

Company Registration No. 07506598 (England and Wales)

AVANTI SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

AVANTI SCHOOLS TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 16
Governance statement	17 - 19
Statement on regularity, propriety and compliance	20
Statement of Directors' responsibilities	21
Independent auditor's report on the accounts	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Consolidated Statement of financial activities including income and expenditure account	27 - 28
Consolidated Balance sheet	29
Company Balance sheet	30
Consolidated Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 66

AVANTI SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr M Younger
Mr D Hothi
Mr N Shah
Mr K Mehta
Mr C Ghelani (Resigned 24th April 2020)
Mr V Tanna (Appointed 2nd April 2020)

Directors

Mr N Gor (Accounting Officer and Chief Executive Officer)
Mr G Davis (Resigned 15 July 2020)
Mr M Younger (Chair)
Dr K Pau
Mr V Doshi (Resigned 20 March 2020)
Dr M Warrington
Mr M Patel (Resigned 25 September 2019)
Mrs B Nanthabalan
Mr K Raval (Resigned 25 September 2019)
Mr J Biddulph (Resigned 27 September 2019)
Mr B Shah
Mrs J Hilary (Appointed 29 April 2020)
Mr U Kalan (Appointed 21 May 2020)
Mr A Read (Appointed 21 November 2019)
Mrs S Ventress (Appointed 21 November 2019)
Mr S Sahni (Appointed 10 October 2019)
Mr S S Bassi (Appointed 15 October 2020)
Mr J S Lynas (Appointed 15 October 2020)

Senior management team

- Trust Chair	Mr M Younger
- Trust Vice-Chair	Dr K Pau
- Trust Director	Mr A Read
- Trust Director	Mrs B Nanthabalan
- Trust Director	Dr M Warrington
- Trust Director	Mr U Kalan
- Trust Director	Mr V Doshi
- Trust Director	Mr B Shah
- Chief Executive	Mr N Gor
- Trust Director	Mr S Sahni
- Chief Financial Officer	Mr K Patel
- Education Director	Mr M Ion
- Trust Director	Mrs S Ventress
- Trust Director	Ms J Hilary
- Chief Operating Officer	Mr C Dore

Company Secretary

Mrs S Kumar

Company registration number

07506598 (England and Wales)

AVANTI SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and registered office
Avanti Schools Trust
Wemborough Road
Stanmore
Middlesex
HA7 2EQ

Academies operated

Avanti House Secondary School
Krishna Avanti Primary School (3)
Krishna Avanti Primary School (1)
Avanti Court Primary School
Krishna Avanti Primary School (2)
Avanti House Primary School
Avanti Fields School
Avanti Gardens School
Avanti Hall School
Avanti Park School

Location

Harrow
Croydon
Leicester
Redbridge
Harrow
Harrow
Leicester
Bristol
Exeter
Frome

Principal

Mr S Arnell
Mr P Burton
Mr D Kite
Mrs D Walters
Mrs B Rai
Ms S Pandya
Ms E Taplin
Mr A Milum
Mr P Arnold
Ms A Atkins

Independent auditor

Azets Audit Services
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

Bankers

Lloyds Bank PLC
25 Gresham Street
LONDON
EC2V 7HN
England

Solicitors

HY Education Service Ltd
3 Reed House
Hunters Lane
Rochdale
OL16 1YL

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Directors present their Annual Report together with the Financial Statements and Independent Auditor's Report of the charitable company (referred to thereon as "Avanti Schools Trust") for the period 1 September 2019 to 31 August 2020. The Annual Report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charity Commission's document '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) and the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

Introduction

The Academy Trust operates 10 schools (free schools and academies) in the London Region, South-West and Midlands. Its academies have a combined pupil capacity of 6,570 and had a roll of 4,369 in October 2020.

Structure, governance and management

Constitution

Avanti Schools Trust is a Multi-Academy Trust, a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Avanti Schools Trust are also the directors of the charitable company for the purposes of company law.

Avanti Schools Trust was incorporated on 26 January 2011 and obtained Academy Status from 1 August 2011. The Trust obtained Multi-Academy Status from 9 August 2012.

The charitable company operates as:

- Avanti House Secondary School
- Krishna Avanti Primary School, Harrow
- Krishna Avanti Primary School, Croydon
- Avanti Court Primary School
- Krishna Avanti Primary School, Leicester
- Avanti House Primary School
- Avanti Fields School
- Avanti Gardens School
- Avanti Hall School
- Avanti Park School

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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 ceased to be a member.

Directors' indemnities

The company subscribes to the Risk Protection Arrangements (RPA) provided by the DfE. The RPA provides Governors Liability which includes Directors within its definitions.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of Directors

Members and Directors

The first members of the Academy Trust were the signatories to the Memorandum. Subsequent members of the company shall comprise any person appointed under Article 15A.

The number of Directors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 63, the Academy Trust shall have the following Directors:

- a. up to 15 Directors, appointed under Article 50;
- b. any Staff Directors, if appointed under Article 50AA;
- c. the Chief Executive Officer, if appointed under Article 50B;
- d. Academy Directors appointed under Article 51 or Article 52;
- e. a minimum of 2 Parent Directors appointed under Articles 53-56, in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A or on any Advisory Body.

The Trust may also have any Co-opted Director appointed under Article 58.

The term of office for any Director shall be 4 years, except for the Chief Executive Officer (CEO).

Policies and procedures adopted for the induction and training of Directors

During the period under review the Directors held regular meetings. The training and induction provided for new Directors will depend on their existing experience. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only a few new Directors in a period, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The Board of Directors is the Legal Governing Body of every Avanti school and has ultimate accountability and legal responsibility for all Avanti schools, including all the statutory responsibilities of school governors and accountability for the quality of educational provision and school effectiveness.

The Board of Directors has appointed the following committees: Remuneration, Audit & Finance, Standards. The Board of Directors has also appointed School Stakeholder Committees (SSCs) for each Avanti school. SSCs provide perspectives from various stakeholder groups (staff, parents and the wider community) on the day-to-day functioning of the school in order to support the school's work. SSCs are not delegated any powers of the Board of Directors and do not carry any statutory responsibilities. Avanti schools do not have local governing bodies.

The Directors delegate the day-to-day responsibility of running the Academy Trust to the senior management team led by the Chief Executive Officer. The day-to-day running of individual academies is delegated to the senior leadership team, led by the principal.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and benefits must represent good value for money and take into account market factors and the performance of the trust (both financial and non-financial). In setting the pay and remuneration of the academy's trust key management personnel and any benchmarks, parameters or criteria used in setting their pay, the Avanti Schools Trust Central Team & School Support Staff Pay Policy is used. All roles in the trust have been through job evaluation and assigned a grade and scale as a result. The Havering Job Evaluation scheme was used. A Pay Decision means any decision by a Decision Maker listed to award a pay rise or to not award a pay rise in respect of an employee.

Executive pay is determined by the Remuneration Committee, which is a sub-committee of the Board. The membership of the committee does not include any employees and there are no conflicts of interest. Trust Executive pay decisions are recommended to the Committee by the CEO. For decisions regarding the CEO's pay the Trust Chair makes recommendations to the Committee.

Annual targets are set for each of the directors and these are reviewed in an appraisal cycle along with the employees self-review and any other evidence deemed necessary. This appraisal is carried out by the CEO or Trust Chair (for AST CEO). Based on this appraisal a recommendation for progression will be made in line with the pay policy.

In addition to the Remuneration Committee, implementation of this policy is monitored by the HR team and board in particular concerning any equality or diversity issues. Each year the HR team will recommend to the Committee any company-wide pay scale increases (% based). This is based on government recommendations, inflation and discussions with other academies.

The above process was discussed with the DfE last year and they were satisfied with the method undertaken.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with employees

The engagement of our employees at AST is fundamental in all the work we do. All staff members are inducted at a school level and attend a trust-wide induction. During this induction, the company ethos and goals are discussed. We spend time looking at The Avanti Way and what this means for employees and how we share this common vision for all staff and schools. We use videos and testimonials of current members of staff.

We hold annual wellness retreat, and this is an opportunity for us to develop the common awareness on the part of all employees of the factors affecting the performance of the company. We also hold an annual whole staff conference for staff to network, connect and align further with the ethos.

Individual targets, performance management and appraisals are aligned with trust performance targets. The trust is aware that each of our schools has unique characteristics and we work closely with our Principals to ensure that their needs, as well as the trusts, are met.

We operate an open-door policy within our senior leadership team and welcome feedback from all levels of employees. Several CPD programs have been set up to develop employees in the company including a Women in Leadership program. All trust policies are easily accessible on the HR intranet and we aim to work on updating the communications we publish here.

Employee engagement surveys are completed at the school level to gain an understanding of how employees feel working in the Trust. We have planned to complete a large company-wide employee survey in the first term of 20/21. This survey will cover the following areas, Employee Engagement, Active Leadership, Future & Strategy, Communication, Teamwork, Learning & development, Job Fulfilment, Continuous improvement, and Group reasonability.

Our safer recruitment policy ensures that a person with a disability is treated fairly and in line with the Equality Act 2010. If a person becomes disabled while working for the Trust a referral is made to an Occupational Health provider and we work closely with them, the employee and the line manager to ensure all the reasonable adjustments are made. Again, regarding the training, development and promotion of any disabled person, the Trust follows the Equality Act 2010 and ensures no discrimination takes place. All roles are posted on the careers section of our website and we encourage people to apply for roles they are interested in. Our appraisals can identify any knowledge gaps and we are working towards providing CPD that prepares people for the natural career progression within the company.

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

Our trusts long term sustainability and success relies on the trust and confidence of its stakeholders. We put our pupils best interests first, invest in our employees, serve the communities where our schools are based and strive to support genuine improvement in the overall education system.

Various parts of this director's report provide examples of how we discharge our duties to our various stakeholders including pupils, employees and the wider community. In addition, management and trustees seek to understand and incorporate stakeholder views into decision making through various methods including stakeholder committees and surveys from parents, staff and pupils.

The trustees and management operate the business in a responsible manner with the aim of ensuring that Avanti maintains a reputation for high standards of business conduct and good governance in particular in relation to requirements of the Academies Financial Handbook.

Related parties and other connected charities and organisations

The Academy has relationships with the following organisations:

- Govinda's Limited, which is a wholly-owned subsidiary.
- Avanti Services Limited, which is a wholly-owned subsidiary.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

All schools in the Avanti Schools Trust prepare pupils for their respective life-journeys by promoting educational excellence, character formation and spiritual insight.

Objectives, strategies and activities

Educational Excellence

Our vision for educational excellence is one where deeply inspired teachers nurture joyful students and nourish their innate passion for learning. Learning is a quest to discover each student's unique gifts and potential and lay the foundation for their lifelong journey of learning. This is inseparable from high academic standards, where a challenging holistic curriculum cultivates independently thoughtful and reflective students by working towards a sense of mastery, emphasising depth, and not just breadth.

Character Formation

Our vision for character formation is one where virtues are taught by example and a supportive community of learners fosters a powerful sense of individual and collective purpose. Learning develops for these conscious changemakers as a quest for making the world a better place, starting with oneself. The capacity to internalise and put into practice what we have learned is the true test of learning. Building this capacity demands an experiential, virtues-led curriculum that embraces collaboration, custodianship and global perspectives

Spiritual Insight

Our vision for spiritual insight is one where our interconnectedness with all living beings and with the universe, urges acts born out of humility and love, and the Self is perceived beyond its layers of coverings. Learning blossoms for these seekers as a quest for self-discovery and opens the door to their unlimited potential; an antidote to the emptiness of a materialistic or mechanistic worldview. The curriculum unveils the possibilities of sacredness and transcendence at every moment and so engenders a deeply positive attitude to life, enduring happiness and heartfelt relationships.

The curriculum offers opportunities to explore the philosophies and traditions of different faiths. Collective worship includes the following practices: Kirtan, meditation, worship, reflection, song, prayer and story-telling.

Key objectives

Key objective for the year was to bring in the three new schools in the Southwest and begin the transformation of these schools.

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy Trust's aim and objectives and in planning future activities. The Directors consider that the Academy Trust's aims are demonstrably to the public benefit.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Avanti House Secondary School

The school opened as an all-through school in September 2012 as a free school. The two schools were formally demerged as of September 2017. During the academic year 2017-18 a short inspection of the secondary school was carried out by OFSTED. Overall the school was given a "Good" rating.

Comments from the OFSTED report:

"Through working as a team and developing a shared culture of high expectations, you and your leadership team have created a learning community that pupils say 'feels like a family'."

"Pupils also commented on how much they appreciate the guidance and encouragement that they receive from staff at their school. Pupils felt that the extra help you and your teachers give them is allowing them to improve their work."

"... more challenging work has resulted in well above average progress at the end of key stage 4 for pupils, including the most able. For current pupils, this rapid progress is also evident in the way they talk about what and how they learn."

The primary school is deemed a new school following the demerger from the DfE's perspective and has not yet had an inspection.

Krishna Avanti Primary School (Harrow)

The school joined the AST family in September 2012 as a converter Academy. In the academic year 2017-18 an inspection of the school was carried out under section 5 of the Education Act 2005. Overall the school was given a "Good" rating.

Comments from the OFSTED report:

"Behaviour is outstanding. Pupils are polite and kind to each other. They show great respect for other people's views and incidents of poor behaviour are extremely rare."

"Pupils are highly reflective about their own beliefs and can compare their faith with other religions. They learn to respect other people's faiths from an early age and know that everyone needs to be treated equally. As one pupil said, 'Instead of judging others, we look at how we can change ourselves'."

"Around the school, there is a calm and harmonious atmosphere."

"Pupils value their education. They love coming to school and take pride in it. Attendance is above the national average."

Krishna Avanti Primary School (Leicester)

The school opened in September 2011 in the first wave of free schools. In the academic year 2016-17 an inspection of the school was carried out under section 8 of the Education Act 2005. Overall the school was given a "Good" rating.

Comments from the OFSTED report:

"...the proportions of pupils, including disadvantaged pupils, who achieved expected levels in reading, writing and mathematics by the end of key stage 1 were above the national figures."

"You have ensured that the school is underpinned by the values of respect, self discipline, integrity, gratitude, courage and empathy. Pupils understand these values well and they are evident on displays around the school. Classrooms are bright and stimulating, with pupils' work in a wide range of subjects on display."

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

"You now have in place a strong senior leadership team who are knowledgeable and enthusiastic about their roles. They share an openness and honesty regarding their practice and are keen to learn from other schools, both locally and from within the trust."

"Parents are overwhelmingly supportive of the school. They told me that their children are happy, safe and making good progress. One parent who had recently moved their child from another school commented, 'We are ecstatic!'"

"The pupils I spoke with said overwhelmingly that they are happy, making good progress and feel safe. One pupil described the school to me as 'Perfect!' They are confident that bullying does not occur at Krishna Avanti and that behaviour both inside classrooms and on the playground is good. Pupils relish the wide range of extra-curricular activities that you offer, including karate, ballet, football, cricket, sewing and chess."

Avanti House Primary School

The school opened in September 2017 (de-merger from secondary). It received its first OFSTED in 2019-20. The overall rating is Good with outstanding early years provision

Comments from the OFSTED report:

Pupils describe Avanti as 'a very special place'. As the school has grown over the last couple of years, it has managed to retain its family ethos and strong community spirit. Pupils of all ages get on well together. Staff are united in their aim to enable every pupil to achieve highly and to leave the school as a well-rounded individual, with strong foundations for future learning.

Pupils know that staff listen to them. Pupils' ideas are taken seriously. The school council has recently been involved in designing the new playground. Pupils look after each other. Younger pupils told us that 'the buddy bus stop in the playground actually works'. Pupils told us that they feel safe in school. Bullying is very rare but is always dealt with efficiently.

Leaders and all staff place a strong emphasis on promoting pupils' character and their personal development. These are key features of the 'Avanti Way' and the school's aims. Pupils develop a strong sense of self-belief and an understanding of respect and tolerance. Older pupils told us all about different types of family, for example, and we saw pupils discussing suffering in the world and what they could do to put an end to it.

Avanti Court Primary School

The school opened as a primary school in September 2012 as a voluntary-aided school. The school converted to an Academy on 1 December 2015. During the year 2018-19 there was a short OFSTED inspection.

Comments from the OFSTED report:

"Avanti Court Primary is a special place to learn. There is a balance between developing pupils academically and spiritually. The warmth of the school is obvious when first walking through the school gate. This is a school where everybody is made to feel welcome. Staff enjoy working here, and pupils enjoy learning here. This is because you and your team have worked hard to create a nurturing and inclusive environment. Pupils who are new to the school settle in well because there is a strong culture of respect in the school. Pupils are polite to a fault, and their behaviour is exemplary."

"Children who start school in Reception with starting points above their peers are encouraged straight away to challenge themselves through their own learning, or are directed to do so by the teacher. These high expectations continue throughout their time in the school."

"Pupils with higher starting points say they feel challenged by their teachers during lessons. During work scrutiny, it was apparent that these pupils were producing work that was above that expected for their age in many subjects, and especially in English, science and mathematics."

"In 2018, high-attaining Year 6 pupils' progress in mathematics and reading was above average. As a result, a higher proportion of pupils than found nationally attained the expected and the high standard in both subjects."

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Krishna Avanti Primary School (Croydon)

The School opened in September 2016. It received its first OFSTED in 2018-19. The overall rating is Good.

Comments from the OFSTED report:

Pupils understand the school's values and bring them to life in the positive and gentle way they behave towards one another.

Attendance is well above the national average for similar schools and has improved even more in the current year. Leaders' excellent relationships with parents ensure that, when pupils do miss school, their attendance rapidly improves.

The systematic and consistently effective teaching of reading ensures that pupils make excellent progress over time. The proportion of Year 1 pupils reaching the expected standard in phonics exceeds the national average.

Pupils who arrive at the school speaking little English make particularly strong progress. As a result, they rapidly catch up with others in their class.

The school's work to promote pupils' personal development and welfare is good. The curriculum is implemented effectively and ensures that pupils understand the school's values. For example, pupils realise they can demonstrate integrity by continuing to cooperate even when they think adults are not watching them.

Avanti Fields School

The School opened in September 2018 as an all-through school. The school is currently operating as a secondary school on a temporary site. It is hoped the school will move into its permanent site in Sept 2021, with the primary opening in Sept 2022. The school has very quickly established its reputation in the area and we believe will be oversubscribed in the years to come. The school is not yet received an OFSTED visit.

South West schools

These three separate academies were transferred to Avanti in Nov 2019 and are called Avanti Gardens School (Bristol), Avanti Park School (Frome) and Avanti Hall School (Exeter). In the current year we have undertaken a curriculum review and a major restructuring programme in order to support the school in developing its offering to the local population in the years to come. We have and will continue to work closely with ESFA colleagues who are supporting our ambition to transform these schools. The schools have not yet received an OFSTED grading.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The following KPIs would apply to all Avanti Schools Trust schools.

Achievement and Standards

This will include attainment at end of each key stage and achievement in broader aspects of learners' achievements such as those reflected in their spiritual, social, moral, cultural development. When evaluating schools' effectiveness the schools will take into account learners' starting points for their progress and attainment. Diminishing the differences in the progress and standards achieved by the different groups of learners, and those eligible for pupil premium, in our schools in comparison to those of other pupils within each school and nationally is part of this KPI.

The quality of support and intervention strategies and the impact of systematic improvements in quality of teaching in all subjects and key stages on learners' achievement are at the core of this KPI.

Quality of Teaching

Raising achievement of all by consistently high quality teaching is a core priority for all leaders in schools. The extent to which schools have successfully raised the quality of teaching year on year is a key KPI. Evaluations of school improvement include a scrutiny of teachers' planning and observation of teaching and learning across the whole curriculum and within and outside the classrooms.

Behaviour and Safety of Learners

This KPI seeks to establish strong links between the distinct Avanti ethos and values and the learning and social behaviours and attitudes that learners develop over time. Learners' safety, personal well-being, cultural and spiritual development and attendance will provide strong indicators of the impact of schools' work in these respects. The schools' full compliance with its statutory duties and responsibilities to protect and safeguard students and children is monitored closely to ensure that there are no risks to pupils' safety and well-being. The quality and effectiveness of multi-agency work to support children living in vulnerable circumstances and those with special educational needs and disabilities is part of such monitoring through termly school reviews as well as school self-evaluation processes.

Quality of Leadership and Management of the Schools

The effectiveness of leaders at different levels within the schools and governance is evaluated by its impact on the quality of teaching and outcomes for learners. Ambition and capacity to affect sustained improvements to achieve 'outstanding' Ofsted judgement status is a target for all the Academy Trust schools. Improving leadership capacity and accountability of leaders to secure high professional standards for staff and high performing learners are key to the success of this KPI.

Subsidiary company performance

From 1 September 2013 the Academy Trust began operating a wholly-owned subsidiary called Govinda's Limited. The subsidiary was created to take over the kitchen operation at Avanti Schools and to ensure that the catering operations are run in an efficient and cost effective way. The subsidiary operates school kitchens at the majority of Avanti Schools. Last year it also began to start operations in the new SW schools. It continues to generate income from other contracts outside the Avanti family. Govinda's Limited has been impacted by Covid-19 in the current year and will for the first time in its history have an in-year loss for the current year.

From September 2017, the Academy Trust began operating a wholly-owned subsidiary called Avanti Services Limited. The subsidiary was created to take over centralised and back-office functions for the Academy Trust and its schools. Avanti Services Limited continues to operate at a profit/break-even with any profits gifted to the parent company.

Going concern

After making appropriate enquiries, the Board of Directors 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 Statement of Accounting Policies.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Promoting the success of the Academy Trust

The trust has produced a document called the Avanti Way. This Avanti Way seeks to drive the long term objectives and decisions of trust. The below are the core principles from the Avanti Way and we aspire for this to be reflected in all aspects of engagement with our various stakeholders including pupils, and forms the basis for how we judge and promote our own success.

Our Core Principles

- We are unique spiritual beings with incredible potential, and we achieve our full potential by discovering and nurturing all parts of ourselves – intellectual, emotional, physical and spiritual.
- We choose how we wish to respond to life and what we nurture within us.
- We care for and respect all life – human, animal and plant – and live in a way that causes the least possible harm.
- We each observe the one same reality from our own unique perspective and engage in open-minded dialogue to deeply enrich our vision.
- We serve a higher purpose by living a meaningful and satisfying life of contribution.
- We are nourished by personal relationships that fulfil our need to love and be loved, encouraging us to be the best we can be.

Financial review

Financial report for the period

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (Charities SORP (FRS 102)), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £27,850k (2019: £19,350k) was met by recurrent grant funding from the ESFA together with other incoming resources. The surplus/(deficit) of income over expenditure for the year (excluding restricted fixed asset funds, transfers to restricted fixed asset funds and actuarial losses on defined benefit pension schemes) was £(894k) (2019: £345k).

At 31 August 2020, the net book value of fixed assets was £75,724k (2019: £50,367k). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Leicestershire County Council Pension Fund, in which the Academy Trust participates, showed a deficit of £544k at 31 August 2020 (2019: £376k). The London Borough of Harrow Scheme, in which the Academy Trust participates, showed a deficit of £2,211k at 31 August 2020 (2019: £1,367k). The London Borough of Redbridge Pension Fund showed a deficit of £588k at 31 August 2020 (2019: £476k). The London Borough of Croydon Pension showed a deficit of £57k at 31 August 2020 (2019: £46k). The Somerset County Council Pension Fund, in which the Academy Trust participates, showed a deficit of £861k at 31 August 2020. The Avon Pension Fund, in which the Academy Trust participates, showed a deficit of £181k at 31 August 2020. The Devon County Council Pension Fund, in which the Academy Trust participates, showed a deficit of £961k at 31 August 2020.

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

The Directors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to two weeks' expenditure, approximately £1,071k (2019: £744k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy Trust's current level of free reserves of £4,608k (2019: £3,339k) (total funds excluding pension reserve deficit less the amount held in restricted fixed assets) is sufficient. The Academy Trust's free reserves include restricted general funds of £3,124k (2019: £2,345k).

Investment policy

Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial position

The Academy Trust held fund balances at 31 August 2020 of £74,929k (2019: £51,022k) comprising £73,445k (2019: £50,028k) of restricted funds and £1,484k (2019: £994k) of unrestricted general funds. Of the restricted funds, £75,724k (2019: £49,948k) is represented by tangible fixed assets.

The Pension Reserve which is considered part of restricted funds was £5,403k (2019: £2,265k) in deficit.

Principal risks and uncertainties

Financial and Risk Management Objectives and Policies

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the individual Academies and their finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The financial risks to which Avanti Schools Trust is exposed relate primarily to:

- Change in government and legislation.
- Potential of reduced funding and cash flow.
- Reduction in student numbers.

The principal risks and uncertainties that Avanti Schools Trust faces are mitigated by the risk management process that the Academy Trust has in place.

Fundraising

The Academy Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In circumstances when fundraising is undertaken there is no obligation for any child/parent to donate. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

AVANTI SCHOOLS TRUST
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

Energy consumption **kWh**
 Aggregate of energy consumption in the year 4,408,461

<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	556.59	
- Fuel consumed for owned transport	0.86	
		557.45
Scope 2 - indirect emissions		
- Electricity purchased		352.99
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust		2.54
Total gross emissions		912.98
 <i>Intensity ratio</i>		
Tonnes CO2e per pupil		0.21

Quantification and reporting methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. Solar panels have been installed at one of our schools

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Impact of COVID-19

As per schools nationally AST schools closed on 20 March 2020, other than for vulnerable pupils and children of key workers, and national exams were cancelled. These events represent an unprecedented disruption to the education of children and young people. AST schools were unable to carry out their normal activities to support children's learning, wellbeing and to prepare them for transition. Instead we were forced into having to provide learning activities for pupils at home. We were also affected by some significant staffing challenges with a number of our staff having to shield at home as they were identified in the 'vulnerable' health category.

For the coming year we are investing heavily in the creation of a high quality, leading edge VLE (virtual learning environment) and in particular in staff training to support online learning.

The likely impact on the quality of overall provision could be significant. The concern is that gaps in learning and progress between disadvantaged pupils and non-disadvantaged pupils will increase as a result of the virus as a result of pupils not being able to access their teachers or the VLE as regularly as they needed to during the main lockdown or indeed in any future prolonged period of isolation or lockdown.

Some of the control measure the MAT is pursuing include:

- Investigate the costs of securing enough devices (Chromebooks) so that every child in the trust who is on free school meals, or who has an EHCP, is able to access their programme of digital learning throughout any future period of school closures (wholly or partly funded by the 'hardship fund' we have created as part of the COVID 19 catch-up premium funding). In addition and as part of the ongoing work on the VLE we seek to create:
- A parent portal with access to the resources and guidance on how to support their children's learning
- A series of Google Classroom support sessions for parents on home learning (placed on the above portal)
- A virtual 'MAT' staffroom to support staff wellbeing.

The Department for Education confirmed in March 2020 that state-funded schools will continue to receive their budgets for the coming year regardless of any periods of closure, which provided comfort and certainty for the schools. During the lockdown there have been additional costs including increased premises costs where schools were staying open over holiday periods for vulnerable children and the children of critical workers. There has also been a loss in lettings income. There were additional grants available for schools for certain increased costs during the lockdown, but only a small number of our schools were eligible to apply due to the criteria required for enhanced funding.

On the whole, however, the lockdown period has resulted in numerous savings across the trust due to many normal day to day costs not being incurred to the same level. However, much of these savings will need to be expended for additional costs in the coming year including higher cleaning and ICT costs. The impact of ongoing loss of lettings income for the forthcoming year will also need to be managed.

As with all schools we will be receiving catch-up funding for 20-21 at £80 per pupil (though this is also offset with a loss in Year 7 Catch-up Premium) which will be used primarily on recruiting additional teaching assistants at each school.

Plans for future periods

The Avanti Schools Trust will be looking to ensure that the current schools within the family continue to increase their standards. We welcomed our first three non-denomination schools in the year, and we will continue to progress the educational standards at these schools in the coming year. Brent is yet to be opened. We are looking forward to welcoming a non-denominational presumption school in Hertfordshire (another 2 to follow) by the end of the year (delayed due to Covid).

AVANTI SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

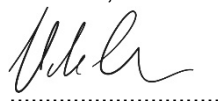
On 7 September 2020, Group Audit Services Limited (trading as Wilkins Kennedy Audit Services) changed its name to Azets Audit Services Limited. The name it practices under is Azets Audit Services and, accordingly, it has signed the Report of the Independent Auditors in its new name.

Insofar as the Directors are aware:

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

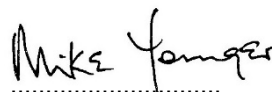
To ensure that Avanti Schools Trust is obtaining best value, the Directors have decided to carry out a tender process for the appointment of an Auditor for the financial year ending 31 August 2021 and succeeding years.

Directors' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9 December 2020 and signed on the board's behalf by:



Mr N Gor

Accounting Officer and Chief Executive Officer



Mr M Younger

Chair

AVANTI SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Avanti Schools 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 Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Avanti Schools Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

Governance

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

Directors	Meetings attended	Out of possible
Mr N Gor (Accounting Officer and Chief Executive Officer)	5	5
Mr G Davis (Resigned 15 July 2020)	4	5
Mr M Younger (Chair)	5	5
Dr K Pau	5	5
Mr V Doshi (Resigned 20 March 2020)	3	3
Dr M Warrington	5	5
Mr M Patel (Resigned 25 September 2019)	2	5
Mrs B Nanthabalan	3	5
Mr K Raval (Resigned 25 September 2019)	1	3
Mr J Biddulph (Resigned 27 September 2019)	2	3
Mr B Shah	4	5
Mrs J Hilary (Appointed 29 April 2020)	2	2
Mr U Kalan (Appointed 21 May 2020)	1	1
Mr A Read (Appointed 21 November 2019)	3	4
Mrs S Ventress (Appointed 21 November 2019)	3	4
Mr S Sahni (Appointed 10 October 2019)	3	4
Mr S S Bassi (Appointed 15 October 2020)	0	0
Mr J S Lynas (Appointed 15 October 2020)	0	0

The Audit Committee is a subcommittee of the main Board of Directors. Its purpose is to: support the Board of Trustees in the achievement of the Trust's objectives through sound planning, management, effective use and safeguarding of the Trust's financial and other resources

Attendance at meetings of the Audit Committee in the year were as follows:

Members	Meetings attended	Out of possible
Kiran Chotai (Chair)	3	3
Vijay Doshi (Resigned as above)	0	1
Bimal Shah	2	3
Sumit Sahni	1	1
Upendra Kalan	1	1

AVANTI SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Improving educational results - The Academy Trust is committed to improving educational results at each of the schools and forms the heart of how spending decisions are made. Our schools have a fully embedded and developed tracking system for individual students that tracks levels of progress and attainment. We operated a robust school review process in the academic year which allows schools to focus their budget in areas focused strongly on school improvement. One of the schools within our family was subject to an OFSTED inspection for the year-ending 31 August 2019 with an overall rating of "Good".
- Ensuring strong financial governance and oversight supports VFM decision making - The Academy Trust operates a strong control environment with very clearly documented control processes and procedures which are consistent across the organisation. One of the key tenets of the control environment is to ensure that each school within the Academy Trust family should achieve value for money, particularly in relation to pupil outcomes and needs. Robust procurement procedures and controls have been established within each Academy Trust school to ensure this goal is achieved. This includes the requirement for additional levels of financial scrutiny and review for key risk purchases especially those of a higher value. School Finance Officers are accountable to the Principal and the Finance Director. The Finance Director is held to account by various parties these include the Chief Executive Officer, who is also the Accounting Officer of the Academy Trust, the Avanti Schools Trust Audit Committee, the Avanti Schools Trust Board of Directors, the appointed responsible officer and external auditors.
- Procurement procedures result in value for money - Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. A procurement matrix is in place for each school in the Academy Trust which requires additional level of quotes, scrutiny and review for higher levels of payments. The Academy Trust always assesses the cost and benefits of various options before making a decision to ensure the right option for the longer term. The Academy Trust has been able to achieve economies and savings as a result of being able to share resources between schools and due to a larger buying power through our combined purchases.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

AVANTI SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided:

- to appoint AIMS, a firm of Chartered Certified Accountants, as internal auditor.

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

- Testing of payroll systems
- Testing of bank reconciliation
- Testing of purchase systems

Review of effectiveness

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

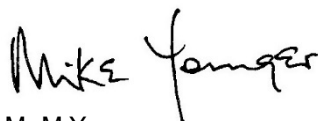
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee 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 Directors on 9 December 2020



Mr N Gor
**Accounting Officer and Chief Executive
Officer**



Mr M Younger
Chair

AVANTI SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of Avanti Schools Trust I have considered my responsibility to notify the Academy Trust Board of Directors 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 the Academy Trust Board of Directors and I are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies' Financial Handbook 2019.

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



Mr N Gor
Accounting Officer

Dated: 9 December 2020

AVANTI SCHOOLS TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Directors (who act as trustees for charitable activities of Avanti Schools Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare accounts for each financial year. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Directors are required to:

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

The Directors 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.

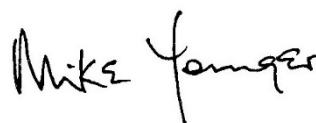
The Directors are responsible for ensuring that in its conduct and operation, the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have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

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

Approved by order of the members of the Board of Directors on 9 December 2020 and signed on its behalf by:



Mr N Gor
Accounting Officer and Chief Executive Officer



Mr M Younger
Chair

AVANTI SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI SCHOOLS TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Avanti Schools Trust (the 'parent Academy Trust') and its subsidiary companies (the 'group') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

AVANTI SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

In preparing the accounts, the Directors are responsible for assessing the group's and the parent 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 Directors either intend to liquidate the group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

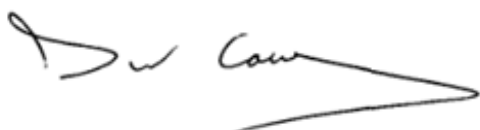
AVANTI SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the parent 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 parent Academy Trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent Academy Trust and the parent Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Cary LLB FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor**

17 December 2020
.....

Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

AVANTI SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AVANTI SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 23 October 2020 and further to the requirements of the Education & 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 Avanti Schools 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 Avanti Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Avanti Schools Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Avanti Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Avanti Schools Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 9 August 2012 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, in our opinion, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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 Trust's income and expenditure.

AVANTI SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

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

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

Dated: 17 December 2020

AVANTI SCHOOLS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	3	57	-	690	747	1,798
Donations - transfer of existing academy into the trust		23	(1,331)	26,292	24,984	-
Charitable activities:						
- Funding for educational operations	4	-	25,421	-	25,421	16,558
Other trading activities	5	407	892	-	1,299	1,539
Investments	6	3	-	-	3	3
Total		<u>490</u>	<u>24,982</u>	<u>26,982</u>	<u>52,454</u>	<u>19,898</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	-	26,366	1,484	27,850	19,350
Total	7	<u>-</u>	<u>26,366</u>	<u>1,484</u>	<u>27,850</u>	<u>19,350</u>
Net income/(expenditure)		490	(1,384)	25,498	24,604	548
Transfers between funds	22	-	(278)	278	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	24	-	(697)	-	(697)	(1,084)
Net movement in funds		490	(2,359)	25,776	23,907	(536)
Reconciliation of funds						
Total funds brought forward		994	80	49,948	51,022	51,558
Total funds carried forward		<u>1,484</u>	<u>(2,279)</u>	<u>75,724</u>	<u>74,929</u>	<u>51,022</u>

AVANTI SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000
Income and endowments from:					
Donations and capital grants	3	-	25	1,773	1,798
Charitable activities:					
- Funding for educational operations	4	-	16,558	-	16,558
Other trading activities	5	218	1,321	-	1,539
Investments	6	3	-	-	3
Total		<u>221</u>	<u>17,904</u>	<u>1,773</u>	<u>19,898</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	17,780	1,570	19,350
Total	7	<u>-</u>	<u>17,780</u>	<u>1,570</u>	<u>19,350</u>
Net income		221	124	203	548
Transfers between funds	22	(54)	(87)	141	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	24	-	(1,084)	-	(1,084)
Net movement in funds		167	(1,047)	344	(536)
Reconciliation of funds					
Total funds brought forward		<u>827</u>	<u>1,127</u>	<u>49,604</u>	<u>51,558</u>
Total funds carried forward		<u>994</u>	<u>80</u>	<u>49,948</u>	<u>51,022</u>

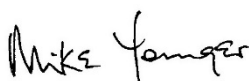
AVANTI SCHOOLS TRUST
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	14		75,724		50,367
Current assets					
Stocks	17	14		9	
Debtors	18	1,618		1,109	
Cash at bank and in hand		8,508		5,069	
			10,140		6,187
Current liabilities					
Creditors: amounts falling due within one year	19	(4,309)		(3,267)	
Net current assets			5,831		2,920
Total assets less current liabilities			81,555		53,287
Creditors: amounts falling due after more than one year	20		(1,223)		-
Net assets before defined benefit pension scheme liability			80,332		53,287
Defined benefit pension scheme liability	24		(5,403)		(2,265)
Total net assets			74,929		51,022
Funds of the Academy Trust:					
Restricted funds	22				
- Fixed asset funds			75,724		49,948
- Restricted income funds			3,124		2,345
- Pension reserve			(5,403)		(2,265)
Total restricted funds			73,445		50,028
Unrestricted income funds	22		1,484		994
Total funds			74,929		51,022

The accounts on pages 27 to 66 were approved by the Directors and authorised for issue on 9 December 2020 and are signed on their behalf by:



Mr N Gor
Accounting Officer and Chief Executive Officer



Mr M Younger
Chair

Company Number 07506598

AVANTI SCHOOLS TRUST

COMPANY BALANCE SHEET

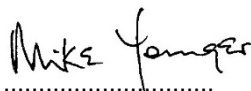
AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	14		75,722		50,364
Fixed asset investments			-		-
Total fixed assets			<u>75,722</u>		<u>50,364</u>
Current assets					
Debtors	18	1,524		1,030	
Cash at bank and in hand		8,280		4,939	
		<u>9,804</u>		<u>5,969</u>	
Current liabilities					
Creditors: amounts falling due within one year	19	(4,095)		(3,106)	
Net current assets			<u>5,709</u>		<u>2,863</u>
Total assets less current liabilities			<u>81,431</u>		<u>53,227</u>
Creditors: amounts falling due after more than one year	20		(1,173)		-
Net assets before defined benefit pension scheme liability			<u>80,258</u>		<u>53,227</u>
Defined benefit pension scheme liability	24		(5,403)		(2,265)
Total net assets			<u>74,855</u>		<u>50,962</u>
Funds of the Academy Trust:					
Restricted funds	22				
- Fixed asset funds			75,722		49,945
- Restricted income funds			3,052		2,288
- Pension reserve			(5,403)		(2,265)
Total restricted funds			<u>73,371</u>		<u>49,968</u>
Unrestricted income funds	22		<u>1,484</u>		<u>994</u>
Total funds			<u>74,855</u>		<u>50,962</u>

The accounts on pages 27 to 66 were approved by the Directors and authorised for issue on 9 December 2020 and are signed on their behalf by:



Mr N Gor
Accounting Officer and Chief Executive Officer



Mr M Younger
Chair

Company Number 07506598

AVANTI SCHOOLS TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £000	£000	2019 £000	£000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	25		2,911		(94)
Cash funds transferred on conversion			154		-
			<u>3,065</u>		<u>(94)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		3		3	
Capital grants from DfE Group		690		1,773	
Purchase of tangible fixed assets		(369)		(1,309)	
		<u>324</u>		<u>467</u>	
Net cash provided by investing activities			324		467
Cash flows from financing activities					
Receipt of other loan		50		-	
		<u>50</u>		<u>-</u>	
Net cash provided by/(used in) financing activities			50		-
Net increase in cash and cash equivalents in the reporting period			<u>3,439</u>		<u>373</u>
Cash and cash equivalents at beginning of the year			5,069		4,696
Cash and cash equivalents at end of the year			<u>8,508</u>		<u>5,069</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Avanti Schools Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities 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.

Avanti Schools Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling (£), which is also the functional currency for the Academy Trust.

1.2 Going concern

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from [name of predecessor school] to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in [(for net gain) Donations – transfer from local authority on conversion/ (for net loss) Charitable activities – transfer from local authority on conversion] in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. [Include specific details of nature and valuation of fixed assets including the allocation between land & buildings and other fixed assets, pension and other assets and liabilities transferred as appropriate]. Further details of the transaction are set out in note .

1.4 Income

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

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Grants

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

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Donated fixed assets

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

Interest receivable

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

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.5 Expenditure

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs. All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

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

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principal activity of the Academy Trust.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write them down to their estimated residual values on a straight-line basis over its expected useful life, as follows:

Land & buildings	2% (Building Improvements 6.67%)
Assets under construction	nil
Plant & machinery	10%
ICT	33.3%
Fixtures, fittings & equipment	20%
Motor vehicles	20%

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

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due by the charity's wholly-owned subsidiaries 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. Taxation and social security are not included in the financial instruments disclosure definition.

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

1.10 Stock

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

1.11 Taxation

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

1.12 Pensions benefits

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

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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 Note 21, 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources that are applied to specific capital purposes imposed by the ESFA and DfE where the asset acquired or created is held for a specific purpose.

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Directors consider that the only area of judgement that is critical to the Academy Trust's financial statements is the freehold property valuation, which was determined by the ESFA on conversion to Academy Trust status.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	690	690	1,773
Other donations	57	-	57	25
	<u>57</u>	<u>690</u>	<u>747</u>	<u>1,798</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants				
General annual grant (GAG)	-	20,803	20,803	14,152
Start up grants	-	272	272	333
Other DfE group grants	-	3,287	3,287	1,563
	<u>-</u>	<u>24,362</u>	<u>24,362</u>	<u>16,048</u>
Other government grants				
Local authority grants	-	852	852	510
	<u>-</u>	<u>852</u>	<u>852</u>	<u>510</u>
Exceptional government funding				
Coronavirus job retention scheme grant	-	207	207	-
	<u>-</u>	<u>207</u>	<u>207</u>	<u>-</u>
Total funding	<u>-</u>	<u>25,421</u>	<u>25,421</u>	<u>16,558</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Catering income	5	648	653	794
Other income	402	244	646	745
	<u>407</u>	<u>892</u>	<u>1,299</u>	<u>1,539</u>

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	3	-	3	3
	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>

7 Expenditure

	Staff costs £000	Non-pay expenditure Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Academy's educational operations					
- Direct costs	14,984	-	1,084	16,068	10,365
- Allocated support costs	6,300	3,738	1,744	11,782	8,985
	<u>21,284</u>	<u>3,738</u>	<u>2,828</u>	<u>27,850</u>	<u>19,350</u>

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Fees payable to auditor for audit services	43	33
Operating lease rentals	460	418
Depreciation of tangible fixed assets	1,290	1,037
Net interest on defined benefit pension liability	70	26
	<u>1,863</u>	<u>1,514</u>

8 Central services

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

- Major capital projects support
- Financial services
- Educational support services
- Others as arising

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

The amounts charged during the year were as follows:	2020	2019
	£000	£000
Avanti House Secondary School	310	276
Krishna Avanti Primary School (3)	36	28
Krishna Avanti Primary School (1)	85	87
Avanti Court Primary School	171	158
Krishna Avanti Primary School (2)	121	104
Avanti House Primary School	109	105
Avanti Fields School	82	36
Avanti Gardens School	75	-
Avanti Hall School	90	-
Avanti Park School	86	-
	<u>1,165</u>	<u>794</u>

9 Charitable activities

All from restricted funds:	2020	2019
	£000	£000
Direct costs		
Educational operations	16,068	10,365
Support costs		
Educational operations	11,782	8,985
	<u>27,850</u>	<u>19,350</u>

Analysis of costs

	2020	2019
	£000	£000
Direct costs		
Teaching and educational support staff costs	14,843	9,010
Staff development	141	78
Educational supplies and services	714	650
Examination fees	74	77
Educational consultancy	33	58
Other direct costs	263	492
	<u>16,068</u>	<u>10,365</u>
Support costs		
Support staff costs	6,300	4,135
Depreciation	1,290	1,037
Technology costs	490	296
Recruitment and support	85	80
Maintenance of premises and equipment	654	1,023
Cleaning	432	348

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

Energy costs	391	273
Rent and rates	712	623
Insurance	131	102
Security and transport	106	60
Catering	434	401
Interest and finance costs	70	26
Other support costs	644	547
Governance costs	43	34
	<u>11,782</u>	<u>8,985</u>

10 Governance costs

	Total 2020 £000	Total 2019 £000
All from restricted funds:		
Amounts included in support costs		
Auditor's remuneration		
- Audit of financial statements	<u>43</u>	<u>34</u>

11 Staff

Staff costs

Staff costs during the year were:

	2020 £000	2019 £000
Wages and salaries	15,522	10,531
Social security costs	1,327	870
Pension costs	3,572	1,718
Apprenticeship levy	51	26
	<u>20,472</u>	<u>13,145</u>
Staff costs - employees	20,472	13,145
Staff restructuring costs	671	-
	<u>21,143</u>	<u>13,145</u>
Staff development and other staff costs	141	78
	<u>21,284</u>	<u>13,223</u>

Staff restructuring costs comprise:

Redundancy payments	<u>671</u>	<u>-</u>
---------------------	------------	----------

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Staff

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £28k (2019: £nil). There was one payment of £28k.

Staff numbers

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

	2020	2019
	Number	Number
Teachers	261	155
Administration and support	369	193
	<u>630</u>	<u>348</u>

Higher paid staff

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

	2020	2019
	Number	Number
£60,000 - £70,000	5	4
£70,001 - £80,000	3	4
£80,001 - £90,000	2	4
£90,001 - £100,000	3	1
£100,001 - £110,000	1	1
£110,001 - £120,000	2	-
£140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Directors 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 £661,302 (2019: £678,062).

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from employment with the Academy Trust. The staff Directors and Trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment. Other Directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Directors. During the year, travel and subsistence payments totalling £4,734 (2019: £7,857) were reimbursed to 3 (2019: 3) Directors.

The one (2019: one) staff Directors who received remuneration was:

Name	2020	2019
N. Gor		
Gross Salary	£145,001 - £150,000	£140,001 - £145,000
Employer's National Insurance	£ 15,001 - £ 20,000	£ 15,001 - £ 20,000
Employer's pension contributions	£ 25,001 - £ 30,000	£ 25,001 - £ 30,000

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

13 Insurance for Directors and officers

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

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets - Group

	Land & buildings	Assets under construction	Plant & machinery	ICT	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 September 2019	52,194	-	360	162	95	35	52,846
Additions	26,331	281	-	-	25	24	26,661
Disposals	-	-	-	(8)	(6)	-	(14)
At 31 August 2020	78,525	281	360	154	114	59	79,493
Depreciation							
At 1 September 2019	2,242	-	69	114	44	10	2,479
On disposals	-	-	-	2	(2)	-	-
Charge for the year	1,197	-	36	25	20	12	1,290
At 31 August 2020	3,439	-	105	141	62	22	3,769
Net book value							
At 31 August 2020	75,086	281	255	13	52	37	75,724
At 31 August 2019	49,952	-	291	48	51	25	50,367

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets - Company

	Land & buildings	Assets under construction	Plant & machinery	ICT	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 September 2019	52,194	-	360	162	95	28	52,839
Additions	26,331	281	-	-	25	24	26,661
Disposals	-	-	-	(8)	(6)	-	(14)
At 31 August 2020	78,525	281	360	154	114	52	79,486
Depreciation							
At 1 September 2019	2,242	-	69	114	44	6	2,475
On disposals	-	-	-	2	(2)	-	-
Charge for the year	1,197	-	36	25	20	11	1,289
At 31 August 2020	3,439	-	105	141	62	17	3,764
Net book value							
At 31 August 2020	75,086	281	255	13	52	35	75,722
At 31 August 2019	49,952	-	291	48	51	22	50,364

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets – Group and Company

The net book value of land and buildings comprises:

	2020 £000	2019 £000
Freeholds	66,669	41,433
Long leaseholds (over 50 years)	8,417	8,519
	<u>75,086</u>	<u>49,952</u>

Security held by the Secretary of State for Education

Legal charges dated 30 March 2012, 18 February 2015 and three dated 31 October 2019 are held by The Secretary of State for Education, giving him/her a fixed charge over land and buildings at the following:

- St. Paul's Roman Catholic School, Spencefield Lane, Leicester
- The west side of Spencefield Lane, Leicester, LE5 6HN known as Evington Hall, Spencefield Lane, Leicester, LE5 6HN.
- Victoria Hospital, Park Road, Frome, land on the west side of Victoria Hospital, Park Road, Frome (BA11 1EY), 69 Weymouth Road, Frome (BA11 1HJ), land lying to the west of Park Road, Frome, land lying on the north side of Park Road, Frome and Victoria Hospital, Park Road, Frome.
- Thomas Hall, Lower Argyll Road, Exeter, EX4 4RG.
- Land at College of St Matthias, Oldbury Court Road, Bristol.

The charges were registered with Companies House on 17 April 2012, 9 March 2015, two on 4 November 2019 and 5 November 2019

15 Fixed asset investments - Company

	Total
Historical cost:	
At 31 August 2020	-
At 31 August 2019	-

The investment in group undertakings relates to the cost of:

- the 1 ordinary share of £1 (2019: 1 ordinary share of £1), being 100% of the issued share capital of Govinda's Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.
- the 100 ordinary shares of £1 (2019: 100 ordinary shares of £1), being 100% of the issued share capital of Avanti Services Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Fixed asset investments

Govinda's Limited

Nature of business: School catering

Class of share:

Ordinary

%
Holding
100

	2019	2018
	£000	£000
Aggregate capital and reserves	(29)	41

The investment in group undertakings relates to the cost of the 1 ordinary share of £1 (2019: 1 ordinary share of £1), being 100% of the issued share capital of Govinda's Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.

	2020	2019
	£000	£000
Turnover	919	1,188
Cost of Sales	<u>(295)</u>	<u>(368)</u>
Gross profit	624	820
Administrative expenses	(893)	(785)
Other operating income and interest receivable	<u>237</u>	<u>-</u>
(Loss)/Profit for the year	(32)	35
Donation to Avanti Schools Trust	<u>(38)</u>	<u>(153)</u>
Total comprehensive income for the year	<u>(70)</u>	<u>(118)</u>
The aggregate of the assets, liabilities and funds was:		
Assets	163	151
Liabilities	<u>(192)</u>	<u>(110)</u>
Funds	<u>(29)</u>	<u>41</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 **Fixed asset investments**

Avanti Services Limited

Nature of business: Provision of services to parent company

Class of share:

Ordinary

**%
Holding**
100

	2020	2019
	£000	£000
Aggregate capital and reserves	103	19

The investment in group undertakings relates to the cost of the 100 ordinary shares of £1 (2019: 100 ordinary shares of £1) being 100% of the issued share capital of Avanti Services Limited, a company incorporated in England and Wales, which is a trading subsidiary of the charitable company.

	2020	2019
	£000	£000
Turnover	825	550
Cost of Sales	<u>(713)</u>	<u>(470)</u>
Gross profit	112	80
Administrative expenses	<u>(9)</u>	<u>(61)</u>
Profit for the year	103	19
Donation to Avanti Schools Trust	<u>(19)</u>	<u>(30)</u>
Total comprehensive income for the year	<u>84</u>	<u>11</u>

The aggregate of the assets, liabilities and funds was:

Assets	176	86
Liabilities	<u>(73)</u>	<u>(67)</u>
Funds	<u>103</u>	<u>19</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Financial instruments	Company 2020 £000	Company 2019 £000	Group 2020 £000	Group 2019 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	475	302	491	378
Carrying amount of financial liabilities				
Measured at amortised cost	2,013	2,273	2,067	2,366
17 Stocks	Company 2020 £000	Company 2019 £000	Group 2020 £000	Group 2019 £000
Catering stock	-	-	14	9
18 Debtors	Company 2020 £000	Company 2019 £000	Group 2020 £000	Group 2019 £000
Trade debtors	54	33	72	101
Other debtors	419	261	419	277
Prepayments and accrued income	1,049	728	1,127	731
Amounts owed by Group Undertakings	2	8		
	1,524	1,030	1,618	1,109
19 Creditors: amounts falling due within one year	Company 2020 £000	Company 2019 £000	Group 2020 £000	Group 2019 £000
Trade creditors	275	280	284	334
Other taxation and social security	190	155	350	223
Other creditors	213	338	219	378
Accruals and deferred income	3,417	2,325	3,456	2,332
Amounts owed to Group Undertakings	-	8		
	4,095	3,106	4,309	3,267

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Creditors: amounts falling due after more than one year

	Company 2020 £000	Company 2019 £000	Group 2020 £000 £000	Group 2019 £000 £000
Other loans	-	-	50	-
Other creditors	1,173	-	1,173	-
	<u>1,173</u>	<u>-</u>	<u>1,223</u>	<u>-</u>

	Company 2020 £000	Company 2019 £000	Group 2020 £000	Group 2019 £000
Analysis of loans				
Wholly repayable within five years	-	-	40	-
Not wholly repayable within five years by instalments	-	-	10	-
Less: included in current liabilities	-	-	-	-
Amounts included	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>

21 Deferred income – Group and Company

	2020 £000	2019 £000
Deferred income is included within:		
Creditors due within one year	1,892	678
	<u>1,892</u>	<u>678</u>
Deferred income at 1 September 2019	678	530
Released from previous years	(678)	(530)
Resources deferred in the year	1,892	678
	<u>1,892</u>	<u>678</u>
Deferred income at 31 August 2020	<u>1,892</u>	<u>678</u>

Income received during the year specific to funding for future periods has been deferred accordingly. As at the balance sheet date the Academy Trust was holding funds received in advance for the year 2020/21 relating to Infant Free School Meals, educational trips, rates relief, catering and other revenue grants.

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Funds - Group

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	2,345	20,918	(19,861)	(278)	3,124
Start up grants	-	272	(272)	-	-
Other DfE / ESFA grants	-	3,287	(3,287)	-	-
Other government grants	-	1,059	(1,059)	-	-
Other restricted funds	-	892	(892)	-	-
Pension reserve	(2,265)	(1,446)	(995)	(697)	(5,403)
	<u>80</u>	<u>24,982</u>	<u>(26,366)</u>	<u>(975)</u>	<u>(2,279)</u>
Restricted fixed asset funds					
DfE group capital grants	49,948	690	(1,484)	278	49,432
Transfer of fixed assets on conversion	-	26,292	-	-	26,292
	<u>49,948</u>	<u>26,982</u>	<u>(1,484)</u>	<u>278</u>	<u>75,724</u>
Total restricted funds	<u>50,028</u>	<u>51,964</u>	<u>(27,850)</u>	<u>(697)</u>	<u>73,445</u>
Unrestricted funds					
General funds	994	490	-	-	1,484
	<u>994</u>	<u>490</u>	<u>-</u>	<u>-</u>	<u>1,484</u>
Total funds	<u>51,022</u>	<u>52,454</u>	<u>(27,850)</u>	<u>(697)</u>	<u>74,929</u>

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

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

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

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Funds - Group

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	1,930	14,152	(13,650)	(87)	2,345
Start up grants	-	333	(333)	-	-
Other DfE / ESFA grants	-	1,563	(1,563)	-	-
Other government grants	-	510	(510)	-	-
Other restricted funds	-	1,346	(1,346)	-	-
Pension reserve	(803)	-	(378)	(1,084)	(2,265)
	<u>1,127</u>	<u>17,904</u>	<u>(17,780)</u>	<u>(1,171)</u>	<u>80</u>
Restricted fixed asset funds					
DfE group capital grants	<u>49,604</u>	<u>1,773</u>	<u>(1,570)</u>	<u>141</u>	<u>49,948</u>
Total restricted funds	<u>50,731</u>	<u>19,677</u>	<u>(19,350)</u>	<u>(1,030)</u>	<u>50,028</u>
Unrestricted funds					
General funds	<u>827</u>	<u>221</u>	<u>-</u>	<u>(54)</u>	<u>994</u>
Total funds	<u>51,558</u>	<u>19,898</u>	<u>(19,350)</u>	<u>(1,084)</u>	<u>51,022</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Funds - Company

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	2,345	20,918	(19,861)	(278)	3,124
Start up grants	-	272	(272)	-	-
Other DfE / ESFA grants	-	3,287	(3,287)	-	-
Other government grants	-	1,059	(1,059)	-	-
Other restricted funds	(57)	877	(892)	-	(72)
Pension reserve	(2,265)	(1,446)	(995)	(697)	(5,403)
	<u>23</u>	<u>24,967</u>	<u>(26,366)</u>	<u>(975)</u>	<u>(2,351)</u>
Restricted fixed asset funds					
DfE group capital grants	49,945	690	(1,483)	278	49,430
Transfer of fixed assets on conversion	-	26,292	-	-	26,292
	<u>49,945</u>	<u>26,982</u>	<u>(1,483)</u>	<u>278</u>	<u>75,722</u>
Total restricted funds	<u>49,968</u>	<u>51,949</u>	<u>(27,849)</u>	<u>(697)</u>	<u>73,371</u>
Unrestricted funds					
General funds	994	490	-	-	1,484
	<u>994</u>	<u>490</u>	<u>-</u>	<u>-</u>	<u>1,484</u>
Total funds	<u>50,962</u>	<u>52,439</u>	<u>(27,849)</u>	<u>(697)</u>	<u>74,855</u>

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

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

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

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Funds - Company

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	1,930	14,152	(13,650)	(87)	2,345
Start up grants	-	333	(333)	-	-
Other DfE / ESFA grants	-	1,563	(1,563)	-	-
Other government grants	-	510	(510)	-	-
Other restricted funds	(184)	1,473	(1,346)	-	(57)
Pension reserve	(803)	-	(378)	(1,084)	(2,265)
	<u>943</u>	<u>18,031</u>	<u>(17,780)</u>	<u>(1,171)</u>	<u>23</u>
Restricted fixed asset funds					
DfE group capital grants	<u>49,599</u>	<u>1,773</u>	<u>(1,568)</u>	<u>141</u>	<u>49,945</u>
Total restricted funds	<u>50,542</u>	<u>19,804</u>	<u>(19,348)</u>	<u>(1,030)</u>	<u>49,968</u>
Unrestricted funds					
General funds	<u>827</u>	<u>221</u>	<u>-</u>	<u>(54)</u>	<u>994</u>
Total funds	<u>51,369</u>	<u>20,025</u>	<u>(19,348)</u>	<u>(1,084)</u>	<u>50,962</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Funds

Total funds analysis by academy - Group

	2020	2019
	£000	£000
Fund balances at 31 August 2020 were allocated as follows:		
Avanti House Secondary School	1,010	520
Krishna Avanti Primary School (3)	28	25
Krishna Avanti Primary School (1)	927	768
Avanti Court Primary School	621	384
Krishna Avanti Primary School (2)	862	572
Avanti House Primary School	596	284
Avanti Fields School	204	25
Avanti Gardens School	164	-
Avanti Hall School	(745)	-
Avanti Park School	(142)	-
Central services / subsidiary companies	1,084	761
	<u>4,609</u>	<u>3,339</u>
Total before fixed assets fund and pension reserve	4,609	3,339
Restricted fixed asset fund	75,724	49,948
Pension reserve	(5,403)	(2,265)
	<u>74,930</u>	<u>51,022</u>
Total funds	<u>74,930</u>	<u>51,022</u>

Total funds analysis by academy - Company

	2020	2019
	£000	£000
Fund balances at 31 August 2020 were allocated as follows:		
Avanti House Secondary School	1,010	520
Krishna Avanti Primary School (3)	28	25
Krishna Avanti Primary School (1)	927	768
Avanti Court Primary School	621	384
Krishna Avanti Primary School (2)	862	572
Avanti House Primary School	596	284
Avanti Fields School	204	25
Avanti Gardens School	164	-
Avanti Hall School	(745)	-
Avanti Park School	(142)	-
Central services / subsidiary companies	1,011	704
	<u>4,536</u>	<u>3,282</u>
Total before fixed assets fund and pension reserve	4,536	3,282
Restricted fixed asset fund	75,722	49,945
Pension reserve	(5,403)	(2,265)
	<u>74,855</u>	<u>50,962</u>
Total funds	<u>74,855</u>	<u>50,962</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Funds

Total cost analysis by academy

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

	Teaching & educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£000	£000	£000	£000	£000	£000
Avanti House Secondary School	3,767	496	148	779	5,190	4,748
Krishna Avanti Primary School (3)	404	96	30	134	664	632
Krishna Avanti Primary School (1)	1,139	265	82	298	1,784	1,609
Avanti Court Primary School	2,144	471	111	317	3,043	2,952
Krishna Avanti Primary School (2)	1,398	267	74	250	1,989	1,839
Avanti House Primary School	1,239	184	67	489	1,979	2,081
Avanti Fields School	711	127	47	433	1,318	879
Avanti Gardens School	1,070	278	53	293	1,694	-
Avanti Hall School	1,865	823	84	242	3,014	-
Avanti Park School	1,626	413	74	267	2,380	-
Central services	2	2,725	382	1,079	4,188	3,040
	<u>15,365</u>	<u>6,145</u>	<u>1,152</u>	<u>4,581</u>	<u>27,243</u>	<u>17,780</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Analysis of net assets between funds - Group

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	75,724	75,724
Current assets	1,484	8,656	-	10,140
Creditors falling due within one year	-	(4,309)	-	(4,309)
Creditors falling due after one year	-	(1,223)	-	(1,223)
Defined benefit pension liability	-	(5,403)	-	(5,403)
	<u>1,484</u>	<u>(2,279)</u>	<u>75,724</u>	<u>74,929</u>

23 Analysis of net assets between funds -Group

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	50,367	50,367
Current assets	994	5,193	-	6,187
Creditors falling due within one year	-	(2,848)	(419)	(3,267)
Defined benefit pension liability	-	(2,265)	-	(2,265)
Total net assets	<u>994</u>	<u>80</u>	<u>49,948</u>	<u>51,022</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Analysis of net assets between funds - Company

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	75,722	75,722
Current assets	1,484	8,320	-	9,804
Creditors falling due within one year	-	(4,095)	-	(4,095)
Creditors falling due after one year	-	(1,173)	-	(1,173)
Defined benefit pension liability	-	(5,403)	-	(5,403)
	<u>1,484</u>	<u>(2,351)</u>	<u>75,722</u>	<u>74,855</u>

23 Analysis of net assets between funds - Company

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	50,364	50,364
Current assets	994	4,975	-	5,969
Creditors falling due within one year	-	(2,687)	(419)	(3,106)
Defined benefit pension liability	-	(2,265)	-	(2,265)
Total net assets	<u>994</u>	<u>23</u>	<u>49,945</u>	<u>50,962</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations – Group and Company

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 seven different local authorities (Leicestershire County Council, London Borough of Harrow, London Borough of Redbridge, London Borough of Croydon, City of Bristol, Devon and Somerset. All are multi-employer defined benefit schemes.

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

Contributions amounting to £259k were payable to the schemes at 31 August 2020 (2019: £51k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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.

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,094k (2019: £897k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees.

[Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.]

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

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

Total contributions made	2020	2019
	£000	£000
Employer's contributions	693	427
Employees' contributions	237	156
Total contributions	<u>930</u>	<u>583</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.9	2.7
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50 to 75	50 to 75

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

	2020 Years	2019 Years
Retiring today		
- Males	22.4	21.5
- Females	24.5	23.8
Retiring in 20 years		
- Males	23.2	22.8
- Females	25.7	25.4

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

	2020 £'000	2019 £'000
Discount rate - 0.5%	1,794	1,012
Mortality assumption + 1 year	675	231
CPI rate + 0.5%	1,644	947
Salary rate + 0.5%	167	53

Defined benefit pension scheme net liability

Scheme assets	5,729	3,508
Scheme obligations	(11,132)	(5,773)
Net liability	(5,403)	(2,265)

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	2020 Fair value £000	2019 Fair value £000
Equities	4,059	2,581
Bonds	1,053	646
Cash	164	21
Property	453	260
Total market value of assets	<u>5,729</u>	<u>3,508</u>

The actual return on scheme assets was £398,000 (2019: £237,000).

Amount recognised in the Statement of Financial Activities	2020 £000	2019 £000
Current service cost	1,618	751
Past service cost	-	28
Interest income	(91)	(84)
Interest cost	161	110
Total operating charge	<u>1,688</u>	<u>805</u>

Changes in the present value of defined benefit obligations	2020 £000
At 1 September 2019	5,773
Obligations acquired on conversion	2,357
Current service cost	1,618
Interest cost	161
Employee contributions	237
Actuarial loss	1,004
Benefits paid	(18)
At 31 August 2020	<u>11,132</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations

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

	2020
	£000
At 1 September 2019	3,508
Assets acquired on conversion	911
Interest income	91
Actuarial gain	307
Employer contributions	693
Employee contributions	237
Benefits paid	(18)
	<hr/>
At 31 August 2020	<u>5,729</u>

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

	2020	2019
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	24,604	548
Adjusted for:		
Net surplus on transfer of academy in the trust	(24,984)	-
Capital grants from DfE and other capital income	(690)	(1,773)
Investment income receivable	(3)	(3)
Defined benefit pension costs less contributions payable	925	352
Defined benefit pension scheme finance cost	70	26
Depreciation of tangible fixed assets	1,290	1,037
Loss on disposal of fixed assets	14	-
(Increase)/decrease in stocks	(5)	4
(Increase) in debtors	(509)	(119)
Increase/(decrease) in creditors	2,215	(166)
Stocks, debtors and creditors transferred on conversion	(16)	-
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	<u>2,911</u>	<u>(94)</u>

26 Analysis of changes in net funds

	1 September	Cash flows	31 August
	2019		2020
	£000	£000	£000
Cash	5,069	3,439	8,508
Loans falling due after more than one year	-	(50)	(50)
	<hr/>	<hr/>	<hr/>
	<u>5,069</u>	<u>3,389</u>	<u>8,458</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

27 Contingent liabilities – Group and Company

Group and company

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

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

28 Commitments under operating leases – Group and Company

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

	2020	2019
	£000	£000
Amounts due within one year	368	450
Amounts due in two and five years	1,110	1,188
Amounts due after five years	4,125	4,400
	<u>5,603</u>	<u>6,038</u>

29 Capital commitments – Group and Company

	2020	2019
	£000	£000
Expenditure contracted for but not provided in the accounts	<u>-</u>	<u>85</u>

30 Related party transactions – Group and Company

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust and/or its Directors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy Trust has taken advantage of the exemption available in Financial Reporting Standard 102 Section 33 and not disclosed transactions with group entities within these financial statements.

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

31 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.

32 Transfer of existing academies into the Academy Trust – Group and Company

Steiner Academy Bristol

On 1 November 2019, Steiner Academy Bristol joined the Trust. Steiner Academy Bristol had previously transferred out of Local Authority control in 2012 to become an Academy Trust (Company Registration Number 08300393).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£000	£000	£000
Net assets acquired			
Freehold land and buildings	7,312	(732)	6,580
Other tangible fixed assets	160	(160)	-
Debtors	131	-	131
Cash and cash equivalents	154	-	154
Creditors due in less than one year	(147)	-	(147)
Pension scheme	(159)	(12)	(171)
	<u>7,451</u>	<u>(904)</u>	<u>6,547</u>
Total net assets	<u>7,451</u>	<u>(904)</u>	<u>6,547</u>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

32 Transfer of existing academies into the Academy Trust

Steiner Academy Exeter

On 1 November 2019, Steiner Academy Exeter joined the Trust. Steiner Academy Exeter had previously transferred out of Local Authority control in 2012 to become an Academy Trust (Company Registration Number 07956691).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
Net assets acquired	£000	£000	£000
Freehold land and buildings	9,894	(2,745)	7,149
Other tangible fixed assets	281	(281)	-
Debtors	85	(85)	-
Cash and cash equivalents	44	(44)	-
Creditors due in less than one year	(815)	815	-
Pension scheme	(675)	30	(645)
	<hr/>	<hr/>	<hr/>
Total net assets	8,814	(2,310)	6,504
	<hr/>	<hr/>	<hr/>

AVANTI SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

32 Transfer of existing academies into the Academy Trust

Steiner Academy Frome

On 1 November 2019, Steiner Academy Frome joined the Trust. Steiner Academy Frome had previously transferred out of Local Authority control in 2012 to become an Academy Trust (Company Registration Number 08102584).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£000	£000	£000
Net assets acquired			
Intangible fixed assets	10	(10)	-
Freehold land and buildings	7,685	4,854	12,539
Other tangible fixed assets	279	(254)	25
Stocks	1	(1)	-
Debtors	414	(414)	-
Cash and cash equivalents	9	(9)	-
Creditors due in less than one year	(558)	558	-
Pension scheme	(584)	(46)	(630)
	<u>7,256</u>	<u>4,678</u>	<u>11,934</u>