

Company Registration No. 08661539 (England and Wales)

SIMON BALLE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

SIMON BALLE ACADEMIES TRUST

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SIMON BALLE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Saunders P C Connolly J E Ennis R J HardCastle A Orpin A J R Porrer	- Headteacher - Chair of Governors - Training Governor - Chair of Personnel - Chair of Finance - Chair of Attainment & Standards
Governors	A Saunders (Accounting Officer) P C Connolly (Chair of Governors, Chair of H & SE and Prevent Lead Governor) T Bullworthy (Attendance & Behaviour Governor) A Orpin (Chair of Finance, Vice Chair of Governors) J Abery (Child Protection Governor) H L Ahmet J S Brown (Training Governor) J E Ennis (Resigned 1 November 2019) R J Hardcastle (Chair of Personnel) A L Mackie (Chair of Student, Community & Partnership) A J R Porrer (Chair of Attainment and Standards) S Dooks (Resigned 23 October 2019) P Cable (Resigned 23 April 2020) E Davies (Resigned 2 December 2019) W Davies C Lafferty J Wiggett (Careers Governor) R Kirk (Resigned 23 October 2019) S Abery (Resigned 23 October 2019) D Bidwell (Resigned 31 August 2020) S Brown L Archer (PP & CLA Governor) C Tallis (Appointed 1 January 2020) B Hardcastle (Appointed 1 January 2020) C Bishop (Resigned 23 October 2019)	
Senior management team	A Saunders M Moss M Harman I Finch L Brown R Klippel Y Adshead R Kirk J Pooley	- Headteacher & Accounting Officer - Deputy Head - School Manager - Assistant Head - Director of Care & Wellbeing - Assistant Head - Assistant Head - Vice Principal - Assistant Head
Company registration number	08661539 (England and Wales)	
Registered office	Mangrove Road HERTFORD Hertfordshire SG13 8AJ	

SIMON BALLE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Azets Audit Services 5 Yeomans Court Ware Road Hertford SG13 7HJ
Bankers	Lloyds Bank Plc 5-6 Market Place Hertford Hertfordshire SG14 1DS
Solicitors	Winkworth Sherwood Minerva House 5 Montague Close London SE1 9BB

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the accounts and independent auditor's reports of the Charitable Company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 4 (or rising 5s) up to 18 serving a catchment area in Hertford and surrounding areas. It has a pupil capacity as governed by the county calculations of space within classrooms of 1,500 and had a roll of 1,554 on 1st September 2020.

Audit

On 7 September 2020 Group Audit Services Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Structure, governance and management

Constitution

Simon Balle Academies Trust is a company limited by guarantee with no share capital (registration number 8661539) and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors act as the Trustees for the charitable activities of Simon Balle Academies Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Simon Balle Academies Trust. Details of the Governors who served throughout the year, except noted, are included in the Reference and Administrative details on page 1.

Simon Balle Academies Trust was incorporated on 22 August 2013 and obtained academy status from 1 November 2013. The Company was dormant in the period from incorporation to 31 October 2013 and began operating on 1 November 2013.

Members' liability

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

Governors' indemnities

Since incorporation of the Charitable Company on 22 August 2013, the Governors have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 12 to the financial statements this indemnity is unlimited.

Method of recruitment and appointment or election of Governors

The members of the Academy Trust shall comprise:

- a. The signatories to the memorandum
- b. The Chairman of Governors
- c. The Academy Directors
- d. Any person appointed under Article 16 (of the Memorandum and Articles) which reads: " The members may agree by passing a special resolution in writing to appoint such additional members as they think fit and may agree by passing a special resolution in writing to remove any such additional members provided that such appointment or removal is in the interests of the Company."

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new trustees will depend on their existing experience. Where necessary, an induction will provide training in charity and educational legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as trustees and for them to be made aware of external training opportunities.

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Board of Governors comprises those persons appointed under the Articles of Association. The Board of Governors meets at least five times a year and has several committees, including a Finance, Assets & Resources Committee, an Attainment & Standards Committee, an Environment & Community Committee, a Personnel Committee and a Health and Safety Committee. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. The Board of Governors delegates specific responsibilities to its Committees, the activities of which are reported to and discussed at full Board of Governors Meetings. Day to day management of the Academy is undertaken by the Head Teacher who is supported by the Senior Leadership Team.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.03

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	2,963
Total pay bill (excluding pension contributions)	5,136,268
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

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

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

Arrangements for setting pay and remuneration of key management personnel

The pay ranges for the Headteacher, Deputy Headteacher(s) and Assistant Headteacher(s) will be determined in accordance with the criteria specified in the current School Teachers Pay & Conditions Document (STPCD).

The Governing Body will assign a seven point Individual School Range (ISR), for the Headteacher and a five point ISR for other leadership group posts.

The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. The amount paid to a previous post holder will not influence the range that may be set for a new appointment.

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Temporary payments to the Headteacher will be determined in accordance with the provisions of the STPCD and will be reviewed annually.

On appointment the salary of the Headteacher will be within the agreed ISR. Governors reserve the right to make an offer at any point on the range for an exceptional candidate.

Other than in exceptional circumstances, the Governing Body will ensure that there is no overlap of pay points between the Headteacher and any other leadership post.

On appointment a teacher paid within the leadership range will be appointed according to skills and experience at any point below the maximum of the range.

The pay range for teachers paid on the leadership spine will be reviewed where there is a significant permanent change in the duties and responsibilities of the post, or where it is necessary to maintain consistency across the leadership group.

Risk management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to academic performance, financial sustainability and performance, health and safety, student and staff welfare, admissions, recruitment, school trips and events and community access. They periodically review to assess the risks that the Academy Trust faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover where it is appropriate to do so.

Objectives and activities

Objects and aims

As set out in the Articles of Association, the Academy Trust principal objectives are:

- a. to advance for the public benefit education in Hertford and the areas served by the Academy Trust through the provision of a broad and balanced curriculum, and;
- b. to promote for the benefit of the inhabitants of the areas served by the Academy Trust the provision of facilities for recreation or other leisure time occupation.

Objectives, strategies and activities

The Governing Body ensures that the vision, ethos and strategic direction of the school are clear and that everyone understands what this means. It provides a well-informed and sustained challenge to the Headteacher and Senior Leadership Team to ensure the highest standards are met and that the school improvement plan (SIP) is delivered. Governors have the responsibility for formulating, monitoring and reviewing the policies, plans and procedures for the school. The Headteacher is responsible for the implementation of policy, day-to-day management and organisation of the school and operation of the curriculum. Governors also have a very important role in providing oversight of the financial performance of the school and making sure that its money is well spent and the best value for money is achieved.

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The Academy Trust complies fully with Disability Discrimination Act (DDA) regulations and is equipped to welcome and/or teach any child or adult with a disability. Reasonable adjustments will be made to ensure access for pupils, staff and visitors (including parents, carers) with disabilities (this not only includes physical access, but takes account wider access to the Academy Trusts information and activities).

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Governors confirm that they have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. In accordance with Object 4b of our Articles of Association, the Governing Body actively promotes the use of our facilities for the benefit of the local community.

Strategic report

Achievements and performance

The school was inspected in May 2018 and overall effectiveness was judged to be outstanding. Trends in data over time demonstrate that pupil's progress is rapid and sustained with all pupils achieving very well across a wide range of subjects. The school continues to monitor and intervene when either certain academic subjects or individuals need additional support.

The all through school continues to grow; its first cohort entering year 5 in September 2020. With the appointment of a new primary lead (September 2019), who previously led her primary school to an outstanding judgement, greater rigour and accountability is evident. The primary section in particular is very popular with waiting lists exceeding single figures for most year groups, and 30+ in each class.

Governance of the school was judged to be outstanding and the inspectors praised how the team was relentless in their quest for excellence. They also commented that the management of the journey to an All-through school had not compromised standards. Despite new Governors, this continues to be a real strength of the school, as they monitor and challenge, lead on health and safety and demand rigorous financial milestones. The governing body is highly skilled and experienced, their work is highly effective providing both support and challenge; holding school leaders rigorously to account.

School self-evaluation is well considered and accurate, with well developed, rigorous systems of monitoring and evaluation. This continues to be a priority.

The sixth form provision outcomes are very strong in areas and improving in others following a period of transition. Ensuring that all students make progress on their chosen programmes is a key priority. A new Head of Sixth Form took up post in January 2020.

The challenges faced continue to reflect those expressed by schools across the country, but some of these challenges are specifically linked to both the age and condition of the school buildings (1957 built, for 450 students), its popularity, and the fact that it is designated all through. A recent capacity survey strongly recommended additional spaces for sport and community activities such as year group assemblies, concerts etc. Whilst the recent CIF bid will provide "window- walling" for the hall and gym, this does not address at all space. The survey identified the need for a sports hall, as the small gym provides the sole indoor sports area for 1,600 students. Classroom space is adequate but stifles creativity and development of the curriculum, a demountable classroom has also recently been condemned. Whilst the school has been very prudent with its funding and has managed to keep income levels sound (except when operating under Covid restrictions) the Governors are becoming increasingly disappointed that whilst acknowledging that all through can mean economies of scale, the lack of a separate "lump sum" enjoyed by primary schools, is biased against all through settings, who need to maintain a level of leadership.

Financial planning demonstrates that the school, like many others, is facing a considerable strain upon resources, mainly due to staffing costs. Whilst governors and leaders continuously review provision, there appears to be little leeway due to diminishing funding in real terms. Income generation is continuously reviewed as well as value for money and cost effectiveness.

The school is very popular and parental support is incredibly strong at all ages and stages. During Lockdown, it continued to offer provision every school day and by the end of June, every primary aged child was expected to return. One of the school's strengths is its emphasis upon digital learning and this allowed all students to be provided with good quality online learning. Investment in ICT infra-structures as well as hardware, has provided a secure place to move forward.

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The key performance indicators that the school is held accountable for are those issued by the DFE. They indicate student outcomes at specified times in their education. Because of the changes to some reporting this year there are not all of the usual figures. At KS1 there were no measurements taken of how pupils had fared as these are based on teacher assessments taken in the summer term and these did not take place this year. We do have results for GCSE and A level however.

End of KS4 headlines - +0.37 Progress 8 score (provisional) / Average Attainment 8 score = 5.

End of KS5 headlines - A*-B - 54%

Attendance figures were not taken due to the Covid restrictions and lockdown.

Covid-19

Our GCSE and A-Level results have not seen any adverse impact due to the national lockdown, in fact the centre assessed grades resulted in a slight improvement. We already had a 1:1 device scheme in place prior to lockdown so have been able to deliver lessons electronically successfully. There is no data yet that shows how lockdown has affected student engagement or any emotional impact but we will be investigating this throughout the coming year.

Going concern

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

Financial review

Reserves policy

Under its Funding Agreement with the Secretary of State for Education, the school is no longer subject to a restriction regarding the amount of General Annual Grant (GAG) that can be carried forward.

The reserves policy divides reserves into restricted and unrestricted reserves. Restricted reserves are held for specific purposes, and unrestricted reserves are held to deal with unexpected events and emergencies. The approximate amount of unrestricted reserves should be enough to cover at least one month's running costs of the Academy.

The balance of restricted reserves excluding the fixed asset and pension reserve at 31 August 2020 is £194k and the Unrestricted Reserve balance is £1,565k at the same date. The unrestricted reserves also includes £730k designated capital fund which has been set aside for future capital work. The average monthly running cost of the academy is approximately £712k. The excess Unrestricted Reserves are earmarked to cover future uncertainties around school funding and to fund capital investment in the school's ageing buildings

In common with other Academies and Local Authorities our share of the Local Government Pension Scheme (LGPS) fund is in deficit. This amounted to £2,662k at 31 August 2020.

Investment policy

The school has £200k invested in a property fund specifically for charities and managed by CCLA, one of the largest charity fund managers in the UK. The school also has £1.05m invested in short term deposit accounts with Lloyds bank. These investments are in line with the school investment policy and are reviewed by the Finance, Assets & Resources Committee on a regular basis.

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

There are a number of risks and uncertainties that can impact the performance of the Academy, many of which are beyond the control of the Academy Trust. These trends and risks are a focus of annual Governor planning meetings and senior leadership team meetings throughout the year. Currently the principal risks and uncertainties are considered to be as follows:-

A. Financial: personnel cost rises: There is some uncertainty around future levels of funding despite Government pledges to increase funding for all schools. As well as a promise to increase per-pupil funding, we are expecting significant rises in teacher salaries in the coming 3 years.

B. Reputational: the continuing success of the Academy depends on maintaining the Academy's distinctive ethos and maintaining the highest educational standards. To mitigate this risk the Governors have recently reviewed the ethos and aims of the Academy and ensure that student achievement is closely monitored and reviewed

C. Staff retention and recruitment: Possibly the single biggest risk to the school would be the failure to retain key staff or recruit high quality staff when vacancies occur, particularly in leadership posts and areas such as English, Maths and Science where the supply is much more limited. Academic success depends on the input of high quality staff. Our commitment to working with partners in initial teacher training and continual professional development mitigates this risk.

D. Safeguarding and child protection: The Governors continue to ensure that the highest standards are maintained in the areas of selection, monitoring and training of staff, the operation of child protection policies and procedures, health and safety, and discipline.

E. Failures in governance and/or management: The risk in this area arises from the potential failure to manage effectively the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review their own effectiveness across all their areas of responsibility and ensure that, through training and monitoring using internal and external agents, these risks are mitigated.

F. Accommodation: Many of our original buildings have now outlived their intended lifespan and are becoming very costly to maintain. Without significant capital investment, the risk of having to shut down buildings where heating systems have failed etc. is rising. The Governors are therefore seeking capital funding to address this issue in the next round of Capital Improvement Fund.

G. Covid-19: The long-term effects on Covid-19 on Education settings are yet to be seen but we have already seen a shift in how lessons are delivered, exams are taken and how the school day is run. These all have operational and financial implications. Whilst we have taken steps to manage these issues, we will need further strategic change in how we work and planning for these issues will be vital.

Fundraising

The majority of fundraising for the Trust is undertaken by the Parent School Association, this is a separate body to the Trust but is subject to the same provisions of the Charities Act 2016.

The Trust undertakes a few fundraising activities each year, these include musical concerts, non-uniform days (although these funds are raised for other nominated charities) and an annual fun-run. These activities are closely monitored and set up in line with accepted fundraising practice.

Plans for future periods

The principal task facing the Academy Trust is to maintain the excellent educational standards achieved by the academy. More specifically, over the next two years, the academy plans to continue with its rolling programme of buildings and site maintenance which will include seeking funds to make the school more energy efficient, general refurbishment and redecoration.

SIMON BALLE ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian trustee on behalf of others

During the year the academy received funding and paid expenses on behalf of the 16-19 bursary. The income and expenditure has been excluded from the academy's income and expenditure and is being held in creditors at the year end.


Auditor

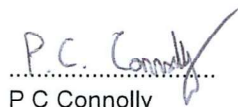
In so far as the Governors are aware:

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

On 7 September 2020 Group Audit Service Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name. The auditors, Azets Audit services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on9/12/20... and signed on its behalf by:


.....
A Saunders
Accounting Officer


.....
P C Connolly
Chair of Governors, Chair of H & SE and Prevent
Lead Governor

SIMON BALLE ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Simon Balle Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

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

Governors	Meetings attended	Out of possible
A Saunders (Accounting Officer)	6	6
P C Connolly (Chair of Governors, Chair of H & SE and Prevent Lead Governor)	6	6
T Bullworthy (Attendance & Behaviour Governor)	5	6
A Orpin (Chair of Finance, Vice Chair of Governors)	6	6
J Abery (Child Protection Governor)	1	6
H L Ahmet	5	5
J S Brown (Training Governor)	6	6
J E Ennis (Resigned 1 November 2019)	2	2
R J Hardcastle (Chair of Personnel)	6	6
A L Mackie (Chair of Student, Community & Partnership)	6	6
A J R Porrer (Chair of Attainment and Standards)	5	6
S Dooks (Resigned 23 October 2019)	4	6
P Cable (Resigned 23 April 2020)	4	6
E Davies (Resigned 2 December 2019)	1	1
W Davies	4	6
C Lafferty	6	6
J Wiggett (Careers Governor)	5	6
R Kirk (Resigned 23 October 2019)	0	1
S Abery (Resigned 23 October 2019)		
D Bidwell (Resigned 31 August 2020)	3	6
S Brown	6	6
L Archer (PP & CLA Governor)	5	6
C Tallis (Appointed 1 January 2020)	4	4
B Hardcastle (Appointed 1 January 2020)	3	3
C Bishop (Resigned 23 October 2019)		

SIMON BALLE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Changes to the board:

- There have been no significant changes in the composition of the board of trustees in 2019/20 or the coverage of its work.
- All governors attended Ofsted training in the year to ensure compliance with all aspects of the schools inspection regime.
- Members of the Finance, Assets & Resources Committee completed a self-evaluation exercise to highlight potential shortages in skills, none were found.

The Full Governing Body undertook a skills audit in October 2019 to identify any skills shortages on the board. Individual and committee skills gaps are addressed through training and development plans.

- A formal self evaluation of the impact and effectiveness of the Academy Trust was performed on the 6th July at the Full Governing Body Meeting which resulted in a number of actions leading to improvements in those areas that needed to be further development
- Examples of the actions from this self evaluation include Improvements in the Academy Trust Induction process and "buddying system" to help new Governors/ Trustees understand and contribute more quickly and a review of the diversity of the Academy Trust resulting in a broader search for Governors from different ethnicities and backgrounds
- The Academy Trust will perform a formal self evaluation at the end of this academic year at the Full Governing Body on Monday 5th July 2021 but continually performs reviews of actions it has taken to monitor impact and effectiveness
- All new Governors take part in an induction programme and attend county training programmes to equip them with the knowledge and skills to be a member of the Governing Body.
- Governors receive regular financial budget monitoring and forecast reports.

The Finance, Asset and Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to assist and support the Board of Governors; ensuring sound oversight is exercised over the management of the Academy's finances and resources.

SIMON BALLE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As Accounting Officer the Head Teacher 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:-

Continuous staff review and training

Through continuous review of timetables and workloads we seek to make the most efficient use of individual skills within the school and look to invest in staff training where skills gaps occur.

The school places a high priority in recruitment and retention of high quality staff as well as continuous professional development of those staff.

Financial governance and oversight

The academy has appointed a finance committee to provide oversight on all financial matters within the school, this includes regular reviews of finance policies, budget setting, monitoring and strategic planning.

The academy uses approved public sector frameworks for large procurement exercises in order to secure value for money. We also ensure that at least three quotes are obtained for any goods or services over £10,000.

Asset management

We have adopted a proactive approach to the maintenance of our assets by employing a site manager and developing an asset management plan. This means we can minimise unforeseen expenditure and plan for replacement of the fixed life elements of those assets. This method of asset management will provide long term savings for the school in terms of maintenance whilst ensuring all our buildings are used to their full potential.

Collaboration

The school encourages a collaborative working ethos in all aspects of its operations. Examples of this include:

- We are a member of the Hertfordshire Music Hub, an Arts Council funded initiative to deliver music education to young people across the county.
- We deliver music and IT outreach programmes to local primary schools. We provide some A-Level education in collaboration with local secondary schools which expands the available curriculum at the same time as reducing overall costs.
- Senior school leaders sit on various county wide panels and boards which seek to share knowledge and improve collaborative working practices.

Capital investment

We will continue to bid for capital funding from the Education Funding Agency to improve the condition of older school buildings. The school will use consultants who do not charge an upfront fee for preparing these bids, thereby removing the financial risks associated with a bidding system of this kind.

We hope to secure funding for projects set out in the school's premises plan in the 'Condition Improvement Fund' bidding round for 2020/21.

Energy management

Energy consumption of our ageing school buildings continues to be one of the largest support costs for the school. Through live energy monitoring systems we have been able to target inefficient areas of the school and reduce overall costs.

SIMON BALLE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Trust has decided to appoint Herts County Council as internal auditors. The internal auditors' role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems.

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. On a termly basis, the internal auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

Two internal audit reviews have taken place in 2019/20 and two reports have been received. No significant issues were raised in the reports which would require a response plan.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

SIMON BALLE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Asset and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 9/2/20 and signed on its behalf by:

P.C. Connolly

P C Connolly

**Chair of Governors, Chair of H & SE and
Prevent Lead Governor**


SIMON BALLE ACADEMIES TRUST

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

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

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

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



A Saunders
Accounting Officer

09 December 2020

SIMON BALLE ACADEMIES TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

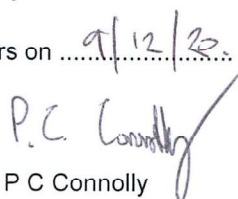
The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have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

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

Approved by order of the members of the Board of Governors on 9/12/20 and signed on its behalf by:



A Saunders
Accounting Officer



P C Connolly
Chair of Governors, Chair of H & SE and Prevent
Lead Governor

SIMON BALLE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON BALLE ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

SIMON BALLE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON BALLE ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

SIMON BALLE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON BALLE ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Azets Audit Services

Mandy Wilson FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

14 December 2020

5 Yeomans Court
Ware Road
Hertford
SG13 7HJ

SIMON BALLE ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIMON BALLE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 21 September 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 Simon Balle Academies 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 Simon Balle Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Simon Balle Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Simon Balle Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Simon Balle Academies Trust's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

As a firm we have taken the decision to use the Mercia work programme as approved by the ICAEW.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit of the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

SIMON BALLE ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIMON BALLE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

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



Reporting Accountant

Azets Audit Services
5 Yeomans Court
Ware Road
Hertford
SG13 7HJ

Dated: 14 December 2020

SIMON BALLE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted Funds	Restricted funds:		Total	Total
	Notes	£'000s	General	Fixed asset	2020	2019
			£'000s	£'000s	£'000s	£'000s
Income from:						
Donations and capital grants	3	97	34	39	170	447
Charitable activities:						
- Funding for educational operations	4	-	7,437	-	7,437	6,746
Other trading activities	5	685	-	-	685	846
Investments	6	23	-	-	23	19
Total income		805	7,471	39	8,315	8,058
Expenditure on:						
Charitable activities:						
- Educational operations	8	648	7,896	351	8,895	8,265
Total expenditure	7	648	7,896	351	8,895	8,265
(Loss)/ Gain on investments		(14)	-	-	(14)	(2)
Net income/(expenditure)		143	(425)	(312)	(594)	(209)
Transfers between funds		(10)	93	(83)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	60	-	60	(744)
Net movement in funds		133	(272)	(395)	(534)	(953)
Reconciliation of funds						
Total funds brought forward		1,432	(2,196)	18,747	17,983	18,936
Total funds carried forward		1,565	(2,468)	18,352	17,449	17,983

SIMON BALLE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds: Endowment			Total
Year ended 31 August 2019		Funds	General	Fixed asset	Funds	2019
	Notes	£'000s	£'000s	£'000s	£'000s	£'000s
Income from:						
Donations and capital grants	3	276	41	130	-	447
Charitable activities:						
- Funding for educational operations	4	-	6,746	-	-	6,746
Other trading activities	5	846	-	-	-	846
Investments	6	19	-	-	-	19
Total income		1,141	6,787	130	-	8,058
Expenditure on:						
Charitable activities:						
- Educational operations	8	785	7,025	455	-	8,265
Total expenditure	7	785	7,025	455	-	8,265
Gains on investments		(2)	-	-	-	(2)
Net income/(expenditure)		354	(238)	(325)	-	(209)
Transfers between funds		(10)	80	(70)	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	21	-	(744)	-	-	(744)
Net movement in funds		344	(902)	(395)	-	(953)
Reconciliation of funds						
Total funds brought forward		1,083	(1,294)	19,142	5	18,936
Total funds carried forward		1,427	(2,196)	18,747	5	17,983

SIMON BALLE ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000s	£'000s	£'000s	£'000s
Fixed assets					
Tangible assets	13		18,352		18,648
Current assets					
Debtors	14	398		217	
Investments	15	1,245		1,355	
Cash at bank and in hand		813		729	
		2,456		2,301	
Current liabilities					
Creditors: amounts falling due within one year	16	(639)		(519)	
Net current assets			1,817		1,782
Total assets less current liabilities			20,169		20,430
Creditors: amounts falling due after more than one year	17		(58)		(69)
Net assets excluding pension liability			20,111		20,361
Defined benefit pension liability	21		(2,662)		(2,378)
Net assets			17,449		17,983
Funds of the Academy Trust:					
Restricted funds	19				
- Fixed asset funds			18,352		18,747
- General funds			194		182
- Pension reserve			(2,662)		(2,378)
Total restricted funds			15,884		16,551
Unrestricted income funds	19		1,565		1,432
Total funds			17,449		17,983

The accounts were approved by order of the Board of Governors and authorised for issue on 9/12/20.


A Saunders
Accounting Officer


P C Connolly
Chair of Governors, Chair of H & SE and Prevent Lead Governor

Company Number 08661539

SIMON BALLE ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000s	2019 £'000s
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(5)	176
Cash flows from investing activities			
Dividends, interest and rents from investments		23	19
Capital grants from DfE Group		39	130
Purchase of tangible fixed assets		(58)	(16)
Purchase of investments		104	(250)
Proceeds from sale of tangible fixed assets		3	-
Net cash provided by/(used in) investing activities		111	(117)
Cash flows from financing activities			
Repayment of other loan		(11)	32
Finance costs		(11)	(13)
Net cash (used in)/provided by financing activities		(22)	19
Net increase in cash and cash equivalents in the reporting period		84	78
Cash and cash equivalents at beginning of the year		729	651
Cash and cash equivalents at end of the year		813	729

SIMON BALLE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Simon Balle Academies Trust is a Charitable Company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

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

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

1.2 Going concern

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

1.3 Income

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

Grants

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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

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

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

SIMON BALLE ACADEMIES TRUST

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

1 Accounting policies

(Continued)

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Donated fixed assets

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

Transfer of property

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust. The properties have been professionally valued as at April 2014. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land. As the land and buildings are of specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

During the year ended 31 August 2015 the Local Authority gifted the Academy a new building for the primary school. This was valued at the cost of the build.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Governance costs

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

SIMON BALLE ACADEMIES TRUST

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

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £5,000 are written off in the period of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold Land and buildings	2%
Plant and machinery	33.3%
ICT equipment	25%

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

1.6 Liabilities

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

1.7 Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1.8 Investments

Investments are stated at market value at the balance sheet date.

1.9 Financial instruments

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

Financial assets

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

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

SIMON BALLE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

As described in note 20, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who are eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

1.12 Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

SIMON BALLE ACADEMIES TRUST

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

1 Accounting policies

(Continued)

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

1.13 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are discussed in note 27.

1.14 Concessionary loans

The Salix loan is initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical conditions of the assets. See note 12 for the carrying useful economic lives of each class of assets.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

SIMON BALLE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Voluntary income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Capital grants	-	39	39	130
Other donations	97	34	131	317
	<u>97</u>	<u>73</u>	<u>170</u>	<u>447</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
DfE / EFA grants				
General annual grant (GAG)	-	6,688	6,688	6,347
Other DfE / EFA grants	-	635	635	313
	<u>-</u>	<u>7,323</u>	<u>7,323</u>	<u>6,660</u>
Other government grants				
Local authority grants	-	100	100	66
Other grants	-	14	14	20
	<u>-</u>	<u>114</u>	<u>114</u>	<u>86</u>
Total funding	<u>-</u>	<u>7,437</u>	<u>7,437</u>	<u>6,746</u>

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Hire of facilities	103	-	103	155
Catering income	243	-	243	300
Other income	339	-	339	391
	<u>685</u>	<u>-</u>	<u>685</u>	<u>846</u>

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Deposit account interest	23	-	23	19
	<u>23</u>	<u>-</u>	<u>23</u>	<u>19</u>

SIMON BALLE ACADEMIES TRUST

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

7 Expenditure

	Staff costs £'000s	Non-pay expenditure Premises £'000s	Other £'000s	Total 2020 £'000s	Total 2019 £'000s
Academy's educational operations					
- Direct costs	5,528	304	650	6,482	5,849
- Allocated support costs	979	859	575	2,413	2,416
	<u>6,507</u>	<u>1,163</u>	<u>1,225</u>	<u>8,895</u>	<u>8,265</u>

Net income/(expenditure) for the year includes:

	2020 £'000s	2019 £'000s
Fees payable to auditor for:		
- Audit	11	10
- Other services	2	2
Operating lease rentals	16	15
Depreciation of tangible fixed assets	354	410
(Gain)/loss on disposal of fixed assets	(3)	45
Bank and loan interest	11	13
Net interest on defined benefit pension liability	46	43
	<u></u>	<u></u>

8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Direct costs				
Educational operations	646	5,836	6,482	5,849
Support costs				
Educational operations	2	2,411	2,413	2,416
	<u>648</u>	<u>8,247</u>	<u>8,895</u>	<u>8,265</u>

Analysis of costs

	2020 £'000s	2019 £'000s
Direct costs		
Teaching and educational support staff costs	5,528	4,612
Staff development	30	40
Depreciation	304	304
Technology costs	48	71
Educational supplies and services	344	408
Examination fees	125	143
Other direct costs	103	271
	<u>6,482</u>	<u>5,849</u>
Support costs		
Support staff costs	1,018	844

SIMON BALLE ACADEMIES TRUST

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

8 Charitable activities

(Continued)

Depreciation	47	151
Technology costs	47	61
Recruitment and support	1	2
Maintenance of premises and equipment	522	545
Cleaning	117	101
Energy costs	96	94
Rent, rates and other occupancy costs	40	40
Insurance	30	31
Security and transport	7	4
Catering	290	348
Finance costs	57	56
Legal costs	2	-
Other support costs	124	126
Governance costs	15	13
	<u>2,413</u>	<u>2,416</u>

9 Governance costs

	Total 2020 £'000s	Total 2019 £'000s
All from restricted funds:		
Amounts included in support costs		
Legal costs	2	-
Auditor's remuneration		
- Audit of financial statements	15	13
	<u>17</u>	<u>13</u>

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000s	2019 £'000s
Wages and salaries	4,742	4,169
Social security costs	379	355
Pension costs	1,359	864
	<u>6,480</u>	<u>5,388</u>
Staff costs - employees	6,480	5,388
Agency staff costs	27	34
	<u>6,507</u>	<u>5,422</u>
Staff development and other staff costs	69	74
	<u>6,576</u>	<u>5,496</u>

SIMON BALLE ACADEMIES TRUST

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

10 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	99	79
Administration and support	96	135
Management	10	8
	<u>205</u>	<u>222</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £862,617(2019: £725,103).

11 Governors' remuneration and expenses

The Head Teacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors. The two Governors' who received remuneration were:

A Saunders (principal and trustee):

Remuneration £105,001 - £110,000 (2019: £100,001 - £105,000)

Employers pension contributions £25,001 - £30,000 (2019: £15,001 - £20,000)

H Frank (staff trustee)

Remuneration £20,001 - £25,000 (2019: £45,001 - £50,000)

Employers pension contribution £5,001 - £10,000 (2019: £5,001 - £10,000)

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

Governors' expenses

There were governors' travel expenses totalling £31 paid to one trustee for the period ended 31 August 2020 (2019: £nil).

SIMON BALLE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for Governors and officers

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

13 Tangible fixed assets

	Freehold Land and buildings £'000s	Plant and machinery £'000s	ICT equipment £'000s	Total £'000s
Cost				
At 1 September 2019	20,103	178	229	20,510
Additions	-	36	22	58
Disposals	-	(12)	(4)	(16)
At 31 August 2020	20,103	202	247	20,552
Depreciation				
At 1 September 2019	1,556	122	184	1,862
On disposals	-	(12)	(4)	(16)
Charge for the year	303	24	27	354
At 31 August 2020	1,859	134	207	2,200
Net book value				
At 31 August 2020	18,244	68	40	18,352
At 31 August 2019	18,547	56	45	18,648

Included in cost of land and buildings is land of £4,925,000 which has not been depreciated.

14 Debtors

	2020 £'000s	2019 £'000s
Trade debtors	75	36
VAT recoverable	74	77
Other debtors	71	-
Prepayments and accrued income	178	104
	398	217

SIMON BALLE ACADEMIES TRUST

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

15 Current asset investments

	2020 £'000s	2019 £'000s
Balance brought forward	1,355	1,107
Additions	1,054	250
Withdrawals	(1,158)	0
Interest received	8	0
Gains / (Losses) in year	(14)	(2)
Balance carried forward	1,245	1,355

The investments are in COIF Charities Investment Fund and Lloyds Investments and are valued at bid market value.

16 Creditors: amounts falling due within one year

	2020 £'000s	2019 £'000s
Other loans	11	11
Trade creditors	134	145
Other taxation and social security	106	91
Other creditors	157	99
Accruals and deferred income	231	173
	<u>639</u>	<u>519</u>

17 Creditors: amounts falling due after more than one year

	2020 £'000s	2019 £'000s
Other loans	58	69
	<u>58</u>	<u>69</u>

SIMON BALLE ACADEMIES TRUST

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

17 Creditors: amounts falling due after more than one year

(Continued)

	2020 £'000s	2019 £'000s
Analysis of loans		
Not wholly repayable within five years by instalments	-	25
Wholly repayable within five years	69	55
	<u>69</u>	<u>80</u>
Less: included in current liabilities	(11)	(11)
	<u>(11)</u>	<u>(11)</u>
Amounts included above	<u>58</u>	<u>69</u>
 Loan maturity		
Debt due in one year or less	11	11
Due in more than one year but not more than two years	11	11
Due in more than two years but not more than five years	34	33
Due in more than five years	13	25
	<u>69</u>	<u>80</u>

Included within other creditors is a loan of £34,275 from Salix which is repayable over 7 years (2019: 8 years) and which is interest free and a CIF loan from ESFA of £35,164 which is repayable over 9 years (2019:10 years) with an interest rate of 1% per annum.

18 Deferred income

	2020 £'000s	2019 £'000s
Deferred income is included within:		
Creditors due within one year	173	125
	<u>173</u>	<u>125</u>
Deferred income at 1 September 2019	125	179
Released from previous years	(125)	(179)
Resources deferred in the year	173	125
	<u>173</u>	<u>125</u>
Deferred income at 31 August 2020	<u>173</u>	<u>125</u>

At the balance sheet date, the Academy was holding funds received in advance for school trips which are to take place in 20/21, the Academy has also received universal free school meals income in advance and a proportion of the devolved formula capital grant has also been deferred.

SIMON BALLE ACADEMIES TRUST

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

19 Funds

	Balance at 1 September 2019 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2020 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	6,688	(6,771)	83	-
Other DfE / ESFA grants	9	635	(638)	-	6
Other government grants	-	114	(114)	-	-
Pitch fund	173	-	-	10	183
Other restricted funds	-	34	(29)	-	5
Pension reserve	(2,378)	-	(344)	60	(2,662)
	<u>(2,196)</u>	<u>7,471</u>	<u>(7,896)</u>	<u>153</u>	<u>(2,468)</u>
Restricted fixed asset funds					
DfE group capital grants	(320)	39	(351)	(83)	(715)
Fixed asset fund	19,067	-	-	-	19,067
	<u>18,747</u>	<u>39</u>	<u>(351)</u>	<u>(83)</u>	<u>18,352</u>
Total restricted funds	<u>16,551</u>	<u>7,510</u>	<u>(8,247)</u>	<u>70</u>	<u>15,884</u>
Unrestricted funds					
General funds	702	805	(648)	(24)	835
Capital fund	730	-	-	-	730
	<u>1,432</u>	<u>805</u>	<u>(648)</u>	<u>(24)</u>	<u>1,565</u>
Total funds	<u>17,983</u>	<u>8,315</u>	<u>(8,895)</u>	<u>46</u>	<u>17,449</u>

SIMON BALLE ACADEMIES TRUST

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

19 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the School. Under the amended funding agreement with the Secretary of State, the School trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants: This includes the pupil premium.

LEA and other grants: This includes funding for the primary school and music income.

The Pitch Fund was set up as part of an agreement with Sports England to provide a sinking fund for the major maintenance, repairs and renewal of fixed life elements of the astro turf pitch. The school has contributed to the fund by means of benefit in kind payments by providing management and administration functions vital to the effective running of the pitch. Although the agreement came to an end in March 2019 we remain committed to the original aims of the project and will continue to provide a sinking fund, adding £10,000 to the fund each year to ensure the pitch is available for the local community.

The transfer of funds to the fixed asset funds relates to the purchase of fixed assets during the year.

The designated unrestricted fund is a capital fund which was set up to fund future capital projects.

SIMON BALLE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	6,347	(6,417)	70	-
Other DfE / ESFA grants	-	313	(304)	-	9
Other government grants	-	86	(86)	-	-
Pitch fund	163	-	-	10	173
Other restricted funds	-	41	(41)	-	-
Pension reserve	(1,457)	-	(177)	(744)	(2,378)
	<u>(1,294)</u>	<u>6,787</u>	<u>(7,025)</u>	<u>(664)</u>	<u>(2,196)</u>
Restricted fixed asset funds					
DfE group capital grants	75	130	(455)	(70)	(320)
Fixed asset fund	19,067	-	-	-	19,067
	<u>19,142</u>	<u>130</u>	<u>(455)</u>	<u>(70)</u>	<u>18,747</u>
Total restricted funds	<u>17,848</u>	<u>6,917</u>	<u>(7,480)</u>	<u>(734)</u>	<u>16,551</u>
Unrestricted funds					
General funds	958	1,141	(785)	(612)	702
Capital fund	130	-	-	600	730
	<u>1,088</u>	<u>1,141</u>	<u>(785)</u>	<u>(12)</u>	<u>1,432</u>
Total funds	<u>18,936</u>	<u>8,058</u>	<u>(8,265)</u>	<u>(746)</u>	<u>17,983</u>

SIMON BALLE ACADEMIES TRUST

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

20 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2020 £'000s
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	18,352	18,352
Current assets	2,262	194	-	2,456
Creditors falling due within one year	(639)	-	-	(639)
Creditors falling due after one year	(58)	-	-	(58)
Defined benefit pension liability	-	(2,662)	-	(2,662)
	<u>1,565</u>	<u>(2,468)</u>	<u>18,352</u>	<u>17,449</u>
	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2019 £'000s
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	18,648	18,648
Current assets	2,020	182	99	2,301
Creditors falling due within one year	(519)	-	-	(519)
Creditors falling due after one year	(69)	-	-	(69)
Defined benefit pension liability	-	(2,378)	-	(2,378)
	<u>1,432</u>	<u>(2,196)</u>	<u>18,747</u>	<u>17,983</u>

21 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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £123k were payable to the schemes at 31 August 2020 (2019: £86k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

SIMON BALLE ACADEMIES TRUST

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

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £787,328 (2019: £478,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The estimated value of employer contributions for the forthcoming year is £247,000. The agreed contribution rates for future years are 22.65% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2020 £'000s	2019 £'000s
Employer's contributions	269	252
Employees' contributions	68	60
	<hr/>	<hr/>
Total contributions	337	312
	<hr/>	<hr/>

SIMON BALLE ACADEMIES TRUST

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

21 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.6	2.4
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020 Years	2019 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	23.7
Retiring in 20 years		
- Males	22.8	22.3
- Females	25.5	25

Sensitivity analysis

	2020 £'000s	2019 £'000s
Discount rate -0.5%	744	700
Salary increase rate - +0.5%	52	74
Pension increase rate +0.5%	681	614

The Academy Trust's share of the assets in the scheme

	2020 Fair value £'000s	2019 Fair value £'000s
Equities	1,611	1,295
Bonds	1,063	1,031
Cash	91	106
Property	274	211
Total market value of assets	3,039	2,643

The actual return on scheme assets was £132,000 (2019: £197,000).

SIMON BALLE ACADEMIES TRUST

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

21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £'000s	2019 £'000s
Current service cost	567	382
Past service cost	-	4
Interest income	(50)	(64)
Interest cost	96	107
Total operating charge	613	429
Changes in the present value of defined benefit obligations	2020 £'000s	2019 £'000s
At 1 September 2019	5,021	3,621
Current service cost	567	382
Interest cost	96	107
Employee contributions	68	60
Actuarial loss	22	877
Benefits paid	(73)	(30)
Past service cost	-	4
At 31 August 2020	5,701	5,021
Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000s	2019 £'000s
At 1 September 2019	2,643	2,164
Interest income	50	64
Actuarial gain	82	133
Employer contributions	269	252
Employee contributions	68	60
Benefits paid	(73)	(30)
At 31 August 2020	3,039	2,643

SIMON BALLE ACADEMIES TRUST

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

22 Reconciliation of net expenditure to net cash flows from operating activities

	2020 £'000s	2019 £'000s
Net expenditure for the reporting period	(580)	(207)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(39)	(130)
Investment income	(23)	(19)
Financing costs	11	13
Defined benefit pension costs less contributions payable	298	134
Defined benefit pension net finance cost/(income)	46	43
Depreciation of tangible fixed assets	354	410
Losses/(profits) on disposals of fixed assets	(3)	45
(Increase)/Decrease in debtors	(181)	87
Increase/(Decrease) in creditors	112	(200)
Net cash used in operating activities	(5)	176

23 Analysis of changes in net funds

	1 September 2019 £'000s	Cash flows £'000s	31 August 2020 £'000s
Cash	729	84	813
Loans falling due within one year	(11)	-	(11)
Loans falling due after more than one year	(69)	11	(58)
	<u>649</u>	<u>95</u>	<u>744</u>

24 Contingent liabilities

During the period 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 Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency 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 Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and;
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

SIMON BALLE ACADEMIES TRUST

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

25 Commitments under operating leases

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

	2020 £'000s	2019 £'000s
Amounts due within one year	23	27
Amounts due in two and five years	27	49
	<hr/>	<hr/>
	50	76
	<hr/>	<hr/>

26 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions occurred during the period.

27 Members' liability

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

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funding to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £14,312 and disbursed £11,036 from the fund. An amount of £8,321 was brought forward from the previous year resulting in a balance of £11,597 included in other creditors relating to undistributed funds that are repayable to the ESFA.