

Registration number: 06754335

Greater Manchester Academies Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Greater Manchester Academies Trust

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Greater Manchester Academies Trust

Reference and Administrative Details

Members

Mr A Davies, appointed by British Telecom

Mr J Falder, appointed by HMG Paints Limited

Prof C Raffo, appointed by the University of Manchester

Trustees

Ms V Rosin, Chair

Mr R Lawler

Mr J Putt

Mrs H Slinger, Vice-Chair

Mrs H Vaughan

Mrs D Barrow

Mrs S Walker

Mr H Ngawoofah (appointed 1 September 2019)

Mr J Rowlands, Executive Principal (appointed 1 September 2019)

Company Secretary

Oakwood Corporate Secretary Limited

Senior Management Team

Mr J Rowlands, Executive Principal and Accounting Officer

Ms S Watmough, Headteacher (MCA) (appointed 4 November 2019)

Mr A Reed, Headteacher (MCPA)

Mrs P Hodson, Senior Director Families and Community

Mr S Ash, Chief Financial Officer (appointed 14 April 2020)

Mr I Wait, Chief Financial Officer (resigned 31 January 2020)

Principal and Registered Office

Oakwood Corporate Services

3rd Floor

1 Ashley Road

Altrincham

Cheshire

WA14 2DT

Company Registration Number

06754335

Auditors

Beever and Struthers
Chartered Accountants and Statutory Auditors
St George's House
215-219 Chester Road
Manchester
M15 4JE

Bankers

The Co-Operative Bank
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Solicitors

Mills & Reeve
Botanic House
100 Hills Road
Cambridge
CB2 1PH

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020

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

The Trust operates two academies within the community of North Manchester: Manchester Communication Academy (MCA) for students ages 11-16, and Manchester Communication Primary Academy (MCPA) for pupils aged 3-11. The Trust also operates Teach North Manchester, which is the North Manchester Initial Teacher Training (NMITT) centre.

Structure, governance and management

Constitution

The Trust is exempt charity and is constituted as a charitable company limited by guarantee (number: 06754335), governed by its Memorandum and Articles of Association. The Trustees of Greater Manchester Academies Trust (GMAT) are also the directors of the charitable company for the purpose of company law. The charitable company was previously known as Manchester Communication Academy, with the change in name being resolved in 2016.

Details of the Trustees who served during the year are included in the Reference and Administrative Details section on Page 1. Local governing bodies for MCA and MCPA were in place during 2019-20 and a Teach North Manchester (NMITT) Management Committee was also in place throughout the year.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act, every trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending the proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Method of recruitment and appointment or election of Trustees

The articles of association require the appointment of at least three trustees (there is no maximum number) to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. They are appointed as follows:

- Up to four by British Telecom (currently: H Slinger; S Walker; H Ngawoofah and D Barrow)
- Up to two staff trustees
- The Executive Principal / Accounting Officer, if appointed by resolution of the trustees (currently: J Rowlands)
- Up to four co-opted trustees (currently: V Rosin, H Vaughan, J Putt and R Lawler)

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

The term of office for any trustee is four years, save that:

- (i) this time limit shall not apply to the Executive Principal / Accounting Officer
- (ii) a staff trustee shall cease to hold office if s/he ceases to be employed at the Trust. Any trustee may be re-appointed or re-elected.

The trustees who are currently in office and served throughout the year are listed on page 1. During the period under review the trustees held seven meetings of the full Trust Board.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new trustees depends on their existing experience. New trustees undergo training on the legal obligations under company law, the content of the Memorandum and Articles of Association, the governance and decision making process of the Trust, the strategy, the financial position of the Trust and recent financial performance of the Trust.

Where necessary induction provides training on charity matters and on educational legal and financial matters.

All new trustees are given a tour of the academies within the Trust and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as trustees. Inductions are tailored specifically to the individual.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Organisational structure

A unified management structure operates at the Trust. The management structure consists of four levels:

- 1) the members
- 2) the trustees
- 3) the local governing bodies
- 4) the senior leadership team

The aim of the management structure is to devolve responsibility and encourage involvement in Trust decision making.

The trustees are responsible for setting general policy, adopting an annual and three-year plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

Local Governing Bodies (LGBs) are in place at MCA and MCPA. LGBs oversee the operation of each academy, as per the Trust's Scheme of Delegation and the Chair of each LGB sits on the Trust Board.

The senior leaders during the year of account were the Executive Principal who acted as Accounting Officer, supported by an Associate Vice Principal, the Senior Leader for the Social Investment Department, a Safeguarding Lead, the Chief Financial Officer, and by Shared Services Leads, whose teams provide services to all GMAT academies and institutions.

Headteachers at each academy also reported into the Executive Principal.

The senior leaders direct the Trust at an executive level, implementing the policies laid down by the trustees and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for staff in the management team always contain a trustee. Some spending control is devolved to members of the management team, with limits above which a senior manager must countersign. These are fully captured and detailed in the Trust's Financial Control Policy.

The management teams at academy level, which includes the senior management, Vice Principals and Assistant Principals, are responsible for the day-to-day operation of the Trust, in particular organising the teaching staff, facilities & students.

As sponsor, BT shares expertise, skills and good practices by way of providing some members, trustees, governors and committee members. BT does not take a direct role in managing the organisation.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a pay scale, agreed by the Trustees, which covers all senior managers (grades are broadly comparable to those found at maintained schools in Manchester). The Executive Principal / Accounting Officer's pay is reviewed annually by the Chair, who approves any changes to remuneration.

During the period of account, the Executive Principal / Accounting Officer was responsible for the performance management of Academy Headteachers and other senior leaders. The Executive Principal / Accounting Officer met with each staff member in this group to review their progress against agreed targets, and decisions regarding pay progression followed on from this.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Connected organisations, including related party relationships

The Trust works closely with its sponsor - British Telecom (BT). BT supports the Trust by sharing expertise, skills and good practices by way of providing some members, trustees, governors and committee to support the governance of the organisation. Expenditure with BT has been limited to the ongoing telephony & internet access contract; expenditure of £17,718.31 was incurred in this area.

One of the Trust's Members, Mr J Falder, is the managing director of HMG Paints Limited from whom the Trust procured some cleaning consumables during the coronavirus pandemic. The expenditure in this regard was £3,622.50.

The Executive Principal / Accounting Officer, Mr John Rowlands was appointed a Trustee of Right To Succeed on 14 July 2020. GMAT received grants from Manchester City Council during the year, £18,765 of which involved partnership working with Right To Succeed on the 'Every Child Project'.

The Project is a collaboration between Right to Succeed, Manchester City Council and nine Manchester secondary schools which explores ways of reducing pupil exclusions across the city through developing opportunities for young people and delivering positive educational changes. These specific grants were awarded to the Trust prior to 14 July 2020.

Another of the Trustees, Mr H Ngawoofah is an employee of Young Manchester. The Trust received a grant from Young Manchester during the year of £12,500.

Objectives and activities

Our Core Values

The Trust has five core values which underpin everything we do: trustworthy; helpful; inspiring; straightforward and heart.

These values are the foundations upon which every aspect of our work and success are built.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Objects and aims

The Academy Trust's vision is to provide high quality teaching & learning through a supportive framework for academic success which engages local communities, mitigates the effects of disadvantage and positively impacts social mobility.

Objectives, strategies and activities

GMAT aims to deliver excellent provision for students, families and the community and staff and aims to bring equality of educational experience to every student in order to maximise outcomes for all.

Students will:

- be physically, socially, emotionally safe and healthy
- be asset rich and resilient to the effects of the area and of personal disadvantage
- make good or better academic progress at each stage of their education
- be able to secure the employment opportunities of their choice
- be able to contribute to the community

It is the aim of GMAT that staff will achieve the highest professional standards, continuously developing their skills and experience through high quality research, training and innovation. In addition to this, the Trust supports Teacher Training through the North Manchester Initial Teacher Training Partnership.

To this end the activities provided include:

- tuition and learning opportunities for all students to make appropriate academic progress;
- training opportunities for all staff;
- teacher training opportunities;
- a programme of sporting and after school activities for all students.

Public benefit

The primary purpose of Greater Manchester Academies Trust is the advancement of education in the Greater Manchester area. Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of educational and other activities, the Trust aims to contribute considerable benefit to the local community. Families and the wider community make an important contribution throughout GMAT. They access outstanding facilities and the diverse programme of social and learning opportunities. Their involvement underpins a far reaching community strategy.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

The Trust continued to grow over the period of account. MCPA expands each year, with academic year 2019-20 being the first academic year hosting pupils in all year groups from Nursery to Year 6. Teach North Manchester (NMITT) continues to deliver newly qualified teachers, and MCA is close to capacity, delivering strong examination results.

Key performance indicators

Manchester Communication Academy (MCA)

There was no formal KS4 GCSE examination series in 2020, instead, Centre Assessed Grades (CAGs) were used to determine student outcomes. The results would support the 3 year trend where student progress has been average or above average. A full curriculum is delivered to all curriculum which provides a range of high quality opportunities in both Ebacc subjects and more vocational pathways.

Student numbers have increased considerably and there have been developments to the school environment through the addition of 2 new science labs and a multi-use games area.

Manchester Communication Primary Academy (MCPA)

This year, MCPA saw its first cohort of children 'graduate' from Year 6 and move on to secondary school, with around three quarters of the cohort transitioning to Year 7 at MCA. Although all primary assessments were cancelled this year due to the coronavirus pandemic, the children were on course to achieve well.

The staff team continues to strengthen, with a particular specialism in supporting pupils with social emotional and mental health issues emerging. This year also saw two new appointments to MCPA's senior leadership team, both new phase leaders who qualified through Teach North Manchester (NMITT).

The academy building has also been further developed during the year to support the educational outcomes of children.

Teach North Manchester (NMITT)

North Manchester Initial Teacher Training Programme aims to:

1. Deliver high quality Initial Teacher Training
2. Ensure that trainees become highly effective teachers
3. Provide high quality teachers for the children and young people of North Manchester and Greater Manchester
4. Provide opportunity for the collaborative improvement of learning and teaching across the partnership settings.

In 2019-20, 20 trainees gained Qualified Teacher Status (QTS) across all key stages. Trainees completed school placements and other experiences in educational settings, giving them a broad range of understanding for their future teaching.

Social Investment and Standing in our Local Community

Our ambition is to provide the highest quality education for children and young people in the communities whom we serve. We believe passionately in the power of an excellent education to transform lives and futures and feel that we can build on our social investment activities, local knowledge, community relationships and strong partnerships to make this happen. In addition to the provision of an excellent education to students in our academies, our social investment activities also enhance and strengthen the Trust's standing in the local community of North Manchester.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Social Investment and Standing in our Local Community

Our ambition is to provide the highest quality education for children and young people in the communities whom we serve. We believe passionately in the power of an excellent education to transform lives and futures and feel that we can build on our social investment activities, local knowledge, community relationships and strong partnerships to make this happen.

In addition to the provision of an excellent education to students in our academies, our social investment activities also enhance and strengthen the Trust's standing in the local community of North Manchester.

The Social Investment and Community Department run a number of programmes and initiatives within our community as follows:

Family Zone - Working with parents to ensure that their children are happy, safe and successful in school but also that they experience far reaching opportunities that inspire them to make a vital contribution in the future to our community and to wider society. We remove barriers to realise opportunities for our children growing up in the Family Zone.

Community Learning - The Trust provides a range of accredited and non-accredited courses available to the community, including first aid training, English as an additional language lessons, sign language and Maths lessons. There are further enrichment activities available such as art classes and armchair yoga.

Once Upon a Time - A group, primarily for over-50s where people are invited to drop-in sessions to make friends, enjoy companionship, reminisce and consider printed and other group archive material. The group produces a magazine three times a year, which features materials from the archives.

Community Lettings - The Trust is home to around 40 community groups, grassroots clubs and supplementary schools who provide a series of programmes to their participants and community members.

Research School

Manchester Communication Research School was designated by the Education Endowment Foundation in June 2019 and is one of 32 schools nationally. The Research School Network is primarily focused on mobilising evidence and supporting engagement with evidence and evidence informed practice across the teaching profession.

During 2019-20, the Manchester Communication Research School ran a number of courses ranging from twilight events, 1 day courses and 3 day courses and 28 different schools engaged with this training at some point. During 2019-20, 32 different schools have engaged with online training. This is on top of free webinars that we offered in the early days of lockdown.

We have 97 subscribers to our newsletter which is sent out every month. The newsletter includes national updates and research summaries along with our local updates including 'What we are reading' 'What's happening at MCA' and future events. We released a half-termly blog which reflects on practice at MCA and aligns this with the research findings.

Display of resilience during the coronavirus pandemic

The Covid-19 pandemic has presented significant challenges across the Trust. Throughout this period the commitment has been to:

- Redesign and resource support to effectively meet the changing needs of children, families and community both within learning and beyond
- Ensure equally effective learning opportunities irrespective of whether this takes place in school or at home, ensuring technology is in place and used effectively
- Continue to listen to families and staff to support them beyond routine school issues
- Keep in touch through regular phone calls, letters, text, social media and the websites to ensure communication is clear irrespective of whether children are in attendance or supported at home
- To ensure at least basic needs are met for all families

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Going concern

The financial performance in 2019-20 is much improved compared with the previous reporting year. The deficit incurred in 2018-19 would not have been sustainable and the trustees are pleased with the progress made so far in turning a concerning financial situation around.

A sustainable three-year financial plan for the period 2020 to 2023 has been prepared, scrutinised and approved. The plan is a meticulous balance of positivity and prudence and demonstrates that the Trust is a going concern. The plan is summarised as follows and excludes depreciation charges:

	2020-21	2021-22	2022-23
Income	£12.155m	£12.536m	£12.813m
Staffing costs	£8.966m	£9.473m	£9.964m
Non-staffing costs	£2.932m	£2.862m	£2.759m
Surplus	£0.257m	£0.21m	£0.09m

	2020-21	2021-22	2022-23
Cash held as at balance sheet date	£912k	£1,016k	£1,063k

As such, at the time of approving the annual report and financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

There has been an increase in income due to an increase in students across the academies in 2019-20. During the year, MCA was funded for 1,125 and MCPA was funded for 376 students.

In 2020-21, MCA is being funded for 1,172 students and MCPA is being funded for 385 students.

Further progress has been made during the year in being as close to 'PAN' as is possible.

The Trust has made significant progress in reducing its staffing ratio during academic year 2019-20. Over the last 12 months, the Trust underwent a review of staffing structures and managed a reduction in staffing complement mostly through natural wastage and voluntary redundancies. As at 31 August 2020, the staffing ratio (annual staffing costs as a percentage of annual total income) was 75.2%.

The Trust also reviewed non-staffing budgets and other overheads, identifying areas where savings could be made, where procurement could be more efficient and effective, and where recent areas of high expenditure could be targeted and addressed.

During 2020-21 the Trust's Finance Team will implement staff procurement, finance and cash awareness training with a view to further embed a culture of good financial management and best consideration of public funds.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Financial review

The significant majority of the Trust's income (95.8%) is received from central government and local government revenue grants, which include the main School Budget Share allocations and Pupil Premium funding.

The remaining income was generated through the Manchester Communication Research School, through other revenue grants (Garfield Weston Foundation) and through the Trust's lettings portfolio (dance studio, football pitches and sports hall), although the availability of these lettings for hire was curtailed in 2019-20 due to the coronavirus pandemic. The unavailability of the lettings portfolio for hire in the final five and a half months of 2019-20 has not had a material impact on Trust income levels.

The Trust brought its staffing ratio down to 75.2% in year and reduced non-staffing costs to a much more sustainable level. The Trust maintained its standing in the local community during the coronavirus pandemic, and its Social Investment Department led on offering primarily pastoral and solicitous support, but also some financial support, where necessary, to those members of our community most in need.

Cash in the bank as at 31 August 2020 was £773k, up from £159k twelve months earlier.

A summary of the financial performance for the year ended 31 August 2020 can be found in the Statement Of Financial Activities and a summary of the financial position as at 31 August 2020 can be found in the Balance Sheet.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Capital Expenditure

In recent years, the Trust had incurred considerable capital expenditure. Additions of £2,784m were made to fixed assets in the three years to 31 August 2020. The level of capital expenditure relative to capital grant income was not proportionate and not sustainable.

The Trust has incurred capital expenditure of £131k in 2019-20. This comprised of £17k being the final payment on the new changing rooms, £38k on the reconstruction of two science laboratories in MCA (funded by the Wolfson Foundation), £54k on a new Multi Use Games Area (funded by Manchester City Council) and £22k on flooring and partition walls at MCPA.

The levels of capital expenditure will continue to be carefully monitored by the Trust moving forward.

Other significant movements in the Statement Of Financial Activities are £913k of depreciation costs and a further increase in pension liabilities of £939k. Although these movements are not 'cash' transactions, the trustees consider the longer term implications of these on the financial viability of the Trust.

Depreciation

The Trust's total depreciation charge for the year is £913k (down from £1.049m in 2018-19). Of this total depreciation charge, £699k is in respect of land and buildings, £78.5k in respect of furniture, fixtures and fittings, and £3.5k in respect of owned vehicles. These assets are maintained, as far as is possible, in an 'as new' condition, with an annual programme of planned & preventative maintenance (PPM) for both academies, and reactive maintenance budgets for ensuring the upkeep of the built fabric of each site.

A comprehensive Trust Asset Management Plan is under construction and management of the Plan will be a regular Finance and Audit Committee agenda item during 2020-21. The Trust's refined Reserves Policy details a commitment to contribute funding to its Asset Management Plan on an annual basis.

ICT depreciation for the year is £132k (down from £233k in 2018-19) and this reflects the reduction in value of the Trust's ICT hardware & infrastructure. The Trust did enter into an operating lease for its AV equipment and for its laptop and desktop computers. These items do not show on the Trust's balance sheet as fixed assets and the lease payments have been realised as items of expenditure in the Statement Of Financial Activities.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Pension Liabilities

Trust staff are placed in one of two pension schemes: teaching staff are in the Teachers' Pension Scheme (TPS), and associate staff are in the Greater Manchester Pension Fund (GMPF). The TPS is 'unfunded', and so no liability as such is reflected in Trust Accounts; although the considerable increase in TPS contributions, reflected in Trust budgets from 2019-20, has arisen due to the increased cost of funding teachers' pensions. The rate for TPS employer contributions is currently 23.68% (2019:16.48%)

The GMPF is 'funded' - so each year, the value of the fund and the liabilities to be met from it are assessed, and the change in these factors is reflected in the accounts of bodies who have staff in the fund. The increase in this liability is due to a wide range of macro-level external factors, affecting the financial environment & assumptions about future performance. Managing the Pension Fund so that assets and liabilities match up in the longer term is a role undertaken by fund managers; periodically, contribution rates are amended to ensure the fund continues to be viable. The rate for GMPF employer contributions is currently 18.5%(2019: 19.1%).

The GMPF liability is considered in the overall reserves of the Trust:

Restricted General Fund: £0.396m
Restricted Capital Fund: £30.019m
Restricted Pension Fund: (£3.543m)
Unrestricted Fund: £0.210m

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Risk Management

The trustees are aware of their responsibilities to identify, assess and manage the major risks to which the Trust is exposed.

During the year, the Trust has furthered its work on risk management by refining its risk management policy and risk strategy. All staff and governors continue to have a good understanding of their day to day responsibilities in managing risk.

The Trust has implemented a 'three lines of defence' model to help with the management of risk. The 'three lines of defence' are three sets of people who collaborate to manage risk. A person may belong to more than one set; however, each set as a whole maintains a degree of independence from the preceding set, and each set is proactive and does not wait for the preceding set to 'fail':

- 1) The first 'line of defence' consists of all staff, governors and trustees.
- 2) The 'second line of defence' consists of all Senior Leadership Team and Finance and Audit Committee colleagues. Managers should not only ensure that their staff are aware of their operational risks and that their staff perform the controls expected of them in their day to day activities, but should also apply cross-department challenge in terms of risk and control.
- 3) The 'third line of defence' consists of the Board of Trustees and the Executive Principal. The Board of Trustees and the Executive Principal ensure that everyone is aware of their operational risks, that staff are performing the controls expected of them, that managers are ensuring their staff are risk aware, and that managers are applying appropriate challenge.

The Trust has identified the following risk types - thematic categories into which our risks are classified.

- People Risk (including Safeguarding)
- Finance Risk
- Governance Risk
- Operational Risk (including Covid)
- Compliance Risk
- Environmental & External Factors Risk
- Facilities Risk

These classifications are present on the Trust's Risk Register, which holds all identified risks. Each risk is given a severity rating and a likelihood rating and is mapped to a series of controls, in place to mitigate said risks.

Each risk type has an 'owner' who is a senior Trust leader. Policies and procedures have been developed against each to manage risk, and the risk register is reviewed periodically by the Board to identify areas where further measures may be needed.

The processes in place to identify, log, classify and manage risk are reviewed annually or where there have been material changes to the relevant courses of business. The Trust's Risk Register is also reviewed and approved on an annual basis.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves policy

The Trust's Reserves Policy has been scrutinised by the Finance and Audit Committee and has been approved by the Trustees. The principal objective of the Policy is to protect our learners, our staff, trustees and governors, and our assets.

The Policy has other objectives as follows:

- 1) to develop sufficient capital and revenue reserves to fund future projects.
- 2) to have a prudent level of resources available to meet unforeseen contingencies. Very often, the effects of an unplanned event can be managed in the long-term, but the Trust needs reserves in the meantime.
- 3) to further stabilise the Trust's finances and continue the improvement of the Trust's reserves levels.
- 4) to maintain a focus on pure cash reserves
- 5) to be utilised alongside the Trust's long-term asset management plan.
- 6) to contribute to the culture of good financial control, cash management and value for money, which are communicated and embedded across the Trust and its academies

The maintenance and improvement of the Trust's reserves is focused primarily on cash in the bank, but also on accounting reserves balances. The Trustees have short term and longer term plans for the maintenance and improvement of these reserves.

For the academic year 2020-21:

- the Trust must hold at least £750,000 across all of its bank accounts at any given point in time.
- at each month end date, the Trust must hold the equivalent of one month's payroll costs
- the Trust will aim to allocate £250,000 per year towards funding its asset management plan.
- the Trust will open and utilise a deposit or appropriate call account, in accordance with its Banking and Investments Policy, to increase the return on its increasing reserve levels held. The order of priorities with deposit and call accounts must be: a) security; b) liquidity, and; c) return.

The Trustees acknowledge that the level of reserves for the charitable company may change during the year and could either be a good indicator of the underlying financial health of the Trust, or could be an indicator of potential problems.

In the longer term, the Trustees have reserves targets which are a balance between prudence and positivity. These targets will be reviewed and amended as appropriate over the next two years. The Trustees are pleased with the turnaround in cash position over the last 12 months, and acknowledge the further improvements needed in building these reserves.

The Trustees will also look to extend the reporting of reserves, particularly cash balances, to consider academy and institute level reserves.

The mechanics of reporting academy and institute level reserves will be discussed and worked upon at Local Governing Body level and escalated to Trustees, as appropriate.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Banking and Investments Policy

If the cash reserves levels rise significantly faster than expected during the year, the Trustees may decide to invest externally. The consideration and potential decision must be added to an agenda item at the next meeting of the Board of Trustees.

For the said agenda item, The Trustees must consider and have minuted:

- the amount to be invested and for how long.
- whether a potential investment gives security of investment (includes looking at counterparty credit ratings).
- how quickly the capital invested can be converted to cash at any given point in time.
- what the return on investment is.
- whether the performance of a potential investment can be reliably measured.
- whether a diversification of investment is preferred.
- whether there is potential to be adversely impacted by currency, interest rate or other market fluctuations.
- whether there are any material brokerage costs.
- whether there are any ethical considerations.
- whether there are any reporting or other contractual requirements as a result of investment.

The Trustees must ensure that investment risk is properly managed and must not undertake any form of borrowing without prior written approval from the ESFA.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Greater Manchester Academies Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

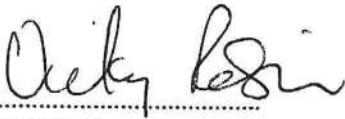
The Trust does not act as a custodian trustee for any charities.

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 30 November 2020 and signed on its behalf by:



Ms V Rosin
Trustee



Mr J Rowlands
Executive Principal

Greater Manchester Academies Trust

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to Mr J Rowlands, (Executive Principal), 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 Greater Manchester Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms V Rosin	7	7
Mrs D Barrow	0	1
Mrs H Slinger	5	7
Mrs H Vaughan	7	7
Mr J Putt	6	7
Mr R Lawler	5	7
Mr H Ngawoofah	7	7
Mr J Rowlands	7	7
Mrs S Walker	3	7

Mr J Rowlands became the Executive Principal / Accounting Officer on 1 September 2019 replacing Mr I Wait. Mr I Wait resigned as a trustee on 31 August 2019 and Mr J Rowlands was appointed as a Trustee on 1 September 2019.

The Board seeks to receive & review key performance data for each of the key components of the Trust; to ensure that key deliverables (audited accounts, budgets, effective management reporting) are delivered to schedule; and secure and safeguard the Trust's future by reviewing key risks & actions required to address them.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to provide advice and guidance to the main Board on all financial matters, to lead on liaison with Internal & External Audit, to ensure Value For Money (VFM) and propriety in the Trust's financial processes & procedures. Attendance at meetings during the year was as follows: Attendance at meetings during the year was as follows:

Finance and Committee Member	Meetings attended	Out of a possible
Mrs H Vaughan (Chair)	6	6
Mrs D Barrow	1	1
Mrs A Lund	3	3
Mr I Wait	3	3

Greater Manchester Academies Trust

Governance Statement (continued)

Mr D Atenyam	1	1
Mr G Johnson	1	5
Mr A Jubb	5	6
Mr J Rowlands	4	4
Ms J Uttley	1	3
Mr H Ngawoofah	3	3
Ms M Hall	3	6
Mr S Ash	3	3

Review of value for money

The Executive Principal / Accounting Officer has responsibility for ensuring that the Trust delivers as best value as it can in the use of public resources. The Executive Principal / Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

It is further considered how the academy Trust's use of its resources has provided best value for money during each academic year. The Executive Principal / Accounting Officer reports to the board of trustees detailing where value for money can be improved. During the academic year the Trust demonstrated achieving best value for money by:

- executing a staffing restructure, yielding greater effectiveness and efficiencies, whilst not compromising the quality of education and whilst not compromising the wider work the Trust does in its local community
- redefining leadership teams both centrally and across the academies
- procuring installation of LED lighting in MCPA in order to reduce the cost of utilities over the next 10 years (the installation was completed in MCA during October and November 2020)
- implementing and embedding a new Trust wide procurement and financial management system, thus simultaneously reducing administration time and improving audit trail and transparency of procurement and purchasing authorisations and conformance to academies lower level budgets
- improving financial reporting, including defining explicitly what is meant by financial reporting across the Trust, enhancing information presented to members, trustees and governors and embedding a culture of cash awareness and sound financial control throughout the Trust
- commenced the evolution, refinement and improvement of trust wide policies and procedures

The Trustees are pleased with the progress made in achieving best value for money, and strive to improve further in this regard over the next academic year.

The purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Greater Manchester Academies Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

The Trust is refining and improving its Financial Control Policy during 2020-21. This refresh is intended to improve the culture of financial awareness, of obtaining good value for money and of management of cash.

Greater Manchester Academies Trust

Governance Statement (continued)

Capacity to Handle Risk

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

Risk and Control

The Trust has a comprehensive risk management strategy which has been refined and scrutinised during 2019-20. Details of the Trust's risk management strategy are articulated in the Trustees' Report.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- comprehensive scrutiny of cash flow management and liquidity.
- regular reviews by the finance and audit 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.
- delegation of authority and segregation of duties.
- identification and management of risks.
- clearly defined purchasing, procurement and expenditure guidelines.

Risk management has formed part of the Trust's internal audit book of work during 2020.

Redrambler Limited were appointed to deliver internal audit during 2020. The role of the internal audit is to review the Trust's systems cyclically & report on their schedule of work to the Finance & Audit Committee, to provide details of any material control issues arising as a result of their work and, if relevant, to describe what remedial action is being taken to rectify the issues. In the year of account, internal audit also reviewed how the Trust complies with the requirements detailed in the Academies Financial Handbook.

Greater Manchester Academies Trust

Governance Statement (continued)

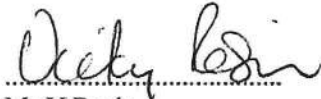
Review of Effectiveness

As Accounting Officer the Executive Principal 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 work of the senior management team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 30 November 2020 and signed on its behalf by:



Ms V Rosin
Trustees



Mr J Rowlands
Executive Principal

Greater Manchester Academies Trust

Statement on Regularity, Propriety and Compliance

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

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

I confirm that the following instances of material irregularity, impropriety or funding non compliance discovered to date have been notified to the board of trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Financial Issues

During the year of account, the Trust had the following transactions with British Telecom:

- Internet access and telephony services to the value of £17,718 (excl VAT) for both schools;

The above transaction does not meet the "At Cost" requirements of the Academies Financial Handbook 2019. As we have previously noted, transactions with BT have been entered into after open & fair competition, and there has been no personal benefit to BT Trustees from these transactions. Nonetheless, we are ending this contract early, to ensure we comply with DfE requirements regarding related party transactions.



Mr J Rowlands, (Executive Principal)
Accounting Officer

Date: 30 November 2020

Greater Manchester Academies Trust

Statement of Trustees' Responsibilities

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

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

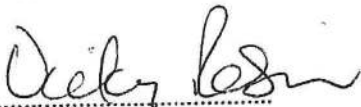
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards,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

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

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

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

Approved by order of the members of the Board on 30 November 2020 and signed on its behalf by:



Ms V Rosin
Trustee

Greater Manchester Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Greater Manchester Academies Trust

Opinion

We have audited the financial statements of Greater Manchester Academies Trust "the academy trust" for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Greater Manchester Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Greater Manchester Academies Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Greater Manchester Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Greater Manchester Academies Trust (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 4 December 2020

Greater Manchester Academies Trust

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

In accordance with the terms of our engagement letter dated 1 June 2017 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 Greater Manchester 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 Greater Manchester Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Greater Manchester Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Greater Manchester Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the board of trustees' funding agreement with the Secretary of State for Education dated 13 March 2009 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Greater Manchester Academies Trust

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

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 year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them:

The Trust entered into related party transactions with a connected party. Details are as follows:

1. British Telecommunications Plc (BT) - BT is a member of the Academy Trust. The Academy Trust procured goods and services from BT. The transactions are at normal market rates and therefore include an element of profit. The transactions therefore do not meet the "at cost" requirements of the Academies Financial Handbook (reference 5.48).

Full details of the related party transactions noted above are included in Note 25 of the Financial Statements, and details are also provided in the Accounting Officer's Statement on Regularity, Propriety and Internal Control on page 23.

Beever and Struthers

Sue Hutchinson FCCA

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 4 December 2020

Greater Manchester Academies Trust

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

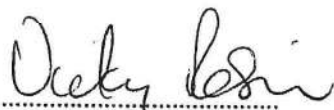
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Income and endowments from:						
Donations and capital grants	2	13	-	122	135	98
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	1	11,145	-	11,146	10,334
Teaching schools		-	282	-	282	386
Other trading activities	4	280	51	-	331	238
Investments	5	-	-	-	-	6
Apprenticeship levy funded training		-	17	-	17	16
Total		294	11,495	122	11,911	11,078
Expenditure on:						
Raising funds	6	84	-	-	84	115
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	11,232	961	12,193	12,638
Teaching schools	23	-	259	-	259	344
Apprenticeship levy funded training		-	17	-	17	16
Total		84	11,508	961	12,553	13,113
Net income/(expenditure)		210	(12)	(839)	(642)	(2,035)
Transfers between funds		-	(39)	39	-	-
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	26	-	(422)	-	(422)	(1,385)
Net movement in funds/(deficit)		210	(473)	(800)	(1,064)	(2,035)
Reconciliation of funds						
Total (deficit)/funds brought forward at 1 September 2019		-	(2,673)	30,818	28,145	31,565
Total funds/(deficit) carried forward at 31 August 2020		210	(3,147)	30,019	27,082	28,145

Greater Manchester Academies Trust

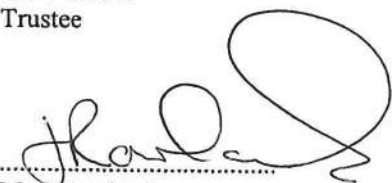
**(Registration number: 6754335)
Balance Sheet as at 31 August 2020**

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	12	29,988	30,819
Current assets			
Debtors	13	501	459
Cash at bank and in hand		773	159
		1,274	618
Liabilities			
Creditors: Amounts falling due within one year	14	(637)	(687)
Net current assets/(liabilities)		637	(69)
Total assets less current liabilities		30,625	30,750
Net assets excluding pension liability		30,625	30,750
Defined benefit pension scheme liability	26	(3,543)	(2,604)
Total net assets including pension liability		27,082	28,146
Funds of the Academy:			
Restricted funds			
Restricted general fund		396	(70)
Restricted fixed asset fund		30,019	30,819
Restricted pension fund		(3,543)	(2,604)
		26,872	28,145
Unrestricted funds			
Unrestricted general fund		210	-
Total funds		27,082	28,145

The financial statements on pages 30 to 60 were approved by the Trustees, and authorised for issue on 30 November 2020 and signed on their behalf by:



Ms V Rosin
Trustee



Mr J Rowlands
Executive Principal

Greater Manchester Academies Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	575	(774)
Cash flows from investing activities	19	<u>39</u>	<u>(956)</u>
Change in cash and cash equivalents in the year		614	(1,730)
Cash and cash equivalents at 1 September		<u>159</u>	<u>1,889</u>
Cash and cash equivalents at 31 August	20	<u>773</u>	<u>159</u>

Greater Manchester Academies Trust

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

1 Accounting policies

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

Basis of preparation

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future. The financial performance reviewed in these statements does not give rise to concern about the continuing operation of the Trust.

The three-year budget projection for GMAT, based on the actions agreed at the Trust Board, demonstrates that the Trust is a going concern. In summary, after making appropriate enquiries, the Trust Board has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Trustees' Annual Report.

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.

Greater Manchester Academies Trust

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

1 Accounting policies (continued)

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 spent on capital projects in line with the terms and conditions of the grant. 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 recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT, although the proportion of VAT which is irrecoverable by the Trust is not material. The Trust is entitled to reclaim all VAT on its non-business activities, which include all educational and other activities in relation to its academies.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Greater Manchester Academies Trust

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
L/Term Leasehold Property	50 Years
S/Term additions to leasehold buildings	8 Years
Motor Vehicles	4 Years
Fixtures & Fittings	4 Years
Computer equipment	3 Years
Assets under the course of construction	No charge until completed

Liabilities

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

Provisions

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

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

Leased assets

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

Greater Manchester Academies Trust

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

1 Accounting policies (continued)

Financial Instruments

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

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

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

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

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.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Greater Manchester Academies Trust

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

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Government grants	-	122	122	97
Other donations	13	-	13	1
	13	122	135	98

The income from donations and capital grants was £134,632 (2019: £98,357) of which £12,732 was unrestricted (2019: £1,428), £Nil restricted (2019: £Nil) and £121,899 restricted fixed assets (2019: £96,929).

Greater Manchester Academies Trust

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

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	9,173	9,173	8,826
Insurance	-	28	28	-
Pupil Premium	-	897	897	862
Other DfE/ESFA grants	-	504	504	228
PE & Sports grant	-	19	19	18
	-	10,620	10,620	9,934
Other government grants				
SEN from LA	-	207	207	134
Other government grants	-	135	135	173
Music Tuition grant	-	8	8	10
	-	350	350	317
Non-government grants and other income				
Other income	-	-	-	41
Education Endowment Foundation	-	65	65	-
Thrive - Young Manchester	-	13	13	-
Once Upon A Time	-	2	2	5
Urban Crew	-	-	-	8
Brainhouse	-	-	-	1
Holiday programme	1	-	1	28
Garfield Weston Foundation	-	40	40	-
	1	120	121	83
Exceptional government funding				
Coronavirus exceptional support	-	55	55	-
Total grants	1	11,145	11,146	10,334

The funding for educational operations was £11,146,470 (2019: £10,333,491) of which £1,200 was unrestricted (2019: £27,766), £11,145,270 restricted (2019: £10,305,725) and £Nil restricted fixed assets (2019: £Nil).

Greater Manchester Academies Trust

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

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Hire of facilities	113	-	113	87
Catering income	43	-	43	46
Uniform sales		-		2
Other income	123	51	174	103
	280	51	331	237

The income from other trading activities was £331,348 (2019: £237,109) of which £280,157 was unrestricted (2019: £237,109), £51,191 restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	2019/20 Total £ 000	2018/19 Total £ 000
Investment income	-	6

The income from investments was £Nil (2019: £5,575) of which £Nil was unrestricted (2019: £5,575), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

Greater Manchester Academies Trust

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

6 Expenditure

	Non Pay Expenditure			2019/20	2018/19
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
Expenditure on raising funds					
Direct costs	81	3	-	84	32
Allocated support costs	-	-	-	-	81
Academy's educational operations					
Direct costs	6,103	831	911	7,845	7,789
Allocated support costs	2,887	487	974	4,348	4,850
Teaching School	81	-	178	259	344
Apprenticeship levy funded training					
Allocated support costs	-	-	17	17	16
	9,152	1,321	2,080	12,553	13,111

Net income/(expenditure) for the year includes:

	2019/20 £ 000	2018/19 £ 000
Operating lease rentals	223	14
Depreciation	913	1,049
Fees payable to auditor - audit	12	11
- other audit services	5	5

Greater Manchester Academies Trust

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

7 Charitable activities

	Total 2020 £ 000	Total 2019 £ 000
Direct costs - educational operations	7,845	7,789
Support costs - educational operations	4,348	4,850
	12,193	12,638

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	2,887	2,887	3,195
Depreciation	82	82	120
Technology costs	53	53	103
Premises costs	487	487	471
Other support costs	808	808	934
Governance costs	30	30	27
Total support costs	4,348	4,348	4,850

Greater Manchester Academies Trust

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

8 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	6,669	7,228
Social security costs	635	690
Operating costs of defined benefit pension schemes	1,755	1,384
	<u>9,059</u>	<u>9,302</u>
Supply staff costs	31	17
Staff restructuring costs	87	-
	<u>9,177</u>	<u>9,319</u>
		2020 £ 000

Staff restructuring costs comprise:

Redundancy payments	52
Severance payments	35
	<u>87</u>

Greater Manchester Academies Trust

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

8 Staff (continued)

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	133	147
Non-teaching staff	129	147
	<u>262</u>	<u>294</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2020 No	2019 No
£60,001 - £70,000	7	5
£70,001 - £80,000	2	1
£80,001 - £90,000	2	-
£90,001 - £100,000	-	2
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £571,042 (2019: £497,711).

Greater Manchester Academies Trust

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

9 Shared services

Redefined as Shared Services, the Trust provides a number of centralised functions and delivers a number of centralised services. During the academic year these deliverables covered:

- Leadership and governance
- Finance, payroll and administration
- Site Management
- Human Resources
- ICT support, systems and licencing
- Social Investment Department services - Safeguarding, Community Learning, Family Support, Family Zone.

During the year the trust charged MCA, MCPA and Teach North Manchester (NMITT) on the basis of an agreed Service Level Agreement (SLA). The SLA details the services each member can expect to receive and the basis on which their charges has been calculated.

The Finance and Audit Committee scrutinise the actual shared services costs during the year and the Trustees review them. The shared services costs are reported to local governing bodies and to the Teach North Manchester (NMITT) Management Committee.

The actual amounts charged during the year were as follows:

	2020
	£ 000
Manchester Communication Academy	938
Manchester Communication Primary Academy	182
Teach North Manchester (NMITT)	12
	<hr/>
	1,132

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Executive Principal only receives remuneration in respect of services he provides undertaking the role of a staff member under his contract of employment, and not in respect of his role as a trustee.

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

11 Trustees' and officers' insurance

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

Greater Manchester Academies Trust

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

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	Assets under construction £ 000	Total £ 000
Cost						
At 1 September 2019	34,738	2,045	2,561	32	1,100	40,477
Additions	71	60	-	-	-	131
Disposals	(58)	-	-	-	-	(58)
Transfers	1,100	-	-	-	(1,100)	
At 31 August 2020	35,851	2,106	2,561	32	-	40,550
Depreciation						
At 1 September 2019	5,380	1,875	2,374	28	-	9,658
Charge for the year	699	78	132	4	-	913
Eliminated on disposals	(10)	-	-	-	-	(10)
At 31 August 2020	6,070	1,954	2,506	32	-	10,561
Net book value						
At 31 August 2020	29,782	152	55	-	-	29,988
At 31 August 2019	29,357	170	187	4	1,100	30,819

The academy trust's transactions relating to land and buildings included:

- the disposal of scrapped canopies on dismantling by the academy trust at a net book value of £48,119.

13 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	84	28
VAT recoverable	70	83
Prepayments	275	184
Accrued grant and other income	72	164
	<u>501</u>	<u>459</u>

Greater Manchester Academies Trust

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

14 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	171	252
Other taxation and social security	147	170
Other creditors	28	75
Accruals	101	26
Deferred income	44	75
Pension scheme creditor	146	88
	637	687
	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	75	80
Resources deferred in the period	44	75
Amounts released from previous periods	(75)	(80)
Deferred income at 31 August 2020	44	75

Income of £44,440 has been deferred in the year for advance payment of Year 7 Catch Up income, Universal free school meals, Urban Crew community project income and rates income which relates to the 2020/21 academic year.

Greater Manchester Academies Trust

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

15 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
GAG	(320)	9,173	(8,814)	(39)	-
Other trading activities	-	51	(51)	-	-
Other DfE/ESFA grants	100	532	(519)	-	113
Pupil Premium Grant	-	897	(897)	-	-
Other government grant	14	143	(143)	-	14
Community grants	16	-	-	-	16
SEN from LA	-	207	(207)	-	-
PE and Sports Grant	-	19	(19)	-	-
Non government grants	-	120	(120)	-	-
Teach North Manchester (NMITT)	120	282	(259)	-	143
Apprenticeship levy funded training	-	17	(17)	-	-
Coronavirus Support	-	55	(55)	-	-
	(70)	11,495	(10,990)	(39)	396
Restricted pension funds					
Pension reserve	(2,604)	-	(517)	(422)	(3,543)
Total restricted general funds	2,674	(11,495)	11,507	461	3,147
Restricted fixed asset funds					
Restricted fixed asset funds	30,819	122	(961)	39	30,019
Total restricted funds	28,145	11,617	(12,468)	(422)	26,872
Unrestricted funds					
Unrestricted general funds	-	294	(84)	-	210
Total funds	28,145	11,911	(12,552)	(422)	27,082

Greater Manchester Academies Trust

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

15 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
GAG	-	8,826	(8,497)	(648)	(320)
Other trading activities	164	-	(164)	-	-
Other DfE/ESFA grants	525	228	(653)	-	100
Pupil Premium Grant	130	862	(992)	-	-
Other government grant	459	173	(618)	-	14
Community grants	17	14	(15)	-	16
Local Authority grants	42	144	(186)	-	-
PE and Sports Grant	13	18	(31)	-	-
Non government grants	62	41	(103)	-	-
Teach North Manchester (NMITT)	78	386	(344)	-	120
Apprenticeship levy funded training	-	16	(16)	-	-
	1,490	10,708	(11,619)	(648)	(70)
Restricted fixed asset funds					
Restricted fixed asset funds	30,893	97	(1,050)	879	30,819
Restricted pension funds					
Pension reserve	(891)	-	(328)	(1,385)	(2,604)
Total restricted funds	31,492	10,805	(12,997)	(1,154)	28,145
Unrestricted funds					
Unrestricted general funds	73	273	(115)	(231)	-
Total funds	31,565	11,078	(13,112)	(1,385)	28,145

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

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy.

Restricted Fixed Asset funds provide for the installations, maintenance and repair of the fixed assets of the Academy.

Unrestricted Funds are those other resources which may be used to further the objectives of the Academy.

The transfers from GAG restricted funds to restricted fixed asset funds represents capital expenditure funded from GAG.

Greater Manchester Academies Trust

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

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £ 000
Manchester Communication Academy	51
Manchester Communication Primary Academy	412
Teach North Manchester (NMITT)	143
Central services	-
Total before fixed assets and pension reserve	606
Restricted fixed asset funds	30,019
Pension reserve	(3,543)
Total	27,082

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Manchester Communication Academy	5,013	1,777	163	2,686	9,639
Manchester Communication Primary Academy	898	553	42	395	1,888
Central services	102	922	-	-	1,024
Academy Trust	6,013	3,252	205	3,081	12,552

Greater Manchester Academies Trust

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

15 Funds (continued)

	Total 2019 £ 000
Manchester Communication Academy	9,230
Manchester Communication Primary Academy	1,780
Central services	1,024
Academy Trust	12,034

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	30,019	30,019
Current assets	1,274	-	1,274
Current liabilities	(637)	(31)	(668)
Pension scheme liability	(3,543)	-	(3,543)
Total net assets	(2,906)	29,988	27,082

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

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	30,819	30,819
Current assets	619	-	619
Current liabilities	(689)	-	(689)
Pension scheme liability	(2,604)	-	(2,604)
Total net assets	(2,674)	30,819	28,145

17 Commitments under operating leases

Operating leases

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

Greater Manchester Academies Trust

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

17 Commitments under operating leases (continued)

	2020 £ 000	2019 £ 000
Amounts due within one year	210	233
Amounts due between one and five years	165	401
	375	633

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

	2020 £ 000	2019 £ 000
Net expenditure	(642)	(2,035)
Depreciation	913	1,049
Capital grants from DfE and other capital income	(122)	(97)
Interest receivable	-	(6)
Defined benefit pension scheme cost less contributions payable	463	300
Defined benefit pension scheme finance cost	54	29
(Increase)/decrease in debtors	(42)	204
Decrease in creditors	(50)	(220)
Net cash provided by/(used in) Operating Activities	575	(774)

19 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	-	6
Purchase of tangible fixed assets	(131)	(1,058)
Proceeds from sale of tangible fixed assets	48	-
Capital funding received from sponsors and others	122	97
Net cash provided by/(used in) investing activities	39	(956)

20 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	773	159
Total cash and cash equivalents	773	159

Greater Manchester Academies Trust

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

21 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	159	614	773
Total	159	614	773

Greater Manchester Academies Trust

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

22 Members' liability

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

Greater Manchester Academies Trust

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

23 Teaching school trading account

	2019/20 £ 000	2018/19 £ 000
Income		
Direct Income		
Other income	282	386
Total Income	282	386
Expenditure		
Direct costs		
Direct staff costs	81	95
Staff development	23	23
Other direct costs	1	1
Total direct costs	105	119
Other costs		
Support staff costs	3	4
Technology costs	-	1
Recruitment and support	139	218
Share of governance costs	12	2
Total other costs	154	225
Total Expenditure	(259)	(344)
Surplus from all sources	23	41
Teaching school balances at 1 September 2019	120	78
Teaching school balances at 31 August 2020	143	120

Greater Manchester Academies Trust

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

24 Statement of Financial Activities for the year ended 31 August 2019

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000
Donations and capital grants	2	1	-	97	98
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	28	10,306	-	10,334
Teaching schools		-	386	-	386
Other trading activities	4	238	-	-	238
Investments	5	6	-	-	6
Apprenticeship levy funded training		-	16	-	16
Total		273	10,708	97	11,078
Raising funds	6	115	-	-	115
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	11,588	1,050	12,638
Teaching schools	25	-	344	-	344
Apprenticeship levy funded training		-	16	-	16
Total		115	11,948	1,050	13,113
Net income/(expenditure)		158	(1,240)	(953)	(2,035)
Transfers between funds		(231)	(648)	879	-
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	23	-	(1,385)	-	(1,385)
Net movement in deficit		(73)	(3,273)	(74)	(3,420)
Total funds brought forward at 1 September 2018		73	600	30,892	31,565
Total (deficit)/funds carried forward at 31 August 2019		-	(2,673)	30,818	28,145

Greater Manchester Academies Trust

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

25 Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the board of trustees - historically being drawn from local public and private sector organisations - transactions have previously taken place with organisations in which the Academy Trust has an interest. All transactions involving such organisations have always been conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The Trust has always sought best value in all procurement.

The Trust has reported previously on related party transactions with Manchester City Council; the University of Manchester; and British Telecom. These transactions were reported on by external auditors, who recommended that related party transactions were reviewed to ensure compliance with the Academies Financial Handbook, and that the AFH be considered in drafting Trust policies before entering into transactions with related parties.

British Telecom (BT)

Expenditure with BT has been limited to the ongoing telephony & internet access contract; expenditure of £17,718 was incurred in this area. There is no requirement placed on the Trust to use BT for the provision of any good or service, and BT Trustees have no operational role in the areas where we have procured services.

At the 31 August 2020 the Trust owed BT £nil (£2019: nil) with all BT services being terminated post year end.

Greater Manchester Academies Trust

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

25 Related party transactions (continued)

Manchester City Council

Any of the transactions we incur with Manchester City Council met the "at cost" requirements of the Academies Financial Handbook.

During the year Danielle Barrow (MCC HR) served as a Trustee. Danielle is not directly involved in the management of any of the divisions of the council with whom we transacted. These transactions are:

Catering provision is with Manchester Fayre (part of Manchester City Council) and is charged on a management fee basis where any operating subsidy will be payable by GMAT. On the other hand, any operating surplus will be returned to GMAT which serves to mitigate the costs incurred by GMAT. A net subsidy of £3,733 was paid to GMAT in the year.

Trustee Transactions

One of the Trust's Members, Mr J Falder, is the managing director of HMG Paints Limited from whom the Trust procured some cleaning consumables during the coronavirus pandemic. The expenditure in this regard was £3,622.50.

The Executive Principal / Accounting Officer, Mr John Rowlands was appointed a Trustee of Right To Succeed on 14 July 2020. GMAT received grants from Manchester City Council during the year, £18,765 of which involved partnership working with Right To Succeed on the 'Every Child Project'.

The Project is a collaboration between Right to Succeed, Manchester City Council and nine Manchester secondary schools which explores ways of reducing pupil exclusions across the city through developing opportunities for young people and delivering positive educational changes. These specific grants were awarded to the Trust prior to 14 July 2020.

Another of the Trustees, Mr H Ngawoofah is an employee of Young Manchester. The Trust received a grant from Young Manchester during the year of £12,500.

26 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 . Both are multi-employer defined benefit schemes.

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

Contributions amounting to £ 145,911 (2019 - £88,040) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

Greater Manchester Academies Trust

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

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% (2019:16.48%) of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £988,889 (2019: £699,495).

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.

Greater Manchester Academies Trust

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

26 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £418,371 (2019 - £468,000), of which employer's contributions totalled £316,609 (2019 - £353,000) and employees' contributions totalled £102,000 (2019 - £115,000). The agreed contribution rates for future years are 18.5 per cent for employers and between 5.5 & 12.5 per cent for employees.

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

Principal actuarial assumptions

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

Greater Manchester Academies Trust

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

26 Pension and similar obligations (continued)

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

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

Sensitivity analysis

	MCA 2020 £000	MCPA 2020 £000	MCA 2019 £000	MCPA 2019 £000
Discount rate -0.5%	1,153	167	1,234	96
CPI rate +0.5%	1,048	162	1,105	95
Salary increase rate +0.5%	86	3	109	-

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

	2020 £ 000	2019 £ 000
Equities	2,684	2,515
Other bonds	632	554
Property	276	296
Cash and other liquid assets	355	333
Total market value of assets	3,947	3,698

The actual return on scheme assets was (£164,000) (2019 - £159,000).

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost (net of employee contributions)	(463)	(299)
Interest income	74	92
Interest cost	(128)	(121)
Total amount recognised in the SOFA	(517)	(328)

Greater Manchester Academies Trust

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

26 Pension and similar obligations (continued)

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

	2019/20 £ 000	2018/19 £ 000
At start of period	6,302	3,968
Current service cost	782	592
Interest cost	128	121
Employee contributions	102	115
Actuarial (gain)/loss	184	1,452
Benefits paid	(8)	(6)
Past service cost	-	60
	7,490	6,302
At 31 August	7,490	6,302

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

	2019/20 £ 000	2018/19 £ 000
At start of period	3,698	3,077
Interest income	74	92
Actuarial gain/(loss)	(238)	67
Employer contributions	319	353
Employee contributions	102	115
Benefits paid	(8)	(6)
	3,947	3,698
At 31 August	3,947	3,698