

Company Registration Number: 09284368 (England & Wales)

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Geoffrey Marsh
Andrew Griffiths (appointed 1 September 2019)
Neil Shaw (appointed 1 September 2019, resigned 6 June 2020)
Diane Cochran (appointed 1 September 2019)
Col. K Knutton (appointed 1 September 2019)

Trustees

Tony Bowles, Chief Executive Officer
William Caldwell
Geoffrey Marsh, Chair
Richard Westwood
Robert Evans
John Harris
Sir David Nicholson (appointed 7 February 2020)
Robert Dimmock
Gillian Withers

Company registered number

09284368

Company name

Invictus Education Trust

Principal and registered office

Invictus Education Trust Headquarters
Kinver High School
Enville Road
Kinver
South Staffs
DY7 6AA

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Company secretary

Amy Buttery

Chief executive officer

Tony Bowles

Executive Headteachers Board

Tony Bowles, Headteacher - Chief Executive Officer and Accounting Officer
Carla Leslie, Headteacher - Ellowes Hall Sports College (appointed 1 April 2020)
Alan Jasper, Headteacher - Ellowes Hall Sports College (resigned 31 December 2019)
Gemma Smith, Headteacher - Wombourne High School (formerly Ounsdale High School to 31 August 2019)
Nicola Clifton, Headteacher - Kinver High School (appointed 2 December 2019)
Dan Taylor, Acting Headteacher - Kinver High School (appointed 1 April 2019 and resigned 30 November 2019)
Caroline Sutton, Headteacher - The Crestwood School (appointed 1 September 2019)
Matthew Mynott, Headteacher - Leasowes High School
Gareth Lloyd, Headteacher - Pedmore High School

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Barclays Bank plc
PO Box 5
Wolverhampton
WV1 1DS

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Invictus Education Trust ("the Trust") for the year ended 31 August 2020. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the FRS102, including the Charities SORP 2015. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under Company Law.

Invictus Education Trust consists of six of the leading schools in Dudley and South Staffordshire who form the Invictus Multi Academy Trust.

The schools in the Borough of Dudley are - The Crestwood School in Kingswinford, Ellowes Hall Sports College in Gornal, Leasowes High School in Halesowen, Pedmore High School in Pedmore, and from Staffordshire County - Kinver High School in Kinver and Wombourne High School in Wombourne.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Trust is a company limited by guarantee and is an exempt charity. The charitable company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Trust. The Charitable Company was incorporated on 18 October 2014, and commenced operations on 1 March 2015.

The Trust is constituted under a Memorandum of Association dated 18 October 2014.

The Trustees of Invictus Education Trust are also the directors of the charitable company for the purpose of company law. The Promoting the Success of the Company Statement as required by Section 172(1) of the Companies Act 2006 is within this element of the Trustees report further down.

The charitable company is known as Invictus Education Trust.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees benefit from Indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust or breach of duty to which they may be guilty in relation to the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed by the Board of Members at Invictus Education Trust and they are appointed for a 4-year term. Where a vacancy arises, through the completion of term or by the resignation of a serving Director, Trustees will be recruited in accordance with the Articles of Association and 'A Guide to the Law for School Directors.'. Candidates are interviewed by the Members and formal appointment to the Board of Trustees is then offered to the successful candidate.

On appointment the following documentation is issued:

- Letter of appointment
- Job Description
- Trust Governance Arrangements
- Trustee Declaration of Office
- Email Usage Consent Form

The Trust Governance Arrangements Documents sets out the Trust Structure and the roles and responsibilities, terms of office etc.

The term of office for any Trustee is 4 years however, they may be reelected.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trust is a member of the National Governors' Association and through this professional Body. Each member receives regular updates on current legislation by email and the NGA magazine. A programme of Governor specific training is provided by the Local Authority and additional training is sourced as required based on individual or collective need from external providers such as Browne Jacobson.

ORGANISATIONAL STRUCTURE

Chief Executive Officer/Accounting Officer

The Chief Executive Officer is also the Accounting Officer of the Trust, and as such, has ultimate responsibility for the operations and controls in place.

Board of Trustees

At the 31 August 2020, the Trust had a Board of Trustees with responsibility and accountability for the six schools, with a School Governing Board including Link Governors at each school.

The Board of Trustees is responsible for setting the Trust's policies, approval of budgets, monitoring performance against these plans and making major decisions about the direction of the Trust including its curriculum, the achievement and welfare of students, and staffing.

Groups of Trustees may be formally organised outside of this structure as necessary to support the Trust as required.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Finance and Audit Committee

The Trust's Finance and Audit Committee works across the Trust. The formal structure of voting members consists of the Trustees, with invited finance Governor representation from each Trust school, together with the Chief Finance Officer and Chief Operating Officer in attendance for professional support and guidance. Where appropriate, duties can be delegated to sub committees and employees of the Trust. although the Board of Trustees maintains overall control for the activities and performance of the Trust.

Management Structure

An aim of the management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Trust nurtures the talents of its entire staff to support continual improvement and excellence.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Pay and remuneration is outlined in the Trust's Pay Policy and Appraisal Policies: Support staff are paid in line with National Joint Council (NJC) pay structure and Teaching Staff are paid in line with School Teachers' Pay and Conditions Document (STPCD). The Trust's Scheme of Delegation sets out the pay approval levels.

The Board of Trustees recognise the range of powers which it has a duty, or discretion, to exercise in respect of the remuneration of staff. Pay and remuneration is reviewed annually as required by the School Teachers' Pay and Conditions Document (STPCD).

All posts within the Trust have a Job Description and set pay range/scale applicable to that post.

It is the responsibility of the Board of Trustees to approve annual pay increases of Key Management Personnel.

- The Chief Executive Officer has a seven point pay range which is set out in the Pay Policy
- Headteachers, Directors are paid within the ranges set out in the Pay Policy
- Teaching Staff and support staff are paid within the ranges set out in the Pay Policy

Appraisal is undertaken annually and staff progression up the relevant pay range is determined by the outcome of a successful appraisal.

Trust Governors, Trustees or Members receive no pay or remuneration.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50% (4 employees for 13 hours or less than 0.25 of time)	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	438	
Total pay bill	22,318,118	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Trust has procured the services of several external consultants to help develop educational and business expertise within the Trust. None of which constitute a related party or connected organisation but are currently working closely with the Trust:

- David Rzeznik (former Senior HMI Inspector)
- Peter Limm (former HMI Inspector)
- Angela Mander (former Primary school Headteacher)
- The Stairway Consultancy limited (leadership development)
- Tony Stephens (an independent Education Support consultant)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)

The Trust actively engages with its employees. It has shared electronic folders on the school IT systems, the Trust's school and Trust websites contain a wealth of information. The administrative and professional services team are now centralised and work closely with school staff in all areas. There are a significant number of regular meetings at all level of the organisation where information is shared and opinions sort, this is across all groupings of staff. The Trust has a staff wellbeing service to support our employees 24/7.

From January 2020, the Trust has a dedicated Media, Marketing and Communications Director who is responsible for not only external communications and marketing but internal communications. The Chief Executive Officer sends regular updates to staff via Trust wide email groups. The CEO meets frequently with Headteachers and central Senior Leadership Team and this information is shared across schools and Head Quarters.

The Trust has an Equality and Diversity Policy which sets out the Trust's framework for ensuring disabled staff have the same care and opportunities as other employees and are not disadvantaged.

Disabled persons are not disadvantaged by our recruitment processes, appraisal process, or job opportunities that arise in the Trust.

Should any employee become disabled, we would do our very best to meet their needs and make any reasonable adjustments to their working environment/role to ensure they can continue. If needed we would seek professional advice or provide particular equipment to enable staff to continue in their role which would be identified as part of the support/risk management arrangements.

The Trust actively engage with Unions when restructuring or making changes to the organisation which impact on workforce.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE ACADEMY

The Trust works hard to promote strong business relationships with our suppliers and service providers. Over the last 5 years the Trust has worked at centralising all of the major service providers and will continue with this work going forward.

The Trust's ethos is to get the very best quality of service for the Trust's schools, students and staff, and to build working relationships with those service providers acknowledging the benefits.

Where possible the Trust will engage with local businesses, which in turn financially supports the local communities and the families that attend the Trust schools. By doing business more locally it is the aim to reduce the Trust's carbon footprint.

The Trust has a community engagement policy which promotes the use of the six school/sports facilities by clubs and individuals locally based.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

OBJECTIVES, STRATEGY AND AIMS

The principal object and activity of the Trust is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum with a strong emphasis on the specified specialisms of those academies. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

EDUCATIONAL AIMS

To ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.

Year 7 Student Intake September 2020 and Ofsted Grading.

School	PAN	Actual Number Admitted Sept 2020	Last Inspection Date	Ofsted Grading
Crestwood School	210	207	2018	Good with outstanding features in respect of personal development, behaviour and welfare
Ellowes Hall Sports College	180	219	2019	Requires Improvement with good features in personal development and 6 th form provision
Kinver High School	120	107	2018	Requires Improvement with good features in respect of personal development, behaviour and welfare and the 16-19 study programme
Leasowes High School	150	208	2019	Good
Wombourne High School	192	171	2018	Requires Improvement with good features in respect of personal development, behaviour
Pedmore High School	150	123	2016	Good with outcomes for pupils requires improvement

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TRUSTEES' REPORT (CONTINUED)
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School Improvement Process

Invictus Education Trust has been created with a distinctive identity, and focus on Independent Minded Education and Elite Opportunities.

The Trust starts (and ends) with academic excellence - and it is academic excellence for all. It will not deal in excuses and where, perhaps, circumstances conspire against our students; the Trust will fight to overcome those circumstance, knowing that for the students, that good qualifications will only take them so far. Consequently, the Trust is determined to grow them in confidence, in articulacy and as leaders.

Students will have the opportunity to try out a wide and rich range of experiences and unique opportunities. The aim is to expose them to the best of cultural, vocational and sporting opportunities, understanding that those aspects are not recreational but critical to the students' independent development and success

The Trust is committed to its aims and vision and believe that more children will benefit from our educational promise. To that end, we will look to expand our provision across our borough as appropriate.

There is an established and rigorous system of School Improvement which has been developed to include greater emphasis on the gathering of evidence that mirrors the challenges, rigors and accountabilities during an HMI inspection.

The Trust has developed an additional layer of school improvement within the process which is developmental and supportive i.e. Focus Days. The Trust has continued to employ David Rzeznik, former Senior HMI, as an Educational Advisor. David Rzeznik will continue to direct and facilitate school improvement across the Trust together with the Chief Executive Officer (CEO), Senior Strategic Lead for Standards, Director of School Improvement, Director of Teaching and Learning, peer Headteachers and Directors of subject. Directors and peer Headteachers alternate depending on the specific areas of focus within each school. These are the standards team that from October 2020 will facilitate the quality assurance process across the Trust. The growth of the central teaching and learning team will ensure a robust approach and facilitate a more targeted approach to supporting and eradicating areas of key weakness.

The Quality Assurance (QA) process in Invictus schools begins with a detailed scrutiny of each school generated by its data. From this, the Trust use a 'Scorecard' developed internally, and from this a school will produce a Self-Evaluation Form (SEF). The work identified and required by the SEF is put into three categories of importance, (Red, Amber and Green). These support the School Improvement Plan, giving clarity to the key areas of weakness within a school. Key priorities underpin whole school improvement at all levels. A key development to this process is the CEO and Headteacher meetings that precede the Focus Day visits. This establishes very clear expectations regarding the process of gathering evidence and allows the Headteacher to contextualise their schools key strengths and weaknesses prior to the Focus Day scrutiny.

The day concentrates on the priorities of the School Improvement Plan (SIP) and involves a 'Deep Dive' approach. This process is in line with the most recent Ofsted framework and includes professional conversations round curriculum, data and leadership before lessons are visited to observe learning, interview pupils and scrutinize books etc.

David Rzeznik collates the observations into an Ofsted style summary. The report is published internally and will be lodged in the on-line repository for Trustees to read and informs the necessary action points for each school to address. The process also allows areas of strength to be celebrated and Continuous Professional Development (CPD) and collaboration across the Trust supports post Focus Day actions.

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In addition to the whole school improvement process from 2020 there has been a huge amount of work across the Trust to develop and explore four key areas of pedagogy and conduct. Learning Groups with key teachers from across the six schools have researched, developed and facilitated the development of four key strategies starting from September 2020.

- GRIT (Growth, Resilience, Independent, Time) challenges students' resilience to work independently on challenging tasks during every lesson for a limited amount of time.
- Effective procedures to support positive Conduct and behaviors have developed assertive discipline and restorative practice in all schools.
- Whilst live marking and a new Marking and Feedback policy give opportunities for instant feedback and tackling misconceptions in learning. Tackling these swiftly enables students to move on quickly in their learning and establishes a greater depth in their understanding.
- Forensic Reading projects gives students access to complex texts and contemporary/social issues. Literacy, comprehension and the ability to analyse and discuss a range of topics develops oracy.

Invictus Focus Days and in school Health Check QA processes will seek to demonstrate the four key areas and how these are developing across the Autumn term. From January 2021 it is envisaged that these four areas of pedagogy and practice will be embedded. The impact of these strategies will be sought through the QA systems of Focus Days and also through in-school QA in the form of 'Health Checks'. Health Checks give middle leaders autonomy and structure when quality assuring their department and teams. All teaching staff take part at half termly intervals in similar procedures to that of the Trust Focus Days. Senior Leaders use the Health Check process to support school improvement by ensuring key weakness and priorities are addressed in house. This in turn supports line management and can also feed into appraisal ensure the cycle of school improvement is robust, ensures accountability and also provides opportunities for CPD and the sharing of best practice.

Tony Stephens, an independent Education Support Consultant has been appointed to support, advise and to conduct the CEO and Headteachers' appraisals ensuring greater rigor and accountability within the process.

Additional Educational Expertise

Pupil Premium, Most Able and boys' performance continues to be a priority across the Trust. There are now Subject Directors (specialists) in all subjects (with the exception of Art and Design) that support guide and lead on improvement across the Multi Academy Trust (MAT). Their roles have grown and developed to include curriculum planning, CPD facilitation across their subject teams, assessment and examination preparation and development. From September 2020 the Senior Strategic Lead for Standards has become full time as part of the central team as has the Director of Math's. The Director of School Improvement and Director of Teaching and Learning/ Science appointments have ensured greater capacity to support the CEO to rapidly improve standards across the Trust.

The Board also receives updates on schools' progress during each meeting. There are formal 'data drops' when GCSE predictions - outlining attainment and progress -which are presented to Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Factors Relevant to Achieve Objectives

In order to achieve the objectives and future-plans of the Trust we must:

- Maintain our student numbers in those schools oversubscribed and work to increase our student numbers, particularly in two of our smaller schools, which remain undersubscribed;
- Ensure all schools are working to the Trust's reserve % target to provide a contingency fund;
- Improve and grow our Sixth Form Provision with an aim to rationalise the number of school sites pupils need to commute between;
- Maximise income and optimise alternative funding/grants;
- Optimise staffing and expenditure in line with need/income;
- Share good practice and seek opportunities to upskill staff through an effective programme of continued professional development;
- Support those schools across the Trust with an Ofsted grading of below Good to work towards eradicating the weaknesses in preparation for the next Ofsted visit.

Objectives and Aims - Business and Financial Management

Financial Management

To improve financial management within the Trust, the following controls have been implemented:

- Revised and enhanced internal control processes were put in place during 2017/18 and these have been embedded during 2018/19 and 2019/20 to achieve a consistent approach across all Trust schools'.
- This has culminated in the Trust's Financial Procedures and Policies handbook being updated and overhauled completely for September 2020. Having now received extended audit assurance testing the procedures have now been adopted by Trust Board at the September 2020 meeting. Internal operational and strategic training will be delivered during 2020/21 to update and refresh key staff of the main principles and policies within the Financial handbook. In particular:
 - Ordering and purchasing requirements and best practice
 - School Lettings with a revised lettings policy adopted for 2020/21
 - Register of Business Interests and Related Party Payments
 - Cash management and internal control principles
 - Cyber Fraud management
 - Check of portable assets, particularly as the Trust has invested significantly in laptops and online digital platform learning since COVID lockdown in schools on 23 March 2020
 - Use of credit cards
 - IR35 off payroll working
- Despite COVID lockdown, on 1 April 2020 a planned administrative restructure was implemented across the Trust which rationalised and standardised roles within schools and centralised roles such as:
 - HR Director and administration;
 - Three Facilities and Operations Managers working across six Trust schools;
 - Two Finance Officers reporting to the central finance team but working on a peripatetic basis supporting the finance assistants located in school's;
 - Marketing and Communications Officer;
 - 6th Form administrator.
- The role of Chief Finance Officer has been formally adopted by the Trust using existing employed Trust HQ staff.

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FOR THE YEAR ENDED 31 AUGUST 2020

- The Trust now has three centralised qualified accountants supporting the Trustees, Chief Executive and six Headteachers, all maintaining continued professional development. This focused professional support has enabled a robust, consistent and regular framework of financial management to be developed across the Trust and is validated by the increase in the Trust's available surplus reserves from a very low base in 2017/18.
- The key financial control processes are independently reviewed each month by the Senior Finance Officers supporting each of the six Trust Schools.
- During COVID lockdown there was a successful transfer of Pedmore High School's school fund account from Tucasi Cash Management to Pebble School Fund Manager. This now provides a consistent platform for all six Trust school to use the same financial information systems both for School Fund activities (Pebble Fund Manager) and main GAG funding (PS Financials).
- From September 2020 Leasowes High school and Pedmore High school are now using Tucasi Booking Pro software for school lettings. This brings all six Trust schools into line for lettings administration.
- From September 2020 all six Trust schools will be using G4S for cash collection services. This ensures the safe delivery of cash to the bank and avoids the inefficiencies of staff time in attending the bank regularly. Further work will be undertaken during 2020/21 to adopt cash less pay options wherever possible across the Trust's schools.
- The Fixed Asset Management Register of items in excess of £5,000 is now retained and controlled centrally. The FAR has been reformatted with enhanced processes for capturing the data. Schools will continue to maintain their own inventory of all assets in school for internal control purposes.
- The Chief Operating Officer of the Trust maintains a centrally controlled Significant Risk Register which is presented to Trust Board for approval. In December 2019 this was subject to Extended Assurance testing by the internal auditors.
- A tendering process will be undertaken during the Autumn 2020 term to replace the current internal audit arrangements as these now contravene the 2020 Academies Financial Handbook having formally used the External Audit practice for Internal Audit functions also.
- Trust school staff credit cards were reviewed during 2019/20 and those not meeting the criteria of need were cancelled. Going forward the Trust is looking to set up supplier accounts with those local companies where the site staff need access to small purchases of commodities to keep the site maintained during non-term time. These will be administered by the Facilities and Operations Managers and allocated to site staff based on need ensuring controls around purchases are adhered to.
- During COVID lockdown the bank mandate authorisation were all brought up to date and the online bank authorised signatories were rationalised to Headteacher only. Thus, ensuring consistent scrutiny of payment of suppliers across schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Condition Improvement Funding

Invictus Education Trust has been extremely successful in the bids for Condition Improvement Funding. Between 2015 and 2017 grants totaling £15m have been awarded to the Trust covering all Trust Schools during that period.

Due to the number of students on roll, the Trust is no longer be able to submit applications for Condition Improvement Funding. However, since 2018, the Trust has been awarded £4.5m of Schools Condition Funding Allocation by the ESFA. An internal process to determine how this funding is to be fairly distributed to each school has been developed. The Trust school allocations are below.

School	Funding Approved £	Project Details
Crestwood School	138,660	CCTV upgrade. Conservatory dining area
Ellowes Hall School	712,468	Science laboratory refit
Kinver High School	603,290	Food tech room, Students toilet refit, Theatre and games hall refurb, Boiler replacement, alarm upgrade
Leasowes High School	660,293	Science laboratory refit Fire safety
Wombourne High School	605,970	Fire safety, Students toilet refit, Enabling works to teaching blocks
Pedmore High School	205,387	Students toilets refit, Refurb. halls, Boiler replacement
Kinver High School Invictus	360,000	Refurbishment of disused teaching block to office accommodation
Contingency for Reactive Urgent repairs	121,112	Kinver High School, Ellowes Hall School and Pedmore High School
Total Funding Allocated Invictus Education Trust	3,407,180	
Total Grant Approved ESFA	4,458,029	
Funding to be Allocated	1,050,849	

Finance Systems

All finance staff use the PS Financial Management System for main General Annual Grant funding and the Pebble Fund Manager system to operate School Fund.

Banking

All schools within the Trust bank with Barclays bank. This allows the Trust to have full access to all bank accounts, statements, users and to have full control over access security and banking limits.

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TRUSTEES' REPORT (CONTINUED)
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Traded/External Services

HR Transactions/Payroll

Dudley Transaction and Payroll Department on an annual contract. This is a fully managed payroll and pension service operating from September-August.

HR Partner Plus Service

Browne Jacobson Solicitors on a 2-year contract December 2020 to December 2022. To provide HR Advice in matters such as disciplinary, capability, policies, employment law.

Insurance

Zurich Insurance via Solihull MBC Brokers on an annual contract. Cover runs from September - August and covers, inter alia land, buildings, assets, public liability, employer liability, school trips, mini buses.

Legal Services

Browne Jacobson Legal Advisory Service to the Trust dealing with schools converting to academy and joining the Trust.

Gas & Electricity

Northern Gas & Power have a fixed term 7-year energy supply contract which expires in November 2022.

Recruitment Subscription

Times Educational Supplement recruitment contract renewed in 2020 for 2 years till October 2022.

School Fund

All schools in the Trust use Pebble Financial Management System to record School Fund transactions. This system is linked to Parent Pay, which allows parents to have an online account therefore reducing cash management in the school office.

Tucasi Facility and Lettings Management System

Tucasi Booking Pro system is used by six Trust schools at 1 September 2020. This does not integrate with PS Financials however the Trust has evaluated the merits and decided that Booking Pro is a better form of software for the end user in the school lettings office and that financial procedures can be put in place to ensure the transactions are accurately recorded in PS Financials.

PUBLIC BENEFIT

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

KEY PERFORMANCE INDICATORS

The following areas are deemed to be the key performance indicators for the Trust.

Cash Flow

Cashflow across the Trust school's always needs to be carefully monitored as the main GAG funding is received in equal instalments over 12 months. Therefore, all schools maintain a cash flow forecast and a vigilant check on cash against creditors and are proactive to ensure that debtor income is collected in a timely manner. Wherever possible payment of the supplier is made on a monthly payment plan through a direct debit arrangement to ease the cash flow position.

At the meeting on 30th September 2019, Trust Board approved a cash loan to Kinver High School of up to £0.2m with a five-year repayment plan to assist the school's cash flow position which is due to their deficit reserve position reported at 31 August 2019. During 2019/20 a sum of £0.107m has been drawn.

On the 1st June 2020 an emergency cash flow loan was approved for Pedmore High School to assist with their cash flow difficulties which had been discussed at Trust Board on previous occasions however it was hoped that this action could be avoided as the schools financial forecast is healthier from 2020/21.

Both of the cash loans were made from Invictus Headquarters funds. These will be repaid by the schools' when it is safe and there is no danger of reputational risk to the school.

Credit

Trust school finance staff have access to a credit card for purchases to ensure procurement opportunities are both efficient and economical. There is a credit limit set on all credit purchases.

Student Numbers

The total number of students in Invictus Trust secondary Academy schools at 1 September 2020 are as follows. Previous years have been shown for comparative purposes.

Student Numbers	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16	Sep-15
KS3&KS4 Years7-11						
Crestwood School	939	894	822	747	717	716
Ellowes Hall School	1,071	1,046	1,029	1,019	994	1,008
Kinver High School	548	548	532	549	500	521
Leasowes High School	958	896	848	789	719	705
Wombourne High School	940	858	836	804	784	741
Pedmore High School	599	595	567	584	598	578
Total Year 7 to 11	5,055	4,837	4,634	4,492	4,312	4,269

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The following summarises students' achievements in GCSE results:

	Crestwood			Ellowes			Kinver			Leasowes			Pedmore			Wombourne		
Cohort Size	160	54	106	187	45	142	93	15	78	146	56	90	109	34	75	149	25	124
Average KS2 Level	4.79	4.66	4.86	4.75	4.43	4.85	4.73	4.28	4.81	4.68	4.65	4.7	4.71	4.43	4.83	4.86	4.61	4.92
PP %	33.8	100	0	24.1	100	0	16.1	100	0	38.4	100	0	31.2	100	0	16.8	100	0
PA High %	44.4	33.3	50	39	20	45.1	32.3	6.7	37.2	29.5	23.2	33.3	32.1	20.6	37.3	47	32	50
PA Mid %	42.5	48.1	39.6	50.8	60	47.9	47.3	53.3	46.2	54.1	58.9	51.1	51.4	47.1	53.3	45.6	52	44.4
PA Low %	13.1	18.5	10.4	8.6	17.8	5.6	9.7	20	7.7	15.8	17.9	14.4	11	26.5	4	6	16	4
SEN %	21.3	31.5	16	11.2	11.1	11.3	20.4	40	16.7	26.7	35.7	21.1	14.7	23.5	10.7	16.1	44	10.5
Boys %	50	44.4	52.8	44.9	33.3	48.6	43	46.7	42.3	59.6	58.9	60	47.7	47.1	48	51.7	52	51.6
Girls %	50	55.6	47.2	55.1	66.7	51.4	57	53.3	57.7	40.4	41.1	40	52.3	52.9	52	48.3	48	48.4
Attainment 8	49.63	44.75	52.11	48.55	39.18	51.51	51.81	37	54.66	44.55	41.67	46.35	45.56	36.51	49.67	50.47	36.52	53.28
- English	10.46	9.56	10.92	10.63	8.8	11.21	11.4	8	12.05	9.22	8.96	9.38	10.15	8.71	10.8	10.66	7.92	11.21
- Maths	9.3	8.48	9.72	9.21	7.16	9.86	10	6.93	10.59	8.45	8.11	8.67	8.83	6.94	9.68	9.22	6.64	9.74
- E-Bacc	13.5	11.75	14.39	13.66	10.72	14.58	14.12	9.87	14.94	12.83	11.58	13.61	12.15	9.51	13.35	14.9	10.8	15.73
- Open	16.37	14.96	17.08	15.05	12.51	15.86	16.3	12.2	17.08	14.05	13.02	14.7	14.44	11.35	15.84	15.68	11.16	16.6
Progress 8	0.23	0.03	0.34	0.23	-0.19	0.36	0.65	0.08	0.76	0.08	-0.07	0.17	-0.02	-0.33	0.12	0.21	-0.69	0.39
- English	0.18	-0.02	0.28	0.35	-0.09	0.49	0.8	-0.13	0.97	-0.14	-0.15	-0.14	0.21	0.01	0.3	0.15	-0.76	0.34
- Maths	0.09	-0.02	0.15	0.14	-0.29	0.28	0.66	0.16	0.76	0.04	0.01	0.06	0.02	-0.25	0.14	-0.1	-0.82	0.05
- E-Bacc	-0.05	-0.29	0.08	0.13	-0.29	0.26	0.42	0.07	0.48	0.16	-0.1	0.31	-0.36	-0.59	-0.26	0.33	-0.5	0.5
- Open	0.65	0.42	0.76	0.3	-0.1	0.42	0.79	0.18	0.91	0.17	-0.03	0.3	0.15	-0.37	0.39	0.32	-0.76	0.54
E-Bacc Entry %	31.3	31.5	31.1	72.7	46.7	81	20.4	0	24.4	69.9	62.5	74.4	27.5	20.6	30.7	54.4	36	58.1
E-Bacc Pass (5+) %	23.8	18.5	26.4	38	24.4	42.3	15.1	0	17.9	42.5	37.5	45.6	23.9	14.7	28	39.6	28	41.9
E-Bacc Pass (4+) %	13.8	13	14.2	16.6	6.7	19.7	9.7	0	11.5	15.8	16.1	15.6	13.8	5.9	17.3	23.5	12	25.8
E-Bacc Score	4.06	3.67	4.26	4.38	3.38	4.69	4.27	2.88	4.53	4.1	3.79	4.29	3.82	3.01	4.18	4.54	3.26	4.8
7+ in English & Maths %	16.3	9.3	19.8	15	4.4	18.3	16.1	0	19.2	7.5	5.4	8.9	8.3	5.9	9.3	12.1	4	13.7
5+ in English & Maths %	44.4	40.7	46.2	46.5	22.2	54.2	51.6	6.7	60.3	28.1	26.8	28.9	45	26.5	53.3	45	16	50.8
4+ in English & Maths %	69.4	63	72.6	74.3	55.6	80.3	76.3	26.7	85.9	61	55.4	64.4	74.3	47.1	86.7	69.8	48	74.2
7+ in English %	20	13	23.6	24.1	11.1	28.2	33.3	0	39.7	15.1	12.5	16.7	16.5	11.8	18.7	26.8	8	30.6
5+ in English %	68.1	61.1	71.7	69	42.2	77.5	76.3	33.3	84.6	44.5	41.1	46.7	62.4	50	68	70.5	36	77.4
4+ in English %	88.1	79.6	92.5	86.1	66.7	92.3	89.2	66.7	93.6	76	73.2	77.8	84.4	61.8	94.7	88.6	60	94.4
7+ in Maths %	22.5	14.8	26.4	18.2	4.4	22.5	21.5	0	25.6	9.6	8.9	10	11	11.8	10.7	15.4	4	17.7
5+ in Maths %	50	44.4	52.8	48.7	24.4	56.3	55.9	20	62.8	39.7	35.7	42.2	48.6	26.5	58.7	49.7	24	54.8
4+ in Maths %	70	64.8	72.6	75.4	55.6	81.7	80.6	40	88.5	68.5	62.5	72.2	74.3	47.1	86.7	71.8	52	75.8

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COVID 19 PANDEMIC 2020

The national Government lockdown and the school closures in late March 2020 were unprecedented. However, with a very strong and united teaching and non-teaching staff, 'business as usual' measures were put in place very quickly.

Leadership

The Trust's Headquarters offices, then based in Himley Park, were closed by the Dudley local authority as part of the closure of parks and open leisure spaces from April to June. During this time the CEO, CFO and COO were working from home remotely and communicating on a regular basis with each other, Headteachers and immediate staff, either via video linked conferencing or telephone and email. When the park reopened there was a minimum office presence at Himley working to the Governments social distancing and hygiene guidelines. Work continued at this level during the pandemic with no adverse impact on finances or the strategic delivery of the Trust's business. All Government returns were submitted on time and other than the Trust Board meeting on 30th March 2020, which occurred too soon after lockdown to organise a virtual meeting, Trustee and Member meetings have continued as scheduled for 2019/20 despite many of the members themselves shielding.

Whilst schools were closed to parents and the public, other than students of key workers, the Headteachers were either in school on a rostered basis or working from home remotely, accessible at all times. There was a weekly communication with the CEO, CFO and COO to share the Government COVID guidance which was essential. Particularly as the Trust had two of six Headteachers who were newly appointed within the Spring 2020 term. The Headteachers were directing their own staff in respect of the on-line curriculum needs of the students who were undertaking remote learning.

Teaching and Curriculum Staff

Within a week of School closures in March 20, we as a Trust had instigated full remote virtual learning for our students. Staff fully engaged and applied themselves coping with a totally new way of teaching highly effectively over the period of lockdown, as a Trust we provided 15,407 lessons which engaged 130,166 students.

Non-Teaching Staff

All staff, where appropriate, were either working in school full time (site staff/cleaners) or on a rostered basis or when not rostered they were working from home remotely.

Students Learning

For students who were not engaging, or having difficulty we provided laptops even before we got the Government issued ones arrived. We feel that altogether, student learning had not been as negatively impacted as many others. We were/are very proud of our efforts in 'meeting the needs of our students'.

Finance

The Trust was already on target by March 2020 to increase its revenue surplus in excess of approved budget for 2019/20 due to good financial management processes which are outlined above under 'Objectives and Aims - Business and Financial Management' and the determination to restore the Trust's reserves in line with its reserve policy (outlined below).

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Whilst the COVID period from April to August did see "business as usual" from a finance operational perspective: suppliers were paid; internal controls and procedures were adhered to; the PPN 02/20 and 04/20 were complied with; the additional surpluses accrued this year are as a result of specific COVID related issues. Such as summer 2020 exam fee credits from the exam boards of 25%, saving the Trust £75k; utility savings were £80k as building required less light and water usage; teaching and administration supplies savings were £100k. These savings were offset against lettings income which was down by £200k and as a result of the closure of the lettings facilities in each March, the lettings staff were furloughed from April. The Trust did receive a small amount of income from the Coronavirus Job Retention Scheme. However, as the new 2020/21 academic term commences the Trust is very aware of additional costs which will be required to keep the staff, students and building COVID 19 safe and do expect to overspend our approved budget for 2020/21 in some areas, for this reason.

COVID Additional Funding

Despite the savings outlined in the previous paragraph, there have been extraordinary costs in 2019/20 due to COVID such as additional cleaning of premises, PPE and sanitisation requirements for the building to remain open safely for staff and some students to access. The Trust did invest in ICT (laptops) in May 2020 recognizing that some of our students needed this infrastructure to continue with their remote learning. These purchases have been included in the Additional COVID grant claim submitted to the DfE in July 2020. The outcomes are awaited.

National Free School Meal Support

The Trust participated in the Government's national free school voucher scheme from week 3 to 23. (6th April to 24th August 2020) on behalf of our pupils eligible under pupil premium. The cost of this is estimated at £280k together with a further £14k that the Trust allocated directly to parents in weeks 1 and 2 of lockdown when the Government's voucher scheme was in its infancy. The total cost will be funded by the Government.

COVID 19 Catch Up Premium

Children and young people across the country have experienced unprecedented disruption to their education as a result of coronavirus (COVID-19). Those from the most vulnerable and disadvantaged backgrounds will be among those hardest hit. Schools will use this catch up funding for specific activities to support their pupils to catch up for lost teaching over the previous months, in line with the guidance provided nationally.

The Government, in recognition of the learning opportunities lost for our students, has allocated a one-off grant in 2020/21 to be used by schools. For Invictus Trust it is £385k in total. The CEO and Headteachers are currently formulating plans to provide the support to students as per the Government's guidance.

GOING CONCERN

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

PROMOTING THE SUCCESS OF THE COMPANY STATEMENT
(As required by Section 172(1) of the Companies Act 2006)

Six of the leading schools in Dudley and South Staffordshire have joined together to form the Invictus Education Trust - a Multi Academy Trust.

The schools are: from Dudley area, The Crestwood School in Kingswinford, Ellowes Hall Sports College in Gornal, Leasowes High School in Halesowen, Pedmore High School in Pedmore, and from Staffordshire: Kinver High School in Kinver and Wombourne High School in Wombourne.

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The Directors (otherwise known as Trustees in a Multi Academy Trust) act in good faith to make decisions, the outcome of which, they consider will be most likely to promote the success of the Company (the Trust) for the benefit of its members (employees) and the direct stakeholders (students/parents) as a whole both in current periods and in the longer term.

In discharging their duties above and as part of their decision-making process, the Directors also have due regard to the impact on and interests of other, indirect, stakeholders (suppliers), in addition to their public duty, as a public sector grant funded organisation.

Objectives, Strategy and Aims

The principal object and activity of the Company, as set out in the Trustee Report above, is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum with a strong emphasis on the specified specialism's of those academies. In setting their objectives and planning their activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Company's educational aims are to ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.

External Factors Relevant to Achieve Objectives

In order to achieve its non-financial objectives and future-plans the Company must:

- Maintain their student numbers in those schools oversubscribed and work to increase the student numbers, particularly in two of the smaller schools, which remain undersubscribed.
- Share good practice and seek opportunities to upskill staff through an effective programme of continued professional development.

Employees

Directors receive information on various staff KPI's. The Directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing; the Company has a staff wellbeing service to support their employees 24/7.

The Directors keep staff informed of key issues through structured communication channels such as:

- a dedicated Media, Marketing and Communications Director;
- an integrated Company website;
- promoting inclusion in the workplace;
- provide training and development opportunities where they are considered of benefit to the Company and employees.

Using the Company's recruitment and development strategies, the Directors seek to attract, develop and retain talented staff.

The Company actively engage with trade unions when restructuring or making changes to the organisation which impact on the workforce.

The Company's policy regarding disabled persons is set out in the Directors' Report as well as further detail regarding communication with employees.

Stakeholders

The stakeholders are fundamental to the Company's existence and survival (both academic and financial). Therefore, the Directors commit considerable time, effort and resources into understanding and responding to the evolving needs of their stakeholders through the Senior Leaders and management structures in the organisation. As a Company regulated by Central Government, this includes responding proactively and responsibly at a local level to Government changes in the national education system. The Company starts (and ends) with academic excellence and it is academic excellence for all.

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Students will have the opportunity to try out a wide and rich range of experiences and unique opportunities. The aim is to expose them to the best of cultural, vocational and sporting opportunities, understanding that those aspects are not recreational but critical to the students' independent development and success.

The Company is committed to its aims and vision and believe that more children will benefit from this educational promise and as a consequence is determined to grow students in confidence, in articulacy and as leaders.

Suppliers

The Directors have established procedures to ensure that regularity, propriety and value for money is maintained for the Company.

The Company's ethos is to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable.

Wherever possible the Company will engage with local businesses, which in turn financially supports the local communities and the families that attend the six schools. By doing business more locally it is the aim to reduce the Company's carbon footprint.

In respect of contractors on site in the six schools', there is a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the Company's policies and procedures. The Company adheres to the Procurement Policy Note (PPN 06/19) which provides the new threshold levels to apply for the purposes of the Public Contracts Regulations from 2020.

Payment for supplies and services will be made upon receipt of an invoice and within 30 days once it has been confirmed that goods or services have been received and are of the quality expected. Although every effort is made to ensure the school benefits from early payment discounts and complies with the Public Sector Prompt Payment Policy.

Community and the Environment

The Company takes its role within the community very seriously and promotes and encourages community and charitable contribution. The Company has a community engagement policy which promotes the use of the six school/sports facilities by clubs and individuals locally based.

The Company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Reputation and Public Benefit

As a publicly funded Company our results cannot be measured by "profit" and therefore there has to be a different and deeper reason as to why the Company is successful, whilst ensuring that public accountability is demonstrated at all times.

Our reputation can be measured by the follow actions:

- The Board of Directors will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life.
- In setting Company objectives and planning our activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.
- There is a strong emphasis on achievement and excellence. The Directors will make every effort to maximise the potential of all the students. This sums up what we want for the students – a strong sense of direction and a strong independence rooted in robust values.

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- The six schools firmly believe that, by working together, they will be highly achieving, and able to provide elite educational experiences for their students. In simple terms, we want to be able to give any school in the country – be it state or independent – a 'run for its money'. We believe that whilst we are locally based we could become nationally important.
- We have come to believe that such a Company is absolutely the best way forward for our communities and especially for those most intimately involved, i.e. students, parents and staff.

FINANCIAL REVIEW

Principal Funding and financial performance

The Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during the year.

Restricted General Fund

The majority of the Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants and the associated expenditure made against them are detailed in the SOFA. General Restricted Fund income for the year was £28,110,258 (2019: £23,994,421) (excluding pension liabilities assumed on conversion); expenditure against the fund was £26,485,025 (2019: £26,789,535) including £824,000 (2019: £939,000) in relation to Actuarial movements in the LGPS pension deficit. After transfers, there is an in-year surplus of £386,879 (2019: in-year deficit of £2,242,395) in the restricted general fund before Actuarial losses.

Unrestricted Funds

Income received into the Unrestricted Fund was £1,150,798 (2019: £1,812,797). Expenditure against the fund was £1,080,495 (2019: £1,623,804) for the year, giving an Unrestricted Fund, in-year surplus of £70,303 (2019: £188,993). After transfers there is an in-year surplus of £109,382 (2019: surplus of £178,250) on the unrestricted fund.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life off the assets concerned in line with the Trust's Depreciation Policy.

Income received into the fund included £1,925,235 (2019: £1,321,602) of School Capital Allocation Funding (SCA), £112,035 (2019: £345,124) of Devolved Capital Grant Funding and £nil (2019: £44,151) of Capital Improvement Funding (CIF). Expenditure from the fund equates to £2,656,873 of depreciation (2019: £2,366,137) and a profit on disposal of £21,808 (2019: £nil) which leaves a net amount of £2,635,065 (2019: £2,366,137).

Summary of Financial Position

Total fund balance as at 31st August 2020 was £108,613,665 (2019: £110,381,924) comprised of a surplus of £515,619 (2019: £406,237), £1,394,484 (2019: £183,605) and surplus of £121,503,562 (2019: £121,726,082) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively excluding the pension fund deficit of £14,800,000 (2019: £11,934,000).

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Balance Sheet

The Trust's assets were predominantly used for providing education to school students within the Trust.

Some assets were used by the local community, predominantly for sports but also working with local charities to raise funds and support for the elderly and disadvantaged.

The net book value of the Trust's tangible fixed assets was £117,180,195 (2019: £116,605,214) as at 31st August 2020. Cash at bank at 31st August 2020 was £7,718,044 (2019: £7,820,733), which includes capital grants received, but not yet spent at the year end.

Reserves Policy

The Trust's Reserve Policy adheres to the legal requirement not to retain available reserves for an excessive period of time. Usually, restricted reserves derived from grant income would be excluded from the definition of reserves, since expenditure on such income is allocated for specific purposes. However, the Trust needs to balance the potential volatility in pupil numbers, increasing inflation, the uncertainty of Government targeted and specific grant funding, the current COVID 19 pandemic and the need to invest in its capital infrastructure to maintain a good state of repair against this policy. Therefore, its main consideration since 2018 has been to build up its reserves as a minimum to approximately 3% of annual expenditure for such areas of unexpected expenditure and to ensure the ongoing financial security of the Trust. The financial management processes across the Trust schools are now consistent and effective and at 31 August 2020, four of the Trust's Schools have reserves in excess of 3% and two Trust Schools are working towards the removal of a historic deficit before being able to work towards a 3% reserve.

Once all schools have reached a sustainable 3% reserve level they must work towards 5% as a Trust standard and acceptable retained reserve. Any reserve in excess of this the Chief Executive Officer, Chief Finance Officer and School Headteacher would agree how the reserves are to be invested. This could be:

- for the betterment of the individual school infrastructure and students and will draw upon the priorities of the school as agreed with their School Governing Board; or
- a Trust wide project which will benefit all Trust schools' and the pupils.

The Trust's free reserves as at 31 August 2020 amounted to £1,910,103 which comprised of unrestricted and restricted reserves excluding the pension reserve. Note 17 to the financial statements Includes an overview of the Trusts free reserves by academy.

In addition to the above free reserves, the Trust has been allocated a further £1,925,235 School Condition Capital Maintenance during 2019/20. At 31 August 2020, the Trust has £1,050,849 still to be allocated overall.

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INVESTMENT POLICY

With the potential growth and diversity of the Trust, Trustees recognise the need for a formal Investment Policy ratified by Trustees. Where cash flows identify a base level of cash funds that will be surplus to requirements, these funds may be invested, following approval from the Finance and Audit Committee. In making decisions regarding where and how any surplus funds should be invested, and the pursuit of optimum performance consistent with due regard given to risk.

The Trust's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provisions of the Trust business, services and charitable objectives is an important, but secondary objective.

The Trust acknowledges that effective treasury management will provide support towards the achievement of its charitable objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of risk management.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which the Trust is exposed, as identified by the Trustees and Auditors will be reviewed, systems, and procedures established including internal controls to manage and mitigate these risks. Risks will be regularly reviewed and reported to the Audit and Finance Committee and any significant non compliance actioned upon.

The Trust regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of financial management activities will be measured. Risk management will be embedded into the ongoing planning and strategy process of the Board of Trustees.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objectives of the Trust's Risk Management Procedure, is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurances.

The Board of Trustees has compiled a comprehensive risk management process to Identify and monitor the risks faced by the Trust within the context of the Trust constitution.

The financial risks considered include; economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial statutory requirements.

FUNDRAISING

The Trust does not work with any commercial partners or professional fundraisers but is aware of the Charity Commission publication "charity fundraising : a guide to trustee duties" which covers fundraising practices.

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STREAMLINED ENERGY AND CARBON REPORTING

The academy's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh):	10,735,889
Energy consumption breakdown (kWh):	
Gas and oil	7,876,473
Electricity	2,785,062
Transport fuel	74,353
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas and oil consumption	1,563
Owned transport	16
Total scope 1	<u>1,579</u>
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	<u>649</u>
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	<u>2</u>
Total gross emissions (in tonnes of CO2 equivalent)	<u>2,230</u>
Tonnes of CO2 equivalent per pupil	<u>0.44</u>

The academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

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

Measures taken to improve energy efficiency

Invictus Headquarters

We have relocated the Headquarters Offices to a two storey independent block at Kinver High School, where we now have control over lighting and heating. We have installed new radiators throughout the building which are more energy efficient than the previous ones. At the end of the day we have procedures to secure the building which ensures all lighting is switched off overnight. We have re-roofed the building with added insulation and have added additional insulation between the floors in the building and the walls of the building.

We have reduced the amount of car mileage with the use of increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Headquarters staff worked from home during April May and June and are currently working from home in September 2020 which again saves on electricity, heating etc at HQ.

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Trust Schools

We have installed new boilers at Ellowes, Pedmore and plans to install new boilers at Kinver next spring. The new gas boilers are more energy efficient.

We have installed smart meters across all sites.

As part of the Site Security areas of school not in use the heating is switched to low and all lighting is switched off, this was a significant saving when we were under lockdown.

We have reduced the amount of car mileage with the use of increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

We have moved to in house catering at two of our schools and moving another school in house next year, this allows us to select local suppliers and therefore reduces the carbon footprint of the catering provision.

We have re-organised the ordering of goods to bulk buying and limit the amount of deliveries to sites.

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

Students of the Invictus Education Trust

The Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be, into further and higher education or employment. The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Trust strives to provide exceptional behaviour and attendance management support to its students, and to offer a broad range of extra-curricular activities.

The Crestwood School Expansion Plans

Crestwood School has an approved basic need capital project underway, funded by Dudley local authority to expand this "popular" School. The project will provide a new teaching block with additional school places at an estimated cost of £4m. This will allow the School's PAN to increase from 150 to 210 from September 2020.

The construction works at the School started in April 2020. The project has continued on site throughout the Covid lockdown, but with slippage in the programme due to availability of materials and resources through that period. Although there have been issues with Covid lockdown, the scheme is progressing well with a completion date in readiness for 1 September 2021 admission of an extra 60 pupils. So as at 31 August 2020 the Trustees have taken the prudent approach that the buildings (and the associated donation in kind) will be recognised at a future date once the building is complete and has been formally handed over to the trust.

Legacy Donation to The Crestwood School

In 1971 the late Mr Humphries left in Trust the balance of his residuary estate to the Governors of Brierley Hill Grammar School, "upon Trust to invest the same and provide two annual cash prizes from the income thereof for the boy and girl who (during their last year in school prior to their attendance at university) the headmaster shall in his absolute discretion consider to be the most brilliant."

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Brierley Hill Grammar School became The Crestwood High School on or around 1 September 1976.

The estate has been held in Trust since 1971 and subject to a condition of continuous family occupation for life. In March 2020 the last occupant passed away and the estate can now be formally transferred to The Crestwood School which is part of the Invictus Education Trust.

Mr Humphries Will current states three Trustees, they are the ex Headteacher of The Crestwood School and now the Invictus Trust CEO (Mr Bowles), the ex-Chair of Governors at The Crestwood School (AW) and the independent solicitor executor of the Will/Trustee as appointed by the deceased (CM).

As at the 31 August 2020 the Invictus Trust solicitors, Browne Jacobson are in the process of establishing the full extent of the assets before a legal transfer can occur, they have written to the current Trustees. Therefore, for that reason, the 2019/20 Invictus Education Trust accounts do not recognise the financial records of the legacy. Once the assets are transferred to Invictus Education Trust it will be for the Board of Trustees to determine the course of action to establish the late Mr Humphries bequest in respect of annual cash prizes to students at The Crestwood School.

Post 16 Expansion of the Trust

Invictus has 'nailed its colours to the mast' in terms of high academic achievement, allied to providing students with a broad, rich and confidence growing set of experiences. We have also chosen as an imprecise but very expressive benchmark that we will 'give any independent school a run for its money'. Consequently, when we consider expansion we need to recruit schools that could fit, or be grown to fit, our ambition.

Invictus Sixth Form continues to evolve. Between September 2016 to Sept 2018, student numbers increased year on year and results, especially at Advanced Level, improved greatly, placing us in the top 10 for all multi academy trusts in the country. Whilst student numbers in 2019 dropped a little, they have increased steeply in 2020. In 2019, we attracted 97 new students to Y12, whereas in 2020, 168 new students have joined us. Across the six Invictus campuses, we currently offer:

- 40 A Level and BTEC courses, which means an extremely wide student choice
- Through collaboration, an opportunity to study one or more subjects at Halesowen College, again increasing student options
- The opportunity for students to study Core Mathematics for those who don't meet the entry requirements for A level Mathematics but still wish to study Maths beyond GCSE
- The opportunity to be part of a rugby, netball or football academy, alongside studying for high quality Level 3 courses
- Small class sizes for a significant number of subjects, though fewer than in previous years, due to significantly increased student numbers
- Collaboration across school campuses to ensure the best KS5 teachers are teaching our students
- Excellent information, advice and guidance alongside outstanding pastoral care
- Student progress which matches or exceeds local competitors

In order to continue the expansion of the sixth form and to make it increasingly attractive to students in Year 11, we believe a reduction in the number of campuses from 6 to ideally 1 in the long term but 2 or 3 in the shorter term is something we are determined to achieve. For a number of students in Year 11, the prospect of having to travel to multiple campuses for lessons is undoubtedly a barrier, so this change should support our ambition of continued and rapid growth.

INVICTUS EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances, the Trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2020 and signed on its behalf by:

Geoffrey Marsh
Chair of Trustees



INVICTUS EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. For 2019/20 and onwards and under the new governance framework there were six scheduled Trust Board meetings for the year.

However, at the point of COVID school lockdown on the 20th March 2020 only three meetings had been held in person. Thereafter, the 30th March meeting could not be held due to the lockdown restrictions although the papers were available to members via the Governor Hub and a set of minutes have been produced from responses received from members. The scheduled meeting on 27th April 2020 was held virtually via remote video conferencing. The meeting on the 6th July 2020 was held in person with a restricted but quorate number of members being socially distant.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Tony Bowles, Chief Executive Officer	6	6
William Caldwell	6	6
Robert Dimmock	5	6
Robert Evans	6	6
John Harris	5	6
Geoffrey Marsh, Chair	6	6
Sir David Nicholson (appointed 07/02/2020)	3	3
Richard Westwood	6	6
Gillian Withers	6	6

Governance Reviews

With the support of legal advice from Browne Jacobson solicitors, the Board of Trustees reviewed the existing structure of the Board during 2018/19. This included the structure, roles and responsibilities of the Local Governing Bodies and relevant sub committees, and streamlined the structure and reviewed the scheme of delegation, in line with the requirements of the Department for Education Governance Handbook. This was effective from 1 September 2019 and has been in operation for the 2019/20 academic year.

The governance structure from 1 September 2019 consists of five Members and nine Trustees (including the CEO). Mr G Marsh is a Member and will continue to serve as the Chair of Trustees.

INVICTUS EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Members are scheduled to meet three time per year with Trust Board meeting six times per year from 2019/20.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Diane Cochrane (appointed 1 September 2019)	3	3
Andrew Griffiths(appointed 1 September 2019)	3	3
Colonel Kim Knutton(appointed 1 September 2019)	3	3
Geoffrey Marsh, Chair(appointed 1 September 2019)	3	3
Neil Shaw (appointed 1 September 2019 and resigned 6/6/2020)	2	2
Tony Bowles - invited	3	3

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Board of Trustees.

All members of the Committee shall be Board Members of the Trust. There are no employees of the Trust on the Committee. However, the External Auditor, Trust Employees and Chairs of the School's Governing Board Finance Committee are invited to attend meetings of the Committee on a regular basis and other non-members invited attend all or part of any meeting as and when appropriate and necessary.

The Committees purpose is to oversee the Trust's financial and audit considerations as required as part of the Trust's Funding Agreement to support the Trustee's role in ensuring regularity and propriety in use of the Trust's funds, and achieve economy, efficiency and effectiveness.

The Committees terms of reference are detailed in the Trusts Governance Arrangements and Scheme of Delegation.

Key responsibilities of the Finance & Audit Committee

Financial Management & Reporting

- Ensure that the provision of non-audit services does not impair the External Auditors' independence or objectivity.
- Discuss with the External Auditors the nature and scope of each forthcoming audit and to ensure that the External Auditor receives the fullest co-operation.
- Review the External Auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- Review the reports and recommendations of the Internal Auditor, together with the appropriateness of management's response.
- Monitor the implementation of action agreed by management in response to reports from the External Auditor and Internal Auditor.
- Ensure that the Trust's audit services comply with the standards specified in the Academies Financial Handbook, complies in all other respects with these guidelines and meets the agreed level of service.

INVICTUS EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

- Keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - Critical accounting policies and practices, and any changes in them.
 - Decisions requiring a major element of judgement.
 - The extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed.
 - The clarity and transparency of disclosures.
 - Significant adjustments resulting from the audit.
 - The going concern assumption; compliance with accounting standards.
 - Compliance with Department for Education and legal requirements.

Monitoring, Oversight and Scrutiny

The Committee monitors the integrity of the financial statements of the Trust, including its annual reports, and any other formal announcement relating to its financial performance, reviewing and reporting to the Trust Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to the Auditor.

Where requested by the Trust Board, the Committee will review the content of the Annual Report and Accounts and provide the Trust Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for readers to assess the Trust's performance, business model and strategy.

Whistleblowing, Fraud, Bribery and Corruption

Review the adequacy and security of the Trust's arrangement for its employees and contractors to raise concerns, in confidence, about possible wrong doing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Internal controls and risk management systems

Keep under review the adequacy and effectiveness of the Trust's internal financial controls and internal control and risk management systems. and review and approve the statements to be included in the Trustees Report and the Governance statement concerning internal controls and risk management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Richard Westwood (Trustee)Chair	4	4
Tony Bowles (Trustee/ Accounting Officer and CEO	4	4
Robert Evans (Trustee)	4	4
Craig Cartwright joined as invited member from 1/9/2019)	4	4
Suresh Patel (invited)	3	4
Hattie Grove (invited and resigned 28/02/2020)	1	2
Peter Hipkiss (invited)	4	4
David Carr (invited and resigned 30/9/2019)	0	0
Andrew Dyehouse (invited)	4	4
Lyndon Evans (Trustee resigned 31/8/2019)	0	0
Craig Cartwright (resigned as Trustee 31/8/2020)	0	0

INVICTUS EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Implementing a restructure of the business and administration functions across the Trust's six schools and Headquarters from 1st April 2020 despite the COVID 19 lockdown situation. This has seen the centralisation of key functions such as HR, finance and marketing which bring efficiencies and effectiveness in service delivery. The review has also ensured parity of pay and standardisation of job roles across the six schools within the Trust.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Invictus Education Trust for the year 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 Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 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 Trustees.

THE RISK AND CONTROL FRAMEWORK

The Trust identifies on a risk-basis (with reference to its Risk Register) the areas it will review each year, modifying its checks accordingly. This may involve greater scrutiny where procedures or systems have changed.

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

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

INVICTUS EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Invictus Education Trust has since 2015 chosen the bought-in internal audit service, which was under a separate letter of engagement as the internal audit and external audit is performed by Crowe LLP. However, this arrangement is required to end at 31 August 2020 as the Financial Reporting Council released a new ethical standard in December 2019. One of the areas it covers is internal audit. This means that external auditors are no longer permitted to carry out internal and external audit for the same client, even if they use separate teams or other offices. This comes into force for accounting periods starting on or after 15 March 2020, so for Invictus Trust it is from 1 September 2020.

Invictus Trust Board at its meeting on 6 July 2020 approved the continuation of an external internal audit service to be bought-in from a firm, other organisation or individual with professional indemnity insurance. The internal audit service from September 2020 will be selected by a tendering process during the Autumn 2020 term.

The Trust must keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial related systems or processes. During the 2019/20 period there have been two specific internal audits arranged. In December 2019 a Risk Management Review was undertaken and in June 2020 the Trusts Financial Procedures manual, which has been completely overhauled to embrace the business and administration restructure together with the enhanced internal controls and system checks which have been put in place consistently across all Trust's schools in the last 24 months, was subject to extended assurance testing before being presented to Trust Board on 28th September for final approval and circulation.

Key financial controls are independently reviewed each month by the centralised Chief Finance Officer supporting the six Trust Schools.

For 2020/21 as part of the tendering process for the internal function the Trust's schedule of internal audit work will be reviewed and a programme of internal audit areas agreed with Finance and Audit Committee.

Review of effectiveness

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

- the extended assurance tests undertaken by the internal audit function during 2019/20;
- the procedural work undertaken and issue of the Trust's Financial Management, Policies and Procedures manual;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- by the CFO together with the Chartered Accountants in the centralised finance team;
- the work of the Chief Operating Officer, the HR Director and other IT executive managers within the Trust who have responsibility for the maintenance of other internal control frameworks.

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

Geoffrey Marsh
Chair of Trustees



Tony Bowles
Accounting Officer



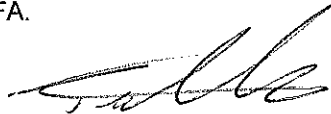
INVICTUS EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Tony Bowles
Accounting Officer

Date: 30 November 2020

INVICTUS EDUCATION TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

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

Geoffrey Marsh
Chair of Trustees



INVICTUS EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INVICTUS EDUCATION TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

INVICTUS EDUCATION TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INVICTUS EDUCATION TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INVICTUS EDUCATION TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 17 December 2020

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Invictus Education Trust during the year 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 Invictus Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Invictus Education 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 Invictus Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Invictus Education Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Invictus Education Trust's funding agreement with the Secretary of State for Education dated 26 February 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest 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.

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: *17 December 2020*

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer on conversion		-	(66,402)	-	(66,402)	9,596,532
Other donations and capital grants		535	16,369	2,037,270	2,054,174	1,730,252
Charitable activities	5	446,756	28,160,291	-	28,607,047	26,322,486
Other trading activities	4	703,507	-	-	703,507	1,132,871
Total income		1,150,798	28,110,258	2,037,270	31,298,326	38,782,141
Expenditure on:						
Raising funds	6	580,203	-	-	580,203	663,317
Charitable activities	6	500,292	27,309,025	2,635,065	30,444,382	30,116,159
Total expenditure		1,080,495	27,309,025	2,635,065	31,024,585	30,779,476
Net income/(expenditure)		70,303	801,233	(597,795)	273,741	8,002,665
Transfers between funds	17	39,079	(414,354)	375,275	-	-
Net movement in funds before other recognised gains/(losses)		109,382	386,879	(222,520)	273,741	8,002,665
Actuarial losses on defined benefit pension schemes	26	-	(2,042,000)	-	(2,042,000)	(2,000,000)
Net movement in funds		109,382	(1,655,121)	(222,520)	(1,768,259)	6,002,665
Reconciliation of funds:						
Total funds brought forward		406,237	(11,750,395)	121,726,082	110,381,924	104,379,259
Net movement in funds		109,382	(1,655,121)	(222,520)	(1,768,259)	6,002,665
Total funds carried forward		515,619	(13,405,516)	121,503,562	108,613,665	110,381,924

The notes on pages 44 to 74 form part of these financial statements.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09284368

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	117,180,195	116,605,214
		<u>117,180,195</u>	<u>116,605,214</u>
Current assets			
Debtors	13	2,297,374	2,030,122
Cash at bank and in hand		7,718,044	7,820,733
		<u>10,015,418</u>	<u>9,850,855</u>
Creditors: amounts falling due within one year	14	(3,621,819)	(3,844,345)
Net current assets		<u>6,393,599</u>	<u>6,006,510</u>
Total assets less current liabilities		<u>123,573,794</u>	<u>122,611,724</u>
Creditors: amounts falling due after more than one year	16	(160,129)	(295,800)
Net assets excluding pension liability		<u>123,413,665</u>	<u>122,315,924</u>
Defined benefit pension scheme liability	26	(14,800,000)	(11,934,000)
Total net assets		<u><u>108,613,665</u></u>	<u><u>110,381,924</u></u>
Funds of the academy			
Restricted funds:			
Restricted fixed asset funds	17	121,503,562	121,726,082
Restricted income funds	17	1,394,484	183,605
		<u>122,898,046</u>	<u>121,909,687</u>
Restricted funds excluding pension reserve	17	122,898,046	121,909,687
Pension reserve	17	(14,800,000)	(11,934,000)
Total restricted funds	17	<u>108,098,046</u>	<u>109,975,687</u>
Unrestricted income funds	17	<u>515,619</u>	<u>406,237</u>
Total funds		<u><u>108,613,665</u></u>	<u><u>110,381,924</u></u>

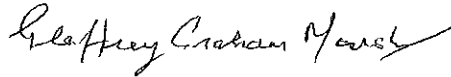
INVICTUS EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09284368

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 40 to 74 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

30 November 2020

Geoffrey Marsh
Chair of Trustees



The notes on pages 44 to 74 form part of these financial statements.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,564,208	686,280
Cash flows from investing activities	22	(1,445,244)	272,190
Cash flows from financing activities	21	(221,653)	(79,200)
Change in cash and cash equivalents in the year		(102,689)	879,270
Cash and cash equivalents at the beginning of the year		7,820,733	6,941,463
Cash and cash equivalents at the end of the year	23, 24	<u><u>7,718,044</u></u>	<u><u>7,820,733</u></u>

The notes on pages 44 to 74 form part of these financial statements

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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.

The financial statements represent the financial results and financial position of Invictus Education Trust ("the trust"), which comprised of the following member academies as at 31 August 2020:

The Crestwood School
Ellowes Hall Sports College
Kinver High School
Wombourne High School (previously Ounsdale High School)
Leasowes High School
Pedmore High School.

Invictus Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 COMPANY STATUS

The trust is a company limited by guarantee and was incorporated in England and Wales (registered number 09284368). The address of the registered office is Invictus Education Trust Headquarters, Kinver High School, Enville Road, Kinver, West Midlands, DY7 6AA. The members of the company are named in the reference and administration pages. In the event of the trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the trust.

1.3 GOING CONCERN

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

Grants

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

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

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

Donations

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

Other income

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

Legacies

For legacies, entitlement is taken as when a distribution is received from the estate.

1.5 EXPENDITURE

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

Expenditure on raising funds

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE (continued)

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.6 TAXATION

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.7 TANGIBLE FIXED ASSETS

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (continued)

Depreciation is provided on the following bases:

Freehold Property	- 50 years straight line
Leasehold Property	- 50-125 years straight line
Furniture and equipment	- 8 years straight line
Motor vehicles	- 4 years straight line
ICT	- 3 years straight line

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

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

1.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 LIABILITIES AND PROVISIONS

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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.

1.14 AGENCY ARRANGEMENTS

The trust acts as an agent in disturbing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

1.15 FUND ACCOUNTING

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

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

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no further critical judgements which would have a material impact on the financial statements.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
LA surplus/deficit on conversion	-	(66,402)	-	(66,402)
Other donations	535	16,369	-	16,904
Capital Grants	-	-	2,037,270	2,037,270
Grants	-	-	-	-
Total 2020	535	(50,033)	2,037,270	1,987,772
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
LA surplus/deficit on conversion	(94,973)	(85,541)	-	(180,514)
Deficit benefit pension scheme deficit	-	(1,487,000)	-	(1,487,000)
Donated fixed assets	-	-	11,264,046	11,264,046
Transfer on conversion	(94,973)	(1,572,541)	11,264,046	9,596,532
Other donations	2,875	16,500	-	19,375
Capital Grants	-	-	1,710,877	1,710,877
Grants	-	-	-	-
Donations and capital grants	2,875	16,500	1,710,877	1,730,252
Total 2019	(92,098)	(1,556,041)	12,974,923	11,326,784

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	222,468	222,468
Other income	212,060	212,060
Productions and similar income	91,241	91,241
Coach income	99,942	99,942
Swimming income	77,796	77,796
	<hr/>	<hr/>
	703,507	703,507
	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings income	345,228	345,228
Other income	436,653	436,653
Productions and similar income	101,618	101,618
Coach income	137,096	137,096
Swimming income	112,276	112,276
	<hr/>	<hr/>
<i>Total 2019</i>	1,132,871	1,132,871
	<hr/> <hr/>	<hr/> <hr/>

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Funding for academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General annual grant (GAG)	-	24,351,599	24,351,599
Other DfE/EFA grants	-	2,791,993	2,791,993
	-	27,143,592	27,143,592
Other government grants			
Local authority grants	-	926,331	926,331
	-	926,331	926,331
Other funding			
Catering income	141,197	-	141,197
School Fund income	305,559	-	305,559
	446,756	-	446,756
Exceptional government funding			
Coronavirus Job Retention Scheme grant	-	35,004	35,004
Coronavirus exceptional support	-	55,364	55,364
Total 2020	446,756	28,160,291	28,607,047

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

- The funding received for coronavirus exceptional support covers £55,364 of reclaimed costs. These costs are included in notes 6 and 7 below as appropriate.

- The academy furloughed some of its ancillary staff under the government's CJRS. The funding received of £35,004 relates to staff costs which are included within note 9 below as appropriate.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Funding for academy's educational operations (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General annual grant (GAG)	-	23,062,625	23,062,625
Other DfE/EFA grants	-	1,633,332	1,633,332
	-	24,695,957	24,695,957
Other government grants			
Local authority grants	-	854,505	854,505
	-	854,505	854,505
Other funding			
Catering income	211,648	-	211,648
School Fund	560,376	-	560,376
	772,024	-	772,024
Total 2019	772,024	25,550,462	26,322,486

6. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	153,563	-	426,640	580,203
Funding for the Academy Trust's educational operations:				
Direct costs	19,188,755	2,635,065	1,342,960	23,166,780
Support costs	4,926,898	1,406,741	943,963	7,277,602
Total 2020	24,269,216	4,041,806	2,713,563	31,024,585

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Expenditure (continued)

	<i>Staff Costs</i> 2019 £	<i>Premises</i> 2019 £	<i>Other</i> 2019 £	<i>Total</i> 2019 £
Expenditure on fundraising trading activities:				
Direct costs	149,153	-	514,164	663,317
Funding for the Academy Trust's educational operations:				
Direct costs	17,596,103	2,366,137	1,503,008	21,465,248
Support costs	5,267,812	1,449,466	1,933,633	8,650,911

7. Analysis of support costs

	Total funds 2020 £	<i>Total funds</i> 2019 £
Staff costs	4,926,898	5,267,812
Technology costs	171,694	250,026
School trip expenditure	361,762	644,022
Recruitment & support	71,600	66,633
Maintenance of premises & equipment	344,124	407,448
Cleaning	120,731	83,144
Rents & rates	214,860	243,766
Energy costs	506,288	492,068
Insurance and security	220,738	223,040
Bank interest & charges	16,913	26,113
Other support costs	273,159	853,017
Professional services	15,280	69,072
Governance costs	33,555	24,750
	<u>7,277,602</u>	<u>8,650,911</u>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	160,531	167,004
Depreciation of tangible fixed assets	2,656,873	2,366,137
Profit on disposal of fixed assets	21,808	-
Fees paid to trust's auditor for:		
- audit	22,750	24,750
- other services	2,500	2,850
	<u>2,843,662</u>	<u>2,560,741</u>

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	17,412,971	16,849,676
Social security costs	1,755,132	1,673,211
Pension costs	4,812,859	3,951,714
	<u>23,980,962</u>	<u>22,474,601</u>
Staff restructuring costs - severance payments	95,755	76,496
Supply costs	192,499	461,971
	<u>24,269,216</u>	<u>23,013,068</u>

b. Non-statutory/non-contractual staff severance payments

There were four non-statutory/non-contractual severance payments during the year amounting to £43,197. Individually, the payments were £6,575, £25,000, £10,122 and £1,500 (2019: £33,347, four payments made for £11,000, £19,900, £1,233 and £1,215).

c. Staff numbers

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

	2020 No.	2019 No.
Management	38	40
Teachers	291	281
Support	330	356
	<u>659</u>	<u>677</u>

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	8	4
In the band £70,001 - £80,000	1	6
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	1	-

e. Key management personnel

The key management personnel of the academy comprise the Headteacher's, the senior members of the Trust finance team. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,177,702 (2019 £984,975).

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2020 £	2019 £
Tony Bowles, Chief Executive Officer Remuneration	130,000 - 135,000	125,000-130,000
Pension contributions paid	30,000 - 35,000	15,000- 20,000

During the year, no Directors received any reimbursement of expenses (2019 - £Nil).

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £951 (2019 - £926). The cost of this insurance is included in the total insurance cost.

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12. Tangible fixed assets

	Long term leasehold Property £	Freehold Property £	Fixtures, fittings and motor vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2019	65,376,675	57,037,935	760,146	568,942	2,285,537	126,029,235
Additions	1,595,730	1,351,248	223,098	173,753	73,717	3,417,546
Disposals	-	(196,500)	-	-	-	(196,500)
Transfers between classes	1,663,109	622,428	-	-	(2,285,537)	-
At 31 August 2020	<u>68,635,514</u>	<u>58,815,111</u>	<u>983,244</u>	<u>742,695</u>	<u>73,717</u>	<u>129,250,281</u>
Depreciation						
At 1 September 2019	5,569,001	3,322,994	262,009	270,017	-	9,424,021
Charge for the year	1,362,065	1,068,508	92,748	133,552	-	2,656,873
On disposals	-	(10,808)	-	-	-	(10,808)
At 31 August 2020	<u>6,931,066</u>	<u>4,380,694</u>	<u>354,757</u>	<u>403,569</u>	<u>-</u>	<u>12,070,086</u>
Net book value						
At 31 August 2020	<u><u>61,704,448</u></u>	<u><u>54,434,417</u></u>	<u><u>628,487</u></u>	<u><u>339,126</u></u>	<u><u>73,717</u></u>	<u><u>117,180,195</u></u>
At 31 August 2019	<u><u>59,807,674</u></u>	<u><u>53,714,941</u></u>	<u><u>498,137</u></u>	<u><u>298,925</u></u>	<u><u>2,285,537</u></u>	<u><u>116,605,214</u></u>

Freehold land

Included in freehold property is freehold land amounting to £5,114,940 (2019: £5,114,940) which is not depreciated.

Leasehold title

Long leasehold property includes property that has been gifted to the trust on 125 year leases upon conversion of constituent schools to the trust. The legal owners of the leasehold properties being Dudley Metropolitan Borough Council and South Staffordshire County Council.

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13. Debtors

	2020 £	2019 £
Trade debtors	40,968	88,521
Other debtors	331,466	477,896
Prepayments and accrued income	581,866	393,099
Accrued capital grants	1,343,074	1,070,606
	<u>2,297,374</u>	<u>2,030,122</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Local Authority and Salix loans	165,560	185,140
Trade creditors	688,585	623,646
Capital accruals	1,362,065	1,466,475
Other taxation and social security	407,618	404,680
Other creditors	507,437	407,808
Accruals and deferred income	490,554	756,596
	<u>3,621,819</u>	<u>3,844,345</u>

Deferred income

	2020 £	2019 £
Deferred income at 1 September 2019	77,208	85,088
Resources deferred during the year	85,351	77,208
Amounts released from previous periods	(77,208)	(85,088)
Deferred income at 31 August 2020	<u>85,351</u>	<u>77,208</u>

Included in deferred income are grants and other income received in advance of entitlement for the 20/21 academic year.

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15. Agency arrangements

The trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £25,120 (2019: £27,077) and disbursed £61,258 (2019: £15,164) from the fund. An amount of £23,492 (2019: £59,630) is included in other creditors relating to undistributed funds.

16. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Local Authority and Salix loans	<u>160,129</u>	<u>295,800</u>

Loans

Included in Local authority and Salix loans are the following concessionary loans.

Dudley Metropolitan Borough Council

There are a number of loans from Dudley Metropolitan Borough Council amounting to £147,665 of which £105,129 is due within 1 year. These loans are interest bearing at a rate of 3.5% and 2.5% respectively and are fully repayable within 5 years. All of these loans were agreed before the constituent schools joined the trust.

ESFA loan for licensed deficit on conversion

This is an interest free loan amounting to £78,158 for Pedmore High School's licensed deficit on conversion into the Trust in 2018 of which £39,078 is due within 1 year and is fully repayable within 5 years.

Salix and CIF related loans

The remaining loans amounting to £99,866 are interest free Salix loans which were agreed as part of the CIF applications. The loans are due for repayment by installments. £10,641 was due for repayment after more than 5 years.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	331,570	845,239	(718,733)	(20,329)	-	437,747
School funds	191,903	305,559	(361,762)	20,329	-	156,029
Deficit on conversion	(117,236)	-	-	39,079	-	(78,157)
	<u>406,237</u>	<u>1,150,798</u>	<u>(1,080,495)</u>	<u>39,079</u>	<u>-</u>	<u>515,619</u>
Restricted general funds						
General annual grant	428,476	24,351,599	(22,659,964)	(550,929)	-	1,569,182
Other DfE/ESFA grants	-	2,882,361	(2,882,361)	-	-	-
LA grants	-	926,331	(926,331)	-	-	-
Salix and LA loans	(244,871)	(66,402)	-	136,575	-	(174,698)
Other restricted funds	-	16,369	(16,369)	-	-	-
Pension reserve	(11,934,000)	-	(824,000)	-	(2,042,000)	(14,800,000)
	<u>(11,750,395)</u>	<u>28,110,258</u>	<u>(27,309,025)</u>	<u>(414,354)</u>	<u>(2,042,000)</u>	<u>(13,405,516)</u>
Restricted fixed asset funds						
Restricted fixed assets	116,605,214	-	(2,635,065)	3,210,046	-	117,180,195
ESFA Capital grants	5,239,701	2,037,270	-	(2,880,771)	-	4,396,200
LA loan	(118,833)	-	-	46,000	-	(72,833)
	<u>121,726,082</u>	<u>2,037,270</u>	<u>(2,635,065)</u>	<u>375,275</u>	<u>-</u>	<u>121,503,562</u>
Total Restricted funds	<u>109,975,687</u>	<u>30,147,528</u>	<u>(29,944,090)</u>	<u>(39,079)</u>	<u>(2,042,000)</u>	<u>108,098,046</u>
Total funds	<u>110,381,924</u>	<u>31,298,326</u>	<u>(31,024,585)</u>	<u>-</u>	<u>(2,042,000)</u>	<u>108,613,665</u>

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17. Statement of funds (continued)

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

Unrestricted funds

These funds represent those resources which may be used towards meeting any of the charitable objects of the charitable company at the discretion of the Directors.

Restricted funds

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Local Authority(ies).

Restricted fixed asset funds

These funds represents the carrying value of fixed assets that have either been received upon conversion of constituent Academies into the Trust or have been funded by grants/loans from the ESFA/LA plus amounts received which have yet to be spent on future capital assets.

Transfers between funds

Transfers between funds represent capital items purchased from GAG offset by capital grants spent on revenue expenditure along with other expenditure transfers.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Ellowes Hall Sports College	343,211	(4,969)
The Crestwood School	856,072	395,689
Kinver High School	29,464	(166,585)
Wombourne High School	347,458	136,090
Central Services	252,498	346,031
Leasowes High School	279,132	63,373
Pedmore High School	(197,732)	(179,787)
Total before fixed asset funds and pension reserve	<u>1,910,103</u>	<u>589,842</u>
Restricted fixed asset fund	121,503,562	121,726,082
Pension reserve	(14,800,000)	(11,934,000)
Total	<u><u>108,613,665</u></u>	<u><u>110,381,924</u></u>

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17. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Pedmore High School	<u><u>(197,732)</u></u>

The Trust schools work to a financial policy of a) setting an in year balanced budget, then b) removing their historic deficit and then c) working towards the Trust's reserve target % as an accumulated contingency reserve.

Pedmore High School had a historic deficit on conversion in 2018 and now has an approved recovery plan to meet the financial policy by 31/8/2022. If a Trust school is presenting a deficit budget this will be supported by the Trust for cashflow purposes, if necessary.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Ellowes Hall Sports College	4,017,906	803,317	312,662	405,326	5,539,211
The Crestwood School	3,629,004	576,948	230,746	426,970	4,863,668
Kinver High School	2,035,887	415,252	136,198	323,668	2,911,005
Wombourne High School	3,228,103	634,371	170,001	509,121	4,541,596
Leasowes High School	3,709,213	848,124	222,364	427,067	5,206,768
Pedmore High School	2,285,373	595,009	162,137	333,138	3,375,657
Central services	436,832	1,053,877	108,852	330,246	1,929,807
Academy	<u><u>19,342,318</u></u>	<u><u>4,926,898</u></u>	<u><u>1,342,960</u></u>	<u><u>2,755,536</u></u>	<u><u>28,367,712</u></u>

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17. Statement of funds (continued)

Comparative information for the expenditure incurred in each academy in respect of the preceding year is as follows:

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2019</i> £
Ellowes Hall Sports College	3,839,157	869,542	365,458	353,452	5,427,609
The Crestwood School	3,059,201	765,795	249,794	437,826	4,512,616
Kinver High School	2,180,076	381,283	181,838	507,943	3,251,140
Wombourne High School	2,883,417	691,245	161,449	611,671	4,347,782
Leasowes High School	3,326,597	951,157	255,560	682,171	5,215,485
Pedmore High School	2,129,752	768,148	192,140	367,869	3,457,909
Central services	327,056	840,642	96,769	936,331	2,200,798
Academy	<u>17,745,256</u>	<u>5,267,812</u>	<u>1,503,008</u>	<u>3,897,263</u>	<u>28,413,339</u>

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£
Unrestricted funds					
General Funds	27,860	1,347,392	(979,782)	(63,900)	331,570
School funds	200,127	560,376	(644,022)	75,422	191,903
Deficit on conversion	-	(117,236)	-	-	(117,236)
School funds inherited on conversion	-	22,265	-	(22,265)	-
	<u>227,987</u>	<u>1,812,797</u>	<u>(1,623,804)</u>	<u>(10,743)</u>	<u>406,237</u>
Restricted general funds					
General annual grant	199,152	23,030,981	(23,298,911)	497,254	428,476
Other DfE/ESFA grants	-	1,633,332	(1,633,332)	-	-
LA grants	-	878,305	(878,305)	-	-
Start up grants	15,643	-	(15,643)	-	-
Salix and LA loans	(214,795)	(85,541)	-	55,465	(244,871)
Other restricted funds	-	24,344	(24,344)	-	-
Pension reserve	(7,508,000)	(1,487,000)	(939,000)	(2,000,000)	(11,934,000)
	<u>(7,508,000)</u>	<u>23,994,421</u>	<u>(26,789,535)</u>	<u>(1,447,281)</u>	<u>(11,750,395)</u>
Restricted fixed asset funds					
Restricted fixed assets	105,569,025	-	(2,366,137)	13,402,326	116,605,214
ESFA Capital grants	6,255,080	12,974,923	-	(13,990,302)	5,239,701
LA loan	(164,833)	-	-	46,000	(118,833)
	<u>111,659,272</u>	<u>12,974,923</u>	<u>(2,366,137)</u>	<u>(541,976)</u>	<u>121,726,082</u>
Total Restricted funds	<u>104,151,272</u>	<u>36,969,344</u>	<u>(29,155,672)</u>	<u>(1,989,257)</u>	<u>109,975,687</u>
Total funds	<u>104,379,259</u>	<u>38,782,141</u>	<u>(30,779,476)</u>	<u>(2,000,000)</u>	<u>110,381,924</u>

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18. Central services

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

- Management services
- Legal services
- Education support services
- Maintenance and admin support services

The charitable company charges for these services based on a percentage of grant income received for each constituent academy. Any surplus generated is held as contingency reserve for use in future periods.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
The Crestwood School	280,577	265,803
Kinver High School	270,655	223,312
Ellowes Hall Sports College	373,355	392,545
Wombourne High School	386,540	328,287
Leasowes High School	275,678	218,313
Pedmore High School	286,106	203,354
Total	1,872,911	1,631,614

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	117,180,195	117,180,195
Current assets	593,776	5,025,442	4,396,200	10,015,418
Creditors due within one year	(39,079)	(3,536,740)	(46,000)	(3,621,819)
Creditors due in more than one year	(39,078)	(94,218)	(26,833)	(160,129)
Provisions for liabilities and charges	-	(14,800,000)	-	(14,800,000)
Total	515,619	(13,405,516)	121,503,562	108,613,665

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	116,605,214	116,605,214
Current assets	523,473	4,087,681	5,239,701	9,850,855
Creditors due within one year	(39,078)	(3,759,267)	(46,000)	(3,844,345)
Creditors due in more than one year	(78,158)	(144,809)	(72,833)	(295,800)
Provisions for liabilities and charges	-	(11,934,000)	-	(11,934,000)
Total	<u>406,237</u>	<u>(11,750,395)</u>	<u>121,726,082</u>	<u>110,381,924</u>

20. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	<u>273,741</u>	<u>8,002,665</u>
Adjustments for:		
Capital grants from DfE and other capital income	(2,037,270)	(1,710,877)
Depreciation	2,656,873	2,366,137
LGPS pension deficit inherited on conversion	-	1,487,000
LGPS - FRS 102 adjustments through expenditure	824,000	939,000
Deficit/surplus transferred on conversion	66,402	180,514
Fixed assets transferred on conversion	-	(11,264,046)
Decrease/(increase) in debtors	5,216	(93,058)
(Decrease)/increase in creditors	(202,946)	778,945
Profit on disposal of assets	(21,808)	-
Net cash provided by operating activities	<u>1,564,208</u>	<u>686,280</u>

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21. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(221,653)	(101,465)
Cash transferred on conversion	-	22,265
Net cash used in financing activities	(221,653)	(79,200)

22. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(3,417,546)	(2,138,280)
Capital funding received from sponsors and others	1,972,302	2,410,470
Net cash (used in)/provided by investing activities	(1,445,244)	272,190

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	7,718,044	7,820,733
Total cash and cash equivalents	7,718,044	7,820,733

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	7,820,733	(102,689)	7,718,044
SALIX and LA loan due in 1 year	(185,140)	19,580	(165,560)
SALIX and LA loan due after 1 year	(295,800)	135,671	(160,129)
	7,339,793	52,562	7,392,355

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25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>3,007,271</u>	<u>2,358,803</u>

26. Pension commitments

The academy'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 West Midlands Pension Fund and Staffordshire Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,940,000 (2019 - £1,954,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 contribution made for the year ended 31 August 2020 was £1,342,000 (2019 - £1,177,000), of which employer's contributions totalled £1,100,000 (2019 - £943,000) and employees' contributions totalled £ 242,000 (2019 - £234,000). The agreed contribution rates for future years are between 20.1% and 27.2% per cent for employers and between 5.5% and 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.93	3.20
Rate of increase for pensions in payment/inflation	2.20	2.25
Discount rate for scheme liabilities	1.68	1.83

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.55	21.00
Females	23.85	23.35
<i>Retiring in 20 years</i>		
Males	22.95	22.40
Females	25.50	24.95

Sensitivity analysis

The academy's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	6,109,000	5,717,000
Bonds	1,332,000	1,138,000
Other bonds	318,000	270,000
Property	795,000	750,000
Cash and other liquid assets	632,000	299,000
Other	1,224,000	1,059,000
Total market value of assets	10,410,000	9,233,000

The actual return on scheme assets was £722,000 (2019 - £412,000).

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26. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	1,678,000	1,400,000
Net interest on defined liability	212,000	232,000
Administrative expenses	4,000	3,000
Losses on curtailments	30,000	247,000
Total amount recognised in the Statement of Financial Activities	1,924,000	1,882,000

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

	2020 £	2019 £
At 1 September	21,167,000	14,257,000
Conversion of academy trusts	-	2,398,000
Interest cost	392,000	452,000
Employee contributions	242,000	234,000
Actuarial losses	1,968,000	2,310,000
Benefits paid	(267,000)	(131,000)
Current service cost	1,678,000	1,400,000
Losses on curtailments	30,000	247,000
At 31 August	25,210,000	21,167,000

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

	2020 £	2019 £
At 1 September	9,233,000	6,749,000
Transferred on conversion	-	911,000
Interest income	180,000	220,000
Actuarial (losses)/gains	(74,000)	310,000
Employer contributions	1,100,000	943,000
Employee contributions	242,000	234,000
Benefits paid	(267,000)	(131,000)
Admin expenses	(4,000)	(3,000)
At 31 August	10,410,000	9,233,000

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27. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable		
Not later than 1 year	88,826	141,182
Later than 1 year and not later than 5 years	81,814	88,826
Later than 5 years	-	81,814
	<u>170,640</u>	<u>311,822</u>

28. 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.

29. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

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