review staffing structures and costs in all schools and to model, early in 2021, the costs of the proposed curriculum for 2021-22 onwards.
- To review support and operations systems with a view to achieving efficiencies of scale.
- More focus on cross-trust tendering to ensure that the efficient use of resources is maximised through trust working.
- The IT infrastructure has been strengthened in all schools and we will continue with significant investment in new equipment and infrastructure improvements.
- To maintain adequate financial reserves to fund building and other infrastructure investment needs.
- To bid for Condition Improvement Funding (CIF) and other funding streams where eligible.
- The trust uses reserves to continually invest in the infrastructure of the buildings and facilities. In all three schools we have brought forward the planned investment in IT infrastructure and will replace all the main servers in 2020-2021. In addition, we have invested additional sums to provide devices for students and staff in order to continue to provide a robust IT platform across the trust.

Personal Development

We want our students to be confident and emotionally resilient young people who will be able to face up to life's challenges when they happen, as well as living lives in which they empathise with, and value, others with lives and beliefs different from their own. Our personal development curriculum is values-driven and places high expectations on students to be the best that they can be.

Each school has a well-planned and integrated personal development curriculum in place for 2020-21, which includes the elements of Relationship and Sex Education (RSE) -updated to meet the new statutory requirements for 2021- personal Health and Social Education (PSHE), citizenship and careers education and guidance. The implementation and impact of the personal development curriculum at TEMA is currently being reviewed by an external expert (ex-HMI and national lead at Ofsted for PSHE) and any recommendations from this will be discussed for the other 2 schools as well. The first part of the review, scrutiny of the new curriculum, found it to be a strong curriculum which is very well-resourced and age appropriate and for which there is good training and support in place for staff. We make extensive use of external partners, such as Manchester Healthy Schools and Greater Manchester (GM) Citizens and Kids of Colour, to support with the delivery of this programme. We do not expect each school to deliver the programme in the same way or to have exactly the same content – the priorities and needs will shift and evolve at each school and in its community and this curriculum must be astute and responsive to the changing environment while still meeting statutory expectations.

Funds Held as Custodian Trustee on Behalf of Others

None

Education and Leadership Trust

Trustees' Report (continued)

Auditor

In so far as the trustees are aware:

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

The audit business Hallidays has been re-appointed as the company's auditor for a further two-year term. The audit report has been issued by Hallidays.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7th December 2020 and signed on the board's behalf by:

Andrew S Mullen
Chair of Board
Date: 7th December 2020



Education and Leadership Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Education and Leadership 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.

As trustees we have reviewed and taken account of the guidance in the DfE's Governance Handbook and competency framework for governance, as well as the ESFA academies financial handbook. We have also sought and acted on review and consultancy from National Leaders of Governance via the NGA and CST. The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher 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 Education and Leadership 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 had planned to formally meet four times during the year, however the outcome of The East Manchester Academy inspection and then the impact of the COVID-19 pandemic meant that a further five extraordinary meetings also took place. In 2020-21 there are six full Board meetings scheduled. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms E J Antrobus	8	9
Mr Dale Bassett	8	9
Mr Matthew Begg (resigned 29.01.2020)	2	2
Ms Jessica Bowles (resigned 15.06.2020)	7	8
Ms M Dalton-Bartley (resigned 21.11.2019)	0	1
Ms Emma McLaren (appointed 05.05.2020)	2	2
Mrs Sandra Milne	6	9
Mr A S Mullen (Chair and Member)	9	9
Mr Allan Torr (appointed 15.06.2020)	1	1
Mrs Catherine Wragg (resigned 10.03.2020)	3	3
Mr Ronan Brindley (Member)	9	9
Mr R Paver (Member)	9	9

In addition to the Trust Board, there is a Trust Finance, Audit & Risk (FAR) sub-committee, which has historically met four times per year and reviews all aspects of financial planning and monitoring, premises, Health & Safety and Human Resources. In 2020-21 the FAR Committee will meet six times and will review both the Trust and individual schools' risk registers. The other purpose of the Trust Finance, Audit & Risk sub-committee is to assist the Trust Board in fulfilling its responsibilities with regard to the financial and risk management of the trust and maintenance of effective oversight of funds (as per Academies Financial Handbook section 2.3).

The business conducted by these committees is reported into the Trust Board. Ms D L Collier attends these meetings in her capacity as Trust Finance Officer. The Finance, Audit & Risk sub-committees have a different chairperson from the main Board.

Trustee	Finance Committee	
	Meetings attended	Out of a possible
Ms Emma Antrobus	3	4
Dr Johan MacKinnon (accounting officer)	4	4
Mr Andrew Mullen	4	4
Mr R Paver (Member)	4	4
Ms Jessica Bowles	2	4

Education and Leadership Trust

Governance Statement (continued)

Whalley Range 11-18 High School and Levenshulme High School each have an Academy Committee, which meets separately from the Trust Board five times per year and has a Trustee on the committee. The East Manchester Academy currently has an Interim Management Board (IMB) in place, following being placed into Special Measures by Ofsted. Academy Committees and the IMB each have Terms of Reference approved by the Board. The Policy Committee has been reconstituted (which will meet four times per year) and a Standards Committee set up (which will meet six times in 2020-21), each comprising three Trustees and with agreed Terms of Reference. The Policy Committee held its first meeting in August 2020 and the Standards Committee in October. The skills base of the Trust Board has been augmented to increase the level of knowledge of 11-18 education and school improvement, through the appointment of new Trustees. The Academy Committees all have a mix of types of governor, including parents and staff. The skill set of Academy Committees and the Trust Board/members is strong. The IMB is made up of five individuals, two of whom are paid at consultancy rates for this work, with the specific expertise and capacity to support TEMA in improving rapidly. All Academy Committees and the IMB as well as Trust Board and its committees, are professionally clerked via a contract with One Education.

The outcome of the Ofsted inspection of The East Manchester Academy led to significant activity to improve and secure consistent high-quality governance, particularly at Trust Board level, throughout the remainder of the year. It also led to significant challenge by the office of the Regional Schools Commissioner (RSC) about the Trust's capacity to support and improve the school at the rate and depth needed, including the publication of a termination warning notice for The East Manchester Academy's membership of ELT. The RSC has yet to make her final decision about the future of the school as the timeline has been affected by the COVID-19 pandemic and its impact.

A full review of governance was carried out by a National Leader of Governance, commissioned through the NGA, and a report published from this review containing a range of recommendations. The Board then commissioned further review from CST, again by a National Leader of Governance, who also provided advice and support and facilitated the Trustee and Member workshop in September. The key, immediate priorities from these reviews were identified as:

- Develop a strategic plan 1 year to 3 year.
- Create a Curriculum/Standards committee.
- Decide on metrics, KPIs and data the Board wants presented by Executive and how presented/monitored.
- Provide clarity on the role of the Academy Committees.
- Provide independent/peer school assessment reports that comes to Board/committee.
- Chair to have his key contacts between meetings and let Trustees develop their voices.

Based on these reviews, a Governance Development Plan was produced and used to direct the immediate improvements needed – these actions have been fulfilled and the medium to longer term actions and impact are being monitored throughout 2020-21. The relationship with CST, and associated support, training and review work, will continue throughout 2020-21 and will include review of the impact of changes made.

There is an annual trust Saturday seminar, usually held in June, which focuses on self-review and development of governance as well as an opportunity to look at the development plans of all three schools for the coming year. This was rendered impossible this year by the COVID-19 pandemic. The Trustees' and Members' virtual workshop in September 2020, mentioned above, reviewed and recrafted the Trusts' values and vision statements and identified the strategic priorities for 2020-21 and 2020-23. Priorities from the Strategic plan align, where appropriate, with priorities in each school's own development plan and with Headteacher appraisal objectives. The original ELT Articles of Association have been replaced by the DfE model articles, and this change was approved by the DfE in September 2020. The Scheme of Delegation has been substantially updated and changed to meet expectations and will be reviewed again during 2020-21.

Education and Leadership Trust

Governance Statement (continued)

All committees now have agreed Terms of Reference which detail their role and remit and which are subject to regular review. These have been used with Academy Committees to develop their understanding and enhance their ability to fulfil their role, and will be complemented by other training such as NGA online modules.

The Board has also reviewed the structure and content of the data received by the Board about its schools, increasing its scope to ensure that all elements that could inform Trustees about safeguarding and statutory issues, as well as achievement, are included, clear and comparative (between schools and with national data, where available). The establishment of the Standards Committee also provides the opportunity for greater scrutiny of both academic and behaviour data by the Trustees with the most knowledge and experience of schools. Report structures used by the Executive Headteacher and Headteachers have also been reviewed, to ensure focus is on key indicators and actions being taken to address emerging gaps or concerns. Comparison of these structures and the data contained therein with those used by other academies has reassured executive leaders and Trustees about the appropriateness and utility of the data. A full workplan/schedule of activity for the year has been put in place for the Board and its committees including Academy Committees and the IMB. This supports coherent and comprehensive management and fulfilment of the responsibilities of each group of Trustees/governors and enables the Executive and senior school leaders to manage their responsibilities towards the tiers of governance.

There has also been a planned increase in co-ordination of the work of the named safeguarding Trustee and governors, through a member of the Executive leadership team and the Designated Safeguarding Leads from each school. This allows greater assurance of the quality of safeguarding as well as confidence in the data and other information used. Chairs of Board and school-level committees also now meet to co-ordinate the work of each group through the year and assure consistency and sharing of good practice.

Review of Value for Money

As accounting officer, the Executive Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Detailed review of teacher staffing requirements in the context of changing national curriculum and examination requirements.
- Review of support roles to evaluate potential for economies of scale/shared staffing as opportunities arise.
- Compliance with a comprehensive Competitive Tendering Policy.
- Cross-trust supplier contracts to achieve economies of scale and cost reductions.
- Use of highly-skilled staff in all three schools.

The focus on cross-trust tendering will continue in 2020-21 and beyond to ensure that the efficient use of resources is maximised through Trust working.

Impact of COVID-19

As a publicly funded institution, the Government was clear that, as the trust continued to receive full funding, despite school closures, we should ensure that we continued to pay our staff and, where appropriate, our suppliers (including non-employed staff).

Education and Leadership Trust

Governance Statement (continued)

In practice, for Education and Leadership Trust, the outcome was, in terms of staffing:

- almost all employed staff were paid in full.
- the exception to this were the staff employed solely to operate the Energy Box at Levenshulme High School. These staff were furloughed with effect from 1st May 2020 until 24th July 2020.
- we continued to pay agency staff where a medium-to-long-term date was originally committed. Some agency staff were paid up to Easter, some to May half-term, some to the predicted return date of the postholder (e.g. maternity cover), and a very small number to the end of the term (31st August 2020).
- In two cases, the result was that the trust paid for an agency person, despite the person who was being covered (for long-term sick) subsequently declaring themselves fit for work.

Procurement Policy Notes 01/20 and 02/20

In line with these directives, the following payments were also made in order to secure continuity of supply of critical services in the medium and long term:

- Fees for students at Alternative provision settings.
- Examination board fees.
- External examination invigilators based on the original external examination timetable.
- Peripatetic music teachers – some were paid directly by the trust and some via a third-party supplier.
- School counselling services

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Education and Leadership Trust for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

Education and Leadership Trust

Governance Statement (continued)

- regular reviews by the finance, audit and risk 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;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed Manchester City Council's Internal Audit and Risk Management team as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a regular basis, the Internal Auditor reports to the board of trustees, through the Finance, Audit & Risk Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and 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 Internal Auditor has delivered their schedule of work, and found some control issues which are being addressed by strengthened controls. None of the issues identified present a significant risk to the trust's operations and financial management procedures.

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 7th December 2020 and signed on its behalf by:



Andrew S Mullen
Chair of Board



Johan MacKinnon
Accounting Officer

Education and Leadership Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Education and Leadership Trust I have considered my responsibility to notify the 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 trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the 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.

Johan MacKinnon
Accounting Officer
7th December 2020



Education and Leadership Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 7th December 2020 and signed on its behalf by:

Andrew S Mullen
Chair of Board



Education and Leadership Trust

Independent Auditor's Report on the Financial Statements to the Members of Education and Leadership Trust

Opinion

We have audited the financial statements of Education and Leadership Trust (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs 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 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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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

Education and Leadership Trust

Independent Auditor's Report on the Financial Statements to the Members of Education and Leadership Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 28], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Education and Leadership Trust

Independent Auditor's Report on the Financial Statements to the Members of Education and Leadership Trust (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Education and Leadership Trust

**Independent Auditor's Report on the Financial Statements to the Members of
Education and Leadership Trust (continued)**

16 December 2020

Education and Leadership Trust

Independent Reporting Accountant's Report on Regularity to Education and Leadership Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 31 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education and Leadership 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 Education and Leadership Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Education and Leadership Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Education and Leadership Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Trust Board's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 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:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

Education and Leadership Trust

Independent Reporting Accountant's Report on Regularity to Education and Leadership Trust and the Education and Skills Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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

Hallidays
Chartered Accountants
and
Registered Auditors

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

16 December 2020

Education and Leadership Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:						
Donations and capital grants	2	225	72,770	-	505,511	578,506
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	24,820,855	-	-	24,820,855
Other trading activities	4	609,968	45,093	-	-	655,061
Investments	5	34,030	-	-	-	34,030
Total		644,223	24,938,718	-	505,511	26,088,452
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	24,527,509	1,248,000	1,601,250	27,376,759
Net income/(expenditure)		644,223	411,209	(1,248,000)	(1,095,739)	(1,288,307)
Transfers between funds		(99,435)	(448,655)	-	548,090	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	25	-	-	(2,215,000)	-	(2,215,000)
Net movement in funds/(deficit)		544,788	(37,446)	(3,463,000)	(547,649)	(3,503,307)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		4,686,147	1,577,464	(7,614,000)	67,848,978	66,498,589
Total funds/(deficit) carried forward at 31 August 2020		<u>5,230,935</u>	<u>1,540,018</u>	<u>(11,077,000)</u>	<u>67,301,329</u>	<u>62,995,282</u>

Education and Leadership Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:						
Donations and capital grants	2	-	-	-	253,848	253,848
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	23,567,236	-	-	23,567,236
Other trading activities	4	899,815	90,357	-	-	990,172
Investments	5	37,895	-	-	-	37,895
Total		937,710	23,657,593	-	253,848	24,849,151
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	24,419,466	993,000	1,855,802	27,268,268
Net income/(expenditure)		937,710	(761,873)	(993,000)	(1,601,954)	(2,419,117)
Transfers between funds		(478,847)	239,117	-	239,730	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	25	-	-	(3,017,000)	-	(3,017,000)
Net movement in funds/(deficit)		458,863	(522,756)	(4,010,000)	(1,362,224)	(5,436,117)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		4,227,284	2,100,220	(3,604,000)	69,211,202	71,934,706
Total funds/(deficit) carried forward at 31 August 2019		4,686,147	1,577,464	(7,614,000)	67,848,978	66,498,589

Education and Leadership Trust
(Registration number: 08913502)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	66,832,829	67,774,834
Current assets			
Debtors	13	1,295,215	855,478
Cash at bank and in hand		<u>7,366,414</u>	<u>6,122,530</u>
		8,661,629	6,978,008
Creditors: Amounts falling due within one year	14	<u>(1,422,176)</u>	<u>(640,253)</u>
Net current assets		<u>7,239,453</u>	<u>6,337,755</u>
Total assets less current liabilities		<u>74,072,282</u>	<u>74,112,589</u>
Net assets excluding pension liability		74,072,282	74,112,589
Defined benefit pension scheme liability	25	<u>(11,077,000)</u>	<u>(7,614,000)</u>
Net assets including pension liability		<u>62,995,282</u>	<u>66,498,589</u>
Funds of the Academy Trust:			
Restricted funds			
Restricted general fund	15	1,540,018	1,577,464
Restricted fixed asset fund	15	67,301,329	67,848,978
Restricted pension fund	15	<u>(11,077,000)</u>	<u>(7,614,000)</u>
		57,764,347	61,812,442
Unrestricted funds			
Unrestricted general fund	15	<u>5,230,935</u>	<u>4,686,147</u>
Total funds		<u>62,995,282</u>	<u>66,498,589</u>

The financial statements on pages 35 to 67 were approved by the Trustees, and authorised for issue on 27th June 2021, and signed on their behalf by:



 Mr Andrew S Mullen
 Trustee

Education and Leadership Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	1,363,588	505,016
Cash flows from investing activities	20	<u>(119,704)</u>	<u>(526,533)</u>
Change in cash and cash equivalents in the year		1,243,884	(21,517)
Cash and cash equivalents at 1 September		<u>6,122,530</u>	<u>6,144,047</u>
Cash and cash equivalents at 31 August	21	<u><u>7,366,414</u></u>	<u><u>6,122,530</u></u>

Education and Leadership 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.

Basis of preparation

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

Going concern

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

Income

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income

Sponsorship income provided to the 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.

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

Transfer of existing academies into the trust

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. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets (excluding Transfers into the Trust)

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

Expenditure

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

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.

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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 over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Leasehold Land	0.8% (125 years) straight line
Buildings	2% straight line
Fixtures and Fittings	20% straight line
Computer Equipment	33.33% straight line
Motor vehicles	25% 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.

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

Liabilities

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

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Taxation

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

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(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.

Fund accounting

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

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

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

Restricted pension funds comprise all income, costs and actuarial valuations associated with the Local Government pension scheme (LGPS).

Critical accounting estimates and areas of judgement

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

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Educational trips and visits	-	44,952	-	44,952	-
Capital grants	-	-	505,511	505,511	253,848
Other donations	225	27,818	-	28,043	-
	<u>225</u>	<u>72,770</u>	<u>505,511</u>	<u>578,506</u>	<u>253,848</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General annual grant (GAG)	21,698,205	21,698,205	21,435,020
Other DfE/ESFA grants	<u>2,808,702</u>	<u>2,808,702</u>	<u>1,859,935</u>
	<u>24,506,907</u>	<u>24,506,907</u>	<u>23,294,955</u>
Other government grants			
Local authority grants	246,401	246,401	266,960
Coronavirus Job Retention Scheme Grant	16,584	16,584	-
Coronavirus Exceptional Support	<u>50,963</u>	<u>50,963</u>	<u>-</u>
	313,948	313,948	266,960
Non-government grants and other income			
Non-government grants	<u>-</u>	<u>-</u>	<u>5,321</u>
Total grants	<u><u>24,820,855</u></u>	<u><u>24,820,855</u></u>	<u><u>23,567,236</u></u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under Coronavirus Job Retention Scheme Funding & Coronavirus exceptional support.

- The academy furloughed some of its health & fitness staff under the government's CJRS. The funding received of £16,584 relates to staff costs in respect of 9 staff which are included within note 8 below.

- The funding received for Coronavirus exceptional support covers £50,963 of reclaimed costs. These costs are included in notes 6 and 7 as appropriate.

4 Other trading activities

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities (continued)

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	83,685	-	83,685	138,027
Catering income	315,916	-	315,916	479,629
Other sales	50,087	-	50,087	203,261
Energy box membership income	75,701	-	75,701	39,082
Insurance income	81,493	(1)	81,492	28,122
Other income	3,086	4,765	7,851	67,643
Teacher training	-	40,329	40,329	34,408
	<u>609,968</u>	<u>45,093</u>	<u>655,061</u>	<u>990,172</u>

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Bank interest	<u>34,030</u>	<u>34,030</u>	<u>37,895</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Resources expended

	Non Pay Expenditure			2019/20	2018/19
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Academy's educational operations					
Direct costs	16,459,781	1,329,084	2,189,919	19,978,784	20,007,081
Allocated support costs	4,021,717	2,108,269	1,267,989	7,397,975	7,261,187
	<u>20,481,498</u>	<u>3,437,353</u>	<u>3,457,908</u>	<u>27,376,759</u>	<u>27,268,268</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Resources expended (continued)

Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Operating leases - other leases	26,327	65,043
Fees payable to auditor - audit	11,750	11,682
- other audit services	6,000	10,068
Depreciation	<u>1,601,250</u>	<u>1,855,802</u>

7 Charitable activities

	Total 2020 £	Total 2019 £
Direct costs - educational operations	19,978,784	20,007,081
Support costs - educational operations	<u>7,397,975</u>	<u>7,261,187</u>
	<u>27,376,759</u>	<u>27,268,268</u>

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	4,021,717	4,021,717	3,738,392
Depreciation	272,166	272,166	273,149
Premises costs	1,836,103	1,836,103	1,847,142
Legal costs - other	13,536	13,536	-
Other support costs	1,196,298	1,196,298	1,384,674
Governance costs	<u>58,155</u>	<u>58,155</u>	<u>17,830</u>
Total support costs	<u>7,397,975</u>	<u>7,397,975</u>	<u>7,261,187</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff

Staff costs

	2019/20 £	2018/19 £
Staff costs during the year were:		
Wages and salaries	14,551,846	14,699,425
Social security costs	1,502,725	1,505,373
Pension costs	3,999,955	3,172,586
	<u>20,054,526</u>	<u>19,377,384</u>
Agency staff costs	389,438	581,671
Staff restructuring costs	<u>37,534</u>	<u>51,033</u>
	<u>20,481,498</u>	<u>20,010,088</u>
	2020 £	2019 £
Staff restructuring costs comprise:		
Severance payments	<u>37,534</u>	<u>51,033</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £37,534 (2019: £51,033). Individually, the payments were:

Non-contractual payments £16,871

Non-contractual payments £20,663

Staff numbers

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

	2019/20 No	2018/19 No
Teachers	236	230
Administration and support	249	230
Management	<u>31</u>	<u>28</u>
	<u>516</u>	<u>488</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	6	6
£70,001 - £80,000	6	7
£80,001 - £90,000	3	1
£90,001 - £100,000	2	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £2,735,037 (2019: £2,528,501).

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Central services

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

- Financial management
- Governance
- Leadership support

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

Trust Central Costs - split on the basis of pupil numbers in each school:

- Salary (including on-costs) of Executive Headteacher
- Part of the salary (including on-costs) of Trust Finance Officer
- Part of the salary (including on-costs) of Trust HR Director
- Audit: External and Internal
- Clerking, legal fees and other costs associated with Trust Board

The actual amounts charged during the year were as follows:

	2020
	£
Levenshulme High School	114,241
Whalley Range 11-18 High School	127,743
The East Manchester Academy	150,469
	<hr/>
	392,453

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The executive headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of executive headteacher and staff members under their contracts of employment.

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

Ms Patricia Denise Kane (Excutive Headteacher & Accounting Officer):

Remuneration: £Nil (2019 - £140,000 - £145,000)

Employer's pension contributions: £Nil (2019 - £20,000 - £25,000)

Mr Matthew Begg (Staff director 01.09.2019 to 29.01.2020):

Remuneration: £15,000 - £20,000 (2019 - £40,000 - £45,000)

Employer's pension contributions: £0 - £5,000 (2019 - £5,000 - £10,000)

Dr Johan MacKinnon (Executive Headteacher & Accounting Officer):

Remuneration: £120,000 - £125,000 (2019 - £Nil)

Employer's pension contributions: £25,000 - £30,000 (2019 - £Nil)

Catherine Elizabeth Wragg (Deputy headteacher 01.09.2019 to 10.03.2020):

Remuneration: £35,000 - £40,000 (2019 - £65,000 - £70,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

No other trustees received any remuneration or expenses.

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

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects members/trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the members/trustees and officers indemnity element from the overall cost of the RPA scheme.

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, plant and equipment £	Computer hardware £	Total £
Cost					
At 1 September 2019	27,108,612	43,701,302	2,522,131	2,061,069	75,393,114
Additions	-	-	299,111	360,134	659,245
At 31 August 2020	<u>27,108,612</u>	<u>43,701,302</u>	<u>2,821,242</u>	<u>2,421,203</u>	<u>76,052,359</u>
Depreciation					
At 1 September 2019	1,177,574	3,341,630	1,468,450	1,630,626	7,618,280
Charge for the year	<u>236,853</u>	<u>843,352</u>	<u>270,079</u>	<u>250,966</u>	<u>1,601,250</u>
At 31 August 2020	<u>1,414,427</u>	<u>4,184,982</u>	<u>1,738,529</u>	<u>1,881,592</u>	<u>9,219,530</u>
Net book value					
At 31 August 2020	<u>25,694,185</u>	<u>39,516,320</u>	<u>1,082,713</u>	<u>539,611</u>	<u>66,832,829</u>
At 31 August 2019	<u>25,931,038</u>	<u>40,359,672</u>	<u>1,053,681</u>	<u>430,443</u>	<u>67,774,834</u>

13 Debtors

	2020 £	2019 £
Trade debtors	126,967	137,260
VAT recoverable	150,632	106,845
Other debtors	41,962	13,168
Prepayments	304,033	257,894
Accrued income	<u>671,621</u>	<u>340,311</u>
	<u>1,295,215</u>	<u>855,478</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	732,761	68,915
Other creditors	53,272	46,610
Accruals	578,014	517,035
Deferred income	58,129	7,693
	<u>1,422,176</u>	<u>640,253</u>
	2020 £	2019 £

Deferred Income

Deferred income at 1 September 2019	7,693	5,317
Resources deferred in the period	58,129	7,693
Amounts released from previous periods	(7,693)	(5,317)
Deferred income at 31 August 2020	<u>58,129</u>	<u>7,693</u>

At the balance sheet date the trust was holding funds received in advance in respect of rates relief and other non government grants

15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	1,577,464	21,698,205	(21,363,306)	(448,655)	1,463,708
Other DfE/ESFA grants	-	1,260,095	(1,183,785)	-	76,310
Pupil premium	-	1,592,678	(1,592,678)	-	-
Other income	-	387,740	(387,740)	-	-
	<u>1,577,464</u>	<u>24,938,718</u>	<u>(24,527,509)</u>	<u>(448,655)</u>	<u>1,540,018</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	19,028,356	505,511	(457,595)	-	19,076,272
Capital expenditure from GAG	3,358,732	-	(78,681)	548,090	3,828,141
Transfer on conversion	45,371,122	-	(1,062,850)	-	44,308,272
Other capital income	90,768	-	(2,124)	-	88,644
	<u>67,848,978</u>	<u>505,511</u>	<u>(1,601,250)</u>	<u>548,090</u>	<u>67,301,329</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted pension funds					
Pension reserve	(7,614,000)	-	(1,248,000)	(2,215,000)	(11,077,000)
Total restricted funds	61,812,442	25,444,229	(27,376,759)	(2,115,565)	57,764,347
Unrestricted funds					
Unrestricted general funds	4,686,147	644,223	-	(99,435)	5,230,935
Total funds	66,498,589	26,088,452	(27,376,759)	(2,215,000)	62,995,282

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	1,577,464	21,435,020	(22,196,893)	239,117	1,054,708
Other DfE/ESFA grants	-	268,798	(268,798)	-	-
Pupil premium	-	1,586,298	(1,586,298)	-	-
Other income	-	367,477	(367,477)	-	-
	1,577,464	23,657,593	(24,419,466)	239,117	1,054,708
Restricted fixed asset funds					
DfE/ESFA capital grants	19,028,356	253,848	(520,598)	-	18,761,606
Capital expenditure from GAG	3,358,732	-	(91,410)	239,730	3,507,052
Transfer on conversion	45,371,122	-	(1,241,311)	-	44,129,811
Other capital income	90,768	-	(2,483)	-	88,285
	67,848,978	253,848	(1,855,802)	239,730	66,486,754
Restricted pension funds					
Pension reserve	(7,614,000)	-	(993,000)	(3,017,000)	(11,624,000)
Total restricted funds	61,812,442	23,911,441	(27,268,268)	(2,538,153)	55,917,462
Unrestricted funds					
Unrestricted general funds	4,686,147	937,710	-	(478,847)	5,145,010
Total funds	66,498,589	24,849,151	(27,268,268)	(3,017,000)	61,062,472

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

General Annual Grant must be used for the normal running expenses of an Academy and any amounts carried forward at the end of the financial year must be in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for High Needs & LAC pupil premium

Other restricted funds include contributions received for educational visits and non public donations and the related expenditure.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The deficit at 1 September 19 was £7,614,000 and had risen to £11,077,000 at 31 August 2020.

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

Unrestricted funds are funds which the Trustees may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Trustees.

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Levenshulme High School	1,540,012	1,282,392
Whalley Range 11-18 High School	2,887,234	2,712,875
The East Manchester Academy	2,325,346	2,247,255
Central services	<u>18,361</u>	<u>21,089</u>
Total before fixed assets and pension reserve	6,770,953	6,263,611
DfE/ESFA capital grants	67,301,329	67,848,978
Pension reserve	<u>(11,077,000)</u>	<u>(7,614,000)</u>
Total	<u>62,995,282</u>	<u>66,498,589</u>

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Levenshulme High School	4,622,450	940,139	444,935	769,316	6,776,840	6,965,643
Whalley Range 11-18 High School	7,165,103	1,074,545	852,925	1,061,087	10,153,662	9,711,458
The East Manchester Academy	4,412,830	791,789	708,790	903,850	6,817,259	7,108,901

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Central services	259,398	117,243	-	41,388	418,029	633,411
Academy Trust	16,459,781	2,923,716	2,006,650	2,775,641	24,165,790	24,419,413

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	66,832,829	66,832,829
Current assets	5,230,935	2,962,194	468,500	8,661,629
Current liabilities	-	(1,422,176)	-	(1,422,176)
Pension scheme liability	-	(11,077,000)	-	(11,077,000)
Total net assets	<u>5,230,935</u>	<u>(9,536,982)</u>	<u>67,301,329</u>	<u>62,995,282</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	67,774,834	67,774,834
Current assets	4,686,147	2,217,718	74,144	6,978,009
Current liabilities	-	(640,254)	-	(640,254)
Pension scheme liability	-	(7,614,000)	-	(7,614,000)
Total net assets	<u>4,686,147</u>	<u>(6,036,536)</u>	<u>67,848,978</u>	<u>66,498,589</u>

17 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	<u>468,500</u>	<u>77,717</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Commitments under operating leases

Operating leases

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

	2020 £	2019 £
Amounts due within one year	55,218	64,222
Amounts due between one and five years	46,975	93,804
	<u>102,193</u>	<u>158,026</u>

19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20 £	2018/19 £
Net expenditure for the reporting period (as per the statement of financial activities)	(1,288,307)	(2,419,117)
Depreciation	1,601,250	1,855,802
Capital grants from DfE and other capital income	(505,511)	(253,848)
Interest receivable	(34,030)	(37,895)
Defined benefit pension scheme cost less contributions payable	1,098,000	883,000
Defined benefit pension scheme finance cost	150,000	110,000
(Increase)/decrease in debtors	(439,737)	487,568
Increase/(decrease) in creditors	781,923	(120,494)
Net cash provided by Operating Activities	<u>1,363,588</u>	<u>505,016</u>

20 Cash flows from Investing activities

	2019/20 £	2018/19 £
Dividends, interest and rents from investments	34,030	37,895
Purchase of tangible fixed assets	(659,245)	(818,276)
Capital funding received from sponsors and others	505,511	253,848
Net cash used in investing activities	<u>(119,704)</u>	<u>(526,533)</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>7,366,414</u>	<u>6,122,530</u>
Total cash and cash equivalents	<u>7,366,414</u>	<u>6,122,530</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	6,122,530	1,243,884	7,366,414
	-	-	-
Total	<u>6,122,530</u>	<u>1,243,884</u>	<u>7,366,414</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Contingent liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

24 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 whilst 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.

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 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.

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £2,121,187 (2019: £1,493,586). 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.

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £963,000 (2019 - £1,056,000), of which employer's contributions totalled £770,000 (2019 - £801,000) and employees' contributions totalled £193,000 (2019 - £255,000). The agreed contribution rates for future years are 18.5 per cent for employers and banded from 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.00	3.10
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.90</u>

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

	2020	2019
Retiring today		
Males retiring today	20.50	20.60
Females retiring today	23.10	23.10
Retiring in 20 years		
Males retiring in 20 years	22.00	22.00
Females retiring in 20 years	<u>25.00</u>	<u>24.80</u>

Sensitivity analysis

	2020 £	2019 £
Discount rate -0.5%	3,277,000.00	2,814,000.00
Salary increase rate +0.5%	324,000.00	413,000.00
Pension increase rate +0.5%	<u>2,894,000.00</u>	<u>2,342,000.00</u>

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

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

	2020 £	2019 £
Equities	9,384,000	8,798,000
Government bonds	2,208,000	1,941,000
Property	966,000	1,035,000
Cash and other liquid assets	1,242,000	1,164,000
Total market value of assets	<u>13,800,000</u>	<u>12,938,000</u>

The actual return on scheme assets was £81,000 (2019 - £570,000).

LGPS Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	(1,098,000)	(883,000)
Interest income	244,000	333,000
Interest cost	<u>(394,000)</u>	<u>(443,000)</u>
Total amount recognized in the SOFA	<u>(1,248,000)</u>	<u>(993,000)</u>

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

	2019/20 £	2018/19 £
At start of period	20,552,000	15,036,000
Current service cost	1,868,000	1,469,000
Interest cost	394,000	443,000
Employee contributions	193,000	255,000
Actuarial (gain)/loss	2,052,000	3,254,000
Benefits paid	(182,000)	(120,000)
Past service cost	-	215,000
At 31 August	<u>24,877,000</u>	<u>20,552,000</u>

Education and Leadership Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Movements in the fair value of trust's share of scheme assets

	2019/20	2018/19
	£	£
At start of period	12,938,000	11,432,000
Interest income	244,000	333,000
Actuarial gain/(loss)	(163,000)	237,000
Employer contributions	770,000	801,000
Employee contributions	193,000	255,000
Benefits paid	(182,000)	(120,000)
At 31 August	<u>13,800,000</u>	<u>12,938,000</u>

26 Related party transactions

Owing to the nature of the Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the year of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

