

Company Registration No. 08891864 (England and Wales)

PACE ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

PACE ACADEMY TRUST

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PACE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Helen Clift
Edward Denley
David Garrard OBE
Cathy MacDonald
Gary Pankhurst

Trustees

Mark Rosewell (Accounting Officer)
Edward Denley (Chair) (Resigned 11 June 2020)
Kevin Bright (Chair)
Linda Hall (Director)
Roger Capham (Director)
Michael Fuller (Director)
Hannah Hamilton (Director)
Lisa Beach (Director)
Dipa Patel (Director)

Senior leadership team

- Chief Executive	Mark Rosewell
- Executive Head Teacher	Claire Murphy
- Head of Finance	Linda Weight
- Head of Operations	Jo Grinter
- BPS Head Teacher	Phyllis Sternberg
- CVPS Head Teacher	Mark Roughley (resigned 31 August 2020)
- CVPS Head Teacher	Clare Rackham (appointed 1 September 2020)
- NVPS Head Teacher	Pete Steward
- SPS Head Teacher	Francine David
- KPS Head Teacher	Claire Murphy

Company registration number 08891864 (England and Wales)

Academies operated

Academies operated	Location	Head Teacher
Beecholme Primary School	Merton	Phyllis Sternberg
Chipstead Valley Primary School	Croydon	Clare Rackham
Keston Primary School	Croydon	Helen Green
New Valley Primary School	Croydon	Pete Steward
Stanford Primary School	Merton	Francine David

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

PACE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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 the Republic of Ireland (FRS 102).

The Academy Trust operates as a multi-academy trust for pupils aged 2-11 serving a catchment area on the South London/Surrey borders. It comprises five schools: Beecholme Primary School (Merton), Chipstead Valley Primary School (Croydon), Keston Primary School (Croydon), New Valley Primary School (Croydon) and Stanford Primary School (Merton). The Trust has a pupil capacity of 1,710 and had a roll of 1,566 in the school census on 1 October 2020. There is also nursery provision at four of the schools.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company is known as PACE Academy Trust.

The trustees of PACE Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the Period 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

The Academy Trust maintains trustees' and officers' liability insurance through DfE Risk Protection Arrangement (RPA) which gives appropriate cover for any legal action brought against its trustees. The Academy Trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the Academy Trust.

Method of recruitment and appointment or election of trustees

Directors are appointed for a four-year period following which they are eligible for re-appointment. The Chief Executive is "ex officio". Directors are recruited so that the Board has the correct skills to fulfil its statutory duties.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees may choose to add further directors if their skills and experience will improve the Trust board's ability to carry out its statutory duties. Directorships have been made available to governors of other Trust schools rated "good" or better by OFSTED.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their previous experience. They are provided with copies of minutes, policies, accounts and other documents they will need to undertake their role as trustees. Trustees have access to a full programme of training courses.

Organisational structure

The trustees are responsible for setting strategy and general policy, including setting of budgets, monitoring expenditure, setting staffing levels, making senior staff appointments and managing risk.

The Senior Leadership Team (SLT), led by the Chief Executive, implements the agreed policies and reports back to the trustees. The SLT is responsible for authorisation of expenditure up to delegated limits and the appointment of staff, although trustees will participate in appointments to posts in the SLT. The Chief Executive is the Accounting Officer for the Academy Trust.

The trustees meet at least once each half term.

The Board delegates some responsibilities to a Finance and Audit Committee, which include reviewing the financial position of the Trust, monitoring the effectiveness of the Trust's finance policy and liaising with the auditors. This committee meets at least once in each half term.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting pay of Key Management Personnel are determined by the Strategic Board. As below:

- Chief Executive - Performance Management and remuneration is carried out by a subcommittee of the Strategic Board.
- Executive Head Teacher - Performance Management and remuneration is carried out by the Chief Executive.
- Head Teacher/ Head of School - Performance Management is carried out by the Chief Executive or Executive Head Teacher. Remuneration recommendations are made to the Strategic Board.
- Deputy Head Teacher - Performance Management is carried out by Head Teacher/Head of School. Remuneration recommendations are made to the Strategic Board through the Chief Executive.
- The Head of Finance and Head of Operations performance management and remuneration review is carried out by the Chief Executive.

With the exception of the Chief Executive, Trustees do not receive remuneration.

Trade union facility time

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017. The Trust recognise the valuable support and advice trade unions provide to teaching and non-teaching staff. Some employees at the Trust's schools are trade union members with union representatives appointed, who, where necessary, provide advice to union members during work hours. During the year 5 employees were union representatives and the total time spent fulfilling their role was not significant.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with employees

The Trust has engaged continuously and extensively with its staff during the period of this report.

There has been specific school level engagement and consultation with all staff concerning arrangements to mitigate the risks of Covid 19. Engagement activity with employees has also included:

- Consultation with all staff and the unions on a number of new HR policies;
- An all-staff survey in December 2019 with a focus on wellbeing informing a number of wellbeing related initiatives;
- Introduction of a revised policy and process for appraising all support staff with a feedback process after implementation for managers to shape further opportunities for further improvement;
- Trust decision to purchase employee assistance programme with benefits for every employee;
- Focus group work to listen to Black Asian and Minority Ethnic staff leading to changes in a number of areas of practice.

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

The Trust is currently engaged in transforming its digital presence and communications with current and prospective parents. During the period, the Trust employed a Digital Marketing Specialist who has led work to have regular and high quality engagement with stakeholders on Twitter and to improve the websites of each school and the Trust itself.

During the pandemic the Trust has sought to engage with all suppliers to find a way of navigating a contractual arrangement during unusual operating conditions that both Trust and supplier can live within, given lost income and reduced demand on both sides. For example, exceptional contractual arrangements were agreed with all of our catering contractors. The Trust continued to pay a number of service providing contractors where our income was unaffected by the pandemic even when the service could not be delivered.

The Parents and Teachers Associations suffered enormously as a result of the pandemic, with events such as school discos and the summer fairs being cancelled. This disruption has extended into 2020/2021 with a fireworks display and Christmas fairs being cancelled.

PACE Academy Trust is committed to tackling the barriers which could lead to unequal outcomes and ensuring equality of access for all stakeholders regardless of gender, ethnicity, disability, religious beliefs/faith tradition. We set our commitment to equality, inclusion and community cohesion in detail on our website.

Related parties and other connected charities and organisations

There were no related party transactions during the year.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The object of the Academy Trust is to provide education and care of great quality in happy, vibrant, inspiring environments, in which all children and adults are valued and encouraged to succeed.

The aims are drawn from the Trust's vision statements, which are built on four, interconnecting pillars. These are:

- Standards and achievement
- Care
- Provision
- Partnership and community

Each school devises its own vision statements, based on these pillars, with its various stakeholders. All schools are currently refreshing these through 'Vision 2023' work.

Principal Activities

The principal activity of PACE Academy Trust is in accordance with its objectives advancing education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. The details of the objectives, strategies and activities of each school within the multi-academy trust are outlined in their individual school development plans.

Public benefit

The trustees confirm that they have referred to the guidance provided by the Charity Commission in respect of public benefit when reviewing the Academy Trust's aims and objectives (as set out above) and in planning future activities and setting appropriate policies for future years.

Strategic Report

Overview

The objectives for the 2019/20 academic year are set out below. However, on March 20th all schools in the Trust closed under government direction, remaining open only for the children of Keyworkers and vulnerable children during April and May and then reopening in June and July 2020 for a limited number of the groups as specified by the Government. All children on roll were supported in remote learning throughout the period of exceptional closure. Exceptional safeguarding arrangements were also adapted and proactively put in place for this period.

This unanticipated and extraordinary period of closure significantly impacted on the Trust performance against its 2019/20 objectives. Nonetheless significant progress was made in a number of areas.

Key Trust objectives for 2019/20 included:

- Securing financial stability in turbulent times for school budgets.

The Trust still maintains significant reserves, however the medium-term financial situation for the smaller schools remains a concern.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- Enhancement of the Trust Leadership Group with the appointment of an Executive Head to support the Chief Executive.

An Executive Headteacher was successfully recruited from within the Trust.

- Continuing to secure short and medium term financial sustainability for Stanford Primary.

The establishment of the Additional Resource Provision at Stanford has provided financial stability for 2019/20 and 2020/2021. However, low pupil numbers are a cause for concern beyond this.

- Establishing a new, dynamic, high quality leadership team at Stanford Primary in order to drive school improvement.

A new Head of School is in place and well supported by a strong leadership team.

- Launching and establishing a new Additional Resource Provision (ARP) for children with Autism at Stanford Primary.

The new unit is completed, fully staffed and attended by 13 children (October 2020).

- Raising standards across the Trust through training and development using, wherever possible, high quality leaders and practitioners drawn from the Trust's schools.

The Trust has established and successful mechanisms for training and development, led educationally by the Trust's Executive Headteacher and Team leader for mathematics and English.

- Annual Trust Conference for governors and school leaders.

Cancelled due to the pandemic.

Achievements and Performance

The start of the 2019/2020 academic year was a positive one for the Trust, with the well-deserved accolade for Beecholme Primary of achieving a 'Good' overall judgment from its Ofsted inspection in July 2019, having been deemed 'Inadequate' at its previous inspection, before PACE took responsibility for the school. Of particular note was the 'outstanding' judgment for pupils' personal development, behaviour and welfare.

Given the exceptional period of closure, the DfE cancelled national assessments, including Key Stage One and Two tests and Year 1 and 2 phonics screening. The school-by-school information below therefore relates to 2019 and repeats that shown in the Trustee's Report for the year ending 31st August 2019. Although no data is available, all schools were on track for strong performances in 2019/2020 as of March 2020.

During the period of national lockdown, the five schools worked together to develop and deliver a comprehensive package of home learning for students. Schools maintained regular contact with families to make sure that they were supported and children safeguarded. All families eligible for free school meals received either vouchers or meals produced in school.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Children of keyworkers and any vulnerable children able to attend school were taught throughout the lockdown period by a rota of teachers and support assistants. Headteachers attended throughout. The quality of both the education in school and via home learning was widely recognised by parents.

2019 school performance:

Beecholme Primary School

- Children matched their peers nationally at the end of EYFS despite the fact that many of the children enter nursery with little or no English;
- At KS1, children exceeded nationally expected standards in reading, writing and mathematics;
- At KS2, children exceeded nationally expected standards in writing and mathematics;
- At KS2, children exceeded nationally expected standards in reading, writing and mathematics combined;
- Progress in reading, writing was in line with national expectations and well above in mathematics;
- The quality of teaching was identified as 'strong' overall in the inspection report.

Chipstead Valley Primary School

- Children exceeded their peers nationally at the end of EYFS 76% (national 72%);
- At KS1, children exceeded nationally expected standards in reading, writing and mathematics;
- At KS2, children exceeded nationally expected standards in reading, writing and mathematics;
- At KS2, children exceeded nationally expected standards in reading, writing and mathematics combined;
- Progress in reading, writing and mathematics was in line with national expectations in all subjects;
- The quality of teaching was at least good in the overwhelming majority of classes with significant proportions of outstanding practice.

Keston Primary School

- Children exceeded their peers nationally at the end of EYFS 83% (national 72%);
- At KS1, children exceeded nationally expected standards in reading, writing and mathematics;
- At KS2, children exceeded nationally expected standards in reading, writing and mathematics;
- At KS2, children exceeded nationally expected standards in reading, writing and mathematics combined;
- Progress in reading, writing and mathematics was above national expectations in all subjects;
- The quality of teaching was at least good in all classes with significant proportions of outstanding practice.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

New Valley Primary School

- Children exceeded their peers nationally at the end of EYFS 80% (national 72%);
- At KS1, children exceeded nationally expected standards in reading, writing and mathematics;
- At KS2, children exceeded nationally expected standards in writing and mathematics;
- At KS2, children were below nationally expected standards in reading, writing and mathematics.

Stanford Primary School

- Children were well below their peers nationally at the end of EYFS 37% (national 72%). This cohort had very low starting points with significant proportions of children with SEN;
- At KS1, children were below nationally expected standards in reading, writing and mathematics ;
- At KS2, children were in-line with nationally expected standards in reading and mathematics and below in writing;
- At KS2, children were below nationally expected standards in reading, writing and mathematics combined;
- Progress in reading and mathematics were in-line with national expectations but below in writing;
- The quality of teaching was at least good in a majority of classes but with too high a proportion of teaching that requires improvement.

Key performance indicators

The main performance indicators are as follows:

Beecholme Primary School

Indicator	Success Criteria	Outcome	Comment
Financial Stability	Expenditure does not exceed income	Not met	Reserves used as planned
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (5.4%)	
Pupil Numbers	>90% capacity	Not met (84%, October 2020)	
Attainment Data	At least in line with similar schools	Not published - early internal data indicated no concerns	
Ofsted outcome	Current judgment good or better	Met (Good - July 2019)	

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Chipstead Valley Primary School

Indicator	Success Criteria	Outcome	Comment
Financial Stability	Expenditure does not exceed income	Not met	Reserves used as planned and impacted by Covid-19 pandemic
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (3.9%)	
Pupil Numbers	>90% capacity	Met (99%, October 2020)	
Attainment Data	At least in line with similar schools	Not published - early internal data indicated no concerns	
Ofsted outcome	Current judgment good or better	Met (Outstanding)	

Keston Primary School

Indicator	Success Criteria	Outcome	Comment
Financial stability	Expenditure does not exceed income	Met	But impacted by Covid-19 pandemic
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (3.8%)	
Pupil Numbers	>90% capacity	Met (99.3%), October 2020	
Attainment Data	At least in line with similar schools	Not published - early internal data indicated no concerns	
Ofsted outcome	Current judgment good or better	Met (Good)	

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

New Valley Primary School

Indicator	Success Criteria	Outcome	Comment
Financial stability	Expenditure does not exceed income	Not met	Reserves used as planned
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (4.9%)	
Pupil Numbers	>90% capacity	Not met (81%, October 2020)	
Attainment Data	At least in line with similar schools	Not published - early internal data indicated no concerns	
Ofsted outcome	Current judgment good or better	Met (Good)	

Stanford Primary School

Indicator	Success Criteria	Outcome	Comment
General financial stability	Expenditure does not exceed income	Met	
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Not met (19.7%)	School closure impacted positively on results for the year due to Local Authority funding being guaranteed despite schools closing
Pupil Numbers	>90% capacity	Not met (70% October 2020)	
Attainment Data	At least in line with similar schools	Not published - early internal data indicated no significant concerns	
Ofsted outcome	Current judgment good or better	No current judgment	

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Risk Management

The Directors hold responsibility for the management of risks for the company. In line with the Corporate Governance guidance contained within the Charities Statement of Recommended Practice (SORP) FRS102, they have considered the major risks to which the company is exposed and continue to review regularly the financial and compliance controls necessary to mitigate those risks.

As the majority of the Trust's funding is derived from the ESFA, via the Department of Education, the Strategic Board considers this element of funding to be reasonably secure.

The pandemic created by COVID 19 had a significant impact on the risk profile of the schools in the Trust potentially affecting the safeguarding and education for the children and its financial stability. This has been and continues to be managed closely since March 2020.

The most significant risks relating to this income would be a fall in pupil numbers. The Strategic Board feels this is a minimal risk at Chipstead Valley and Keston Primary Schools due to rising birth rates, and the on-going and increasing popularity of the schools. Beecholme and New Valley Primary Schools have successful Ofsted outcomes, which should help boost pupil numbers. The expansion of other local schools in the area around New Valley requires Trustees, the Local Governing Board and the school's leadership team to monitor admission patterns very carefully as well as effectively marketing the school. Stanford Primary School is reducing from two to one form entry and pupil numbers are a challenge, however Merton Local Authority and PACE have negotiated the implementation of an ARP at Stanford School for autistic children which will assist in securing pupil numbers and therefore income for the school.

The final outcome of the National Funding Formula is yet to be finalised.

The Directors met both routinely and exceptionally throughout the exceptional closure of schools, maintaining their responsibility for the management of risk and the additional risk mitigation arrangements that were put in place for the return of pupils. Furthermore, the Directors had oversight of and approved the risk mitigation arrangements put in place for the return of pupils after 1 June 2020.

Risk Control and Framework

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

- Trust Finance Policy;
- Delegation of authority and segregation of duties in each school;
- Identification and management of other risks through the use of risk registers; and
- Internal Audit arrangements.

The Trust has a strategic risk register which is regularly monitored on its behalf by the Finance and Audit committee to ensure that risks are being managed and mitigated.

The main risks which the academy is exposed to are identified as operational, reputational and financial.

Operational and reputational – this covers risks to the running of the academy Trust (including the capacity of staff and facilities to meet the needs of pupils), the quality of education, which it provides, failure of information security and unforeseen large-scale catastrophic events. The Trust is not alone in having a business contingency plan that did not foresee a lengthy period of closure during a global pandemic.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial – covering risks to the Trust's financial position, including revenue (especially relating to reductions in pupil numbers), cost control, management of cash and prevention of fraud. Internal audits are carried out by an external firm of accountants.

The Trust Finance Policy is reviewed and updated annually.

The Chief Executive, Executive Head Teacher and Head Teacher of each school are responsible for the authorisation of spending within agreed budgets, above a certain level the Strategic Board are required to approve expenditure; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Chief Executive and Executive Head Teacher are responsible for the appointment of staff and a Director presence is required for senior appointments.

The Chief Executive is the Accounting Officer.

The Strategic Board appointed Buzzacott to carry out the role of Internal Auditor to undertake a programme of internal checks on financial controls for the 2019/20 financial year. The Strategic Board received termly reports of recommendations from them.

Going concern

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

Protecting the success of the Trust

PACE Academy Trust is a small Multi-Academy Trust that seeks to provide education and care of a high quality in happy, inspiring environments in which all children and adults are valued and encouraged to succeed. Within the Trust Directors are supported at a local level in each school by active Local Governing Bodies. These governing bodies provide scrutiny and challenge to the senior leadership of the schools and provide broad representation of our communities and stakeholders.

The Directors of PACE act in accordance with their duties as Trustees of a Multi-Academy Trust and act both collectively and individually in the interests of the Trust for the benefit of its stakeholders. The period covered by this report has been dominated by the global pandemic which has presented many additional demands and challenges for the Trust and its schools. The Directors of the Trust have continued to ensure a strong focus on the core purpose of our Trust that is to provide high quality education to our children under abnormal operating conditions. Negotiations with suppliers during the exceptional period have been conducted carefully, mindful of the financial interests of the Trust and the long-term interest for both parties that services are maintained beyond the pandemic. Our values drive our engagements with suppliers and reflect our goal of working in partnership with these suppliers and organisations. During the period of this report the Trust has also invested in elevating its digital presence to communicate with stakeholders.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the Academy Trust's income is derived from the Education and Skills Funding Agency (ESFA), an agent of the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust has suffered serious loss of income across a number of income generating areas, which are integral to our financial health. Parental income from paid for school meals and income from a range of lets has been vastly reduced or eliminated after 20 March 2020. Income from in-school wraparound care provision has been eliminated for the last four months of the year. There was approximately £245,000 income lost in relation to the above. The furlough scheme was used for the later months in the year to assist with staffing costs in areas where income had been reduced to nil.

During the year ended 31 August 2020, total restricted educational expenditure was £10,092,172 (excluding restricted fixed asset funds). Overall, total incoming resources for the year came to £9,851,313 (excluding restricted fixed asset funds). Of this, recurrent grant funding from the ESFA, DfE and Local Authority totalled £9,294,980. The result of income less expenditure for the year (excluding restricted fixed asset funds, inherited funds and actuarial gains) was a deficit of £662,366.

At 31 August 2020 the net book value of fixed assets was £48,296,838 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Land, buildings and other assets were transferred to the Academy Trust upon conversion and upon schools joining the Trust. Land and buildings across the Trust were externally revalued by professional valuation experts as at 31 August 2017 for three schools and at 1 October 2018 for the two schools joining on that date. The revalued amounts are reflected in the financial statements. Additions to assets are capitalised at cost and depreciated over their useful life.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated with in the Statement of Financial Activity with details in note 18 to the financial statements.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Strategic Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 18 to the financial statements, represents a significant potential liability. However as the Directors consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Reserves policy

Currently the Trust's reserves (excluding fixed asset funds and the defined benefit pension scheme liability) are 5% of annual income and therefore in line with the target stated. The Trust's total reserves stand at £43,272,065. The Trust currently holds free reserves, consisting of restricted general funds plus unrestricted funds, of £450,624. The fixed asset reserves at the year-end stand at £48,371,440.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Investment policy

Currently the Trust does not hold interest-bearing accounts.

Fundraising

Fundraising for the trust takes the following forms:

- Fundraising on behalf of the school through Parent Teacher Associations holding summer fairs and similar events;
- Donations from parents;
- Students and staff engaging in fundraising for external charities.

The Trust aims to meet the fundraising code of practice which is that any fundraising will be legal, open, honest and respectful. The Trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and ensure that all funds raised for a particular cause must be used for that particular cause. The Trust has not received any fundraising complaints.

Parent Teacher Association activities have largely been impossible since March 2020 and therefore there has been a significant loss of income in some of our schools.

Streamlined energy and carbon reporting

Emissions data in respect of the 2019-20 reporting period, based on Operational Control is as follows:

The sections below contain the information which should be included within your 2019-2020 Annual Report. Please note that you need to include the emissions, broken down by Scope, the intensity ratio, the Notes, the Statement of Exclusions and the Energy Efficiency Action taken.

Emission Type	kWh			CO2e tonnes (Location Based)		
	Previous Year (2018-19)	Current Year (2019-20)	Var. %	Previous Year (2018-19)	Current Year (2019-20)	Var. %
Scope 1: Combustion	N/A	1,669,792	N/A	N/A	307.05	N/A
TOTAL Scope 1	N/A	1,667,792	N/A	N/A	307.05	N/A
Scope 2: Purchased Energy	N/A	527,649	N/A	N/A	123.03	N/A
TOTAL Scope 2	N/A	527,649	N/A	N/A	123.02	N/A
Scope 3: Indirect Energy use	N/A	2,403	N/A	N/A	0.50	N/A
TOTAL Scope 3	N/A	2,403	N/A	N/A	0.50	N/A
Total	N/A	2,199,844		N/A	430.57	

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Intensity measurement

Total Footprint (Scope 1, Scope 2 and Scope 3) - CO2e tonnes			
	Previous Year (2018-19)	Current Year (2019-20)	Year on Year Variance
Turnover (£)	N/A	9,851,300	N/A
Intensity Ratio (tCO2e/£100,000)	N/A	4.37	N/A
Number of Employees	N/A	284	N/A
Intensity Ratio (tCO2e/employee)	N/A	1.52	N/A

Measures taken to improve energy efficiency

Emission Type	CO2e tonnes (Dual Reporting Methodology)		
	Location Based	Market Based (Supplier Specific)	Var. %
Scope 1: Combustion	307.05	307.05	N/A
TOTAL Scope 1	307.05	307.05	N/A
Scope 2: Purchased Energy	123.02	34.68	-74.29%
TOTAL Scope 2	123.02	34.68	-74.29%
Scope 3: Indirect Energy use	0.50	0.50	N/A
TOTAL Scope 3	0.50	0.50	N/A
Total	430.57	342.23	-20.5%

NOTES

- Our methodology has been based on the principals of the Greenhouse Gas Protocol, taking account of the 2015 amendment which sets out a 'dual reporting' methodology for the reporting of Scope 2 emissions. In the 'Total Footprint' summary above, purchased electricity is reported on a location-based method.
- We have reported on all the measured emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, except where stated.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- The period of our report is 01/09/2019 – 31/08/2020.
- This includes limited emissions under Scope 1 and 2 (gas & fuel used in transport; purchased electricity), except where stated, and limited emissions under Scope 3 (fuel used in personal/hire cars for business purposes).
- Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2019-20.
- Conversion factors for UK electricity (market-based methodology) are published by the relevant supplier on the fuel mix disclosure sections of their websites.
- Year on year comparison of energy (kWh) and carbon (tCO₂e) has not been presented within this statement as it is the first year of reporting in line with the SECR requirements. This information will be included in future years' reporting.

STATEMENT OF EXCLUSIONS

- No known exclusions

ENERGY EFFICIENCY ACTION

In the period covered by the report, we have undertaken a full boiler room refurbishment, including the addition of two new boilers at our New Valley Primary School site. The expected annual energy reduction is 32,000kWh, saving 6tCO₂. Where we have had new lighting installed at our Keston Primary School and Chipstead Valley Primary School, we have selected LED lamps with upgrades to our controls to further reduce our energy consumption. We have installed a warm air curtain in the swimming pool area at our Chipstead Valley Primary School to reduce heat losses. Over 20% of our electricity is purchased from Orsted on a 100% renewable energy tariff. Our Merton schools have solar panels in place and generate electricity for the national grid.

APPENDIX A: CARBON FACTORS

Location-Based Factors:

Type	Factor (tCO ₂ e per unit)	Unit
Electricity (per kWh) - United Kingdom	0.00023314	kWh
Gas (Natural gas - from grid)	0.00018387	kWh
Car - Petrol - Small (miles travelled)	1.05831500	Miles
Car - Petrol - Medium (miles travelled)	1.32396400	Miles
Car - Petrol - Large (miles travelled)	1.94823100	Miles
Van - Diesel - Average (miles travelled)	1.65874000	Miles

Market-Based (Supplier Specific) Factors – Electricity Only:

Supplier	Factor (tCO ₂ e per unit)	Unit
PAT - Gazprom	0.00028263	kWh
PAT - Orsted	0.00000000	kWh
PAT - Scottish & Southern	0.00031800	kWh
PAT - Total Gas & Power	0.00027900	kWh
PAT - Scottish Power	0.00026400	kWh

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

- To secure appropriate succession for the role of Chief Executive;
- To take all necessary measures to ensure that children who may have fallen behind educationally, as a result of the effects of the pandemic, 'catch-up';
- To ensure that all vulnerable children and families, whose needs may have become more significant during the pandemic are well supported;
- To increase the proportions of Black, Asian and Ethnic Minority group members at both director and Local Governing Body level;
- To continue to enhance our systems for managing HR, business and finance operations, to best support current and future ways of working;
- To secure the financial stability of the Trust's smaller, one form of entry, schools;
- To further develop the new Additional Resource Provision at Stanford to be a high performing, effective unit for autistic children;
- To work with Croydon Council to ensure the viability of The Enhanced Learning Provision at Chipstead Valley;
- To secure a 'Good' Ofsted judgment for Stanford in 2020/2021.
- The Directors continue to welcome opportunities to expand the Trust by one or two schools.

Teaching school

The organisation of Teaching Schools is due to change in 2021, with the advent of Teaching School 'Hubs'. Until this point, Chipstead Valley will operate as indicated below.

The Trust will continue to develop its teaching school responsibilities, particularly in the areas of teacher training, where along with its alliance schools, it has developed a bespoke training programme for salaried and non-salaried School Direct trainees. Similarly, its borough wide programme for NQT support is well attended and evaluations show that it meets the needs of the teachers.

The Trust's National Leader for Education (NLE) will work to support other schools and will bid for nationally available funding to support identified schools in difficulty.

A variety of school leaders support and run courses for emerging, middle and senior leaders.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

In so far as the trustees are aware:

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

UHY Hacker Young was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees,

as the company directors, on ~~10~~ 12 / ~~2020~~ and signed on its behalf by:



Kevin Bright
Chair

PACE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that PACE Academy 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, 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 PACE Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mark Rosewell (Accounting Officer)	8	8
Edward Denley (Chair) (Resigned 11 June 2020)	7	7
Kevin Bright (Chair)	7	8
Linda Hall (Director)	8	8
Roger Capham (Director)	7	8
Michael Fuller (Director)	8	8
Hannah Hamilton (Director)	2	8
Lisa Beach (Director)	6	8
Dipa Patel (Director)	7	8

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Finance and Audit Committee

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Act as the Audit and Risk Committee of the Trust;
- Ensure effective financial management of the Trust;
- Ensure compliance with all relevant regulations and legislation, especially the Academies Financial Handbook;
- Ensure that the Trust is making its best efforts to obtain value for money;
- Direct the Trust's programme of internal scrutiny.

Finance Responsibilities

- To regularly monitor and review the Trust's financial statements and to agree the format and content of these, consistent with the requirements of the Academies Financial Handbook. To set and review key performance indicators (KPIs) for all schools in the Trust and for the Trust as a whole.
- To review budget and cash flow forecasts, including multi-year forecasts for the Trust prior to presentation to the Strategic Board for approval.
- To recommend the annual spending target to be set for the budget of each school in the Trust to the Strategic Board for approval.
- To approve the annual budget for schools within the Trust where the governing body does not have delegated authority for financial management.
- To review the Trust's audited statutory accounts prior to presentation to the Strategic Board for approval.
- To consider plans with significant financial implications prior to presentation to the Strategic Board for approval.
- To monitor the Trust's exposure to pensions costs.

Audit Responsibilities

- To review risks to the Trust's internal financial controls.
- To monitor the effectiveness of the Trust's finance policy and agree any changes required to this on behalf of the Board.
- To agree the annual programme of internal audit work taking into consideration the highest areas of priority identified by the Trust's risk register.
- To review internal audit reports prior to presentation of these to the Strategic Board.
- To ensure due compliance by the Trust with the requirements of public accountability.
- To recommend the appointment of the Trust's external auditors and their remuneration to the Strategic Board.
- To receive and discuss reports from the external and internal auditors.
- To ensure that appropriate action is taken to implement agreed recommendations from internal and external auditors.

Risk Management Responsibilities

- To recommend to the Board any new and emerging risks both financial and non-financial which the Board ought to consider as part of the Board's review of the Strategic Risk Register.
- To review, at each meeting, actions being taken to address and mitigate risks identified in the Trust's Risk Register.

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Finance and Audit committee has formally met 6 times during the year. Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of possible
Mark Rosewell (Accounting Officer)	6	6
Edward Denley (Chair) (Resigned 11 June 2020)	5	5
Kevin Bright (Chair)	5	6
Linda Hall (Director)	5	6
Michael Fuller (Director)	6	6
Lisa Beach (Director)	2	2

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in 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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year as follows:

Ensuring trust schools keeps staffing structures under continuous review, particularly before offering new contracts in order to maximise educational efficiency and value for money.

The Trust's new Executive Headteacher works with school leaders on securing value for money on both staff deployment and the use of resources.

The Trust has secured a number of contracts on a 'five school' basis, for example on securing assessment materials.

The Heads of Operations and Finance have negotiated a number of adjustments to contracts as a consequence of the pandemic.

Additional financial support (£14K) for Stanford Primary school was secured through a School Improvement Grant and has been used effectively to support the teaching of reading, writing and mathematics.

The Trust has negotiated a favourable settlement with the Merton LA regarding funding support for its Additional Resource Provision.

The Head of Operations has successfully led on the securing of Condition Improvement Funding applications leading to the provision of a number of grants for building and site improvements. Works have included new fencing and fire alarm upgrades.

As the Trust expands, it is mindful of the recruitment and deployment of administrative staff to ensure effective financial management and control within the Trust.

The Trust actively promotes the hire of its premises to the local community including hall hire to various clubs, swimming pool hire to other primary schools and swimming clubs. In the summer of 2020 one school was hired to a summer camp organisation, providing childcare to local children during the summer holiday period. Monies generated from this are used to maintain the facilities and enhance learning experiences for the pupils.

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Buzzacott as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

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

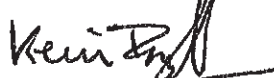
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the reviews of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees, on 10/12/2020 and signed on its behalf by:



Mark Rosewell
Accounting Officer



Kevin Bright
Chair


PACE ACADEMY TRUST

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

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

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

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



Mark Rosewell
Accounting Officer

10/12/2020

PACE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of PACE Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

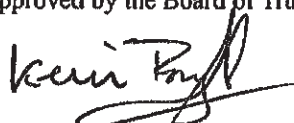
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 10/12/2020 and signed on its behalf by:


Kevin Bright
Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
FOR THE YEAR ENDED 31 AUGUST 2020**

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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



**Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

14/12/2020

**Chartered Accountants
Statutory Auditor**

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 29 April 2014 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 PACE Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to PACE Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the PACE Academy 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 PACE Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of PACE Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of PACE Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment;
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education;
- Review of the declaration of interests to ensure completeness;
- Review of minutes for evidence of declaration of interest;
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities;
- A sample of cash payments were reviewed for unusual transactions;
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement; and
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

Conclusion

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

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
Quadrant House
4 Thomas More Square

London

E1W 1YW

Dated: *14/12/2020*

PACE ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	5,609	-	962,249	967,858	279,696
Donations - Transfer from local authority on conversion		-	-	-	-	23,730,000
Charitable activities:						
- Funding for educational operations	4	-	9,294,980	-	9,294,980	8,298,947
Other trading activities	5	410,363	139,791	-	550,154	708,778
Investments	6	570	-	-	570	490
Total		416,542	9,434,771	962,249	10,813,562	33,017,911
Expenditure on:						
Raising funds	7	-	4,965	-	4,965	4,866
Charitable activities:						
- Educational operations	9	416,542	10,092,172	1,960,459	12,469,173	11,277,492
Total	7	416,542	10,097,137	1,960,459	12,474,138	11,282,358
Net income/(expenditure)		-	(662,366)	(998,210)	(1,660,576)	21,735,553
Transfers between funds	19	(68,940)	(61,967)	130,907	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(70,000)	-	(70,000)	(1,095,000)
Net movement in funds		(68,940)	(794,333)	(867,303)	(1,730,576)	20,640,553
Reconciliation of funds						
Total funds brought forward		182,628	(4,418,730)	49,238,743	45,002,641	24,362,088
Total funds carried forward		113,688	(5,213,063)	48,371,440	43,272,065	45,002,641

PACE ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	8,447	-	271,249	279,696
Donations - Transfer from local authority on conversion		-	(1,164,000)	24,894,000	23,730,000
Charitable activities:					
- Funding for educational operations	4	26,186	8,272,761	-	8,298,947
Other trading activities	5	554,504	154,274	-	708,778
Investments	6	490	-	-	490
Total		<u>589,627</u>	<u>7,263,035</u>	<u>25,165,249</u>	<u>33,017,911</u>
Expenditure on:					
Raising funds	7	-	4,866	-	4,866
Charitable activities:					
- Educational operations	9	537,754	8,942,597	1,797,141	11,277,492
Total	7	<u>537,754</u>	<u>8,947,463</u>	<u>1,797,141</u>	<u>11,282,358</u>
Net income/(expenditure)		51,873	(1,684,428)	23,368,108	21,735,553
Transfers between funds	19	(92,238)	65,218	27,020	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,095,000)	-	(1,095,000)
Net movement in funds		(40,365)	(2,714,210)	23,395,128	20,640,553
Reconciliation of funds					
Total funds brought forward		222,993	(1,704,520)	25,843,615	24,362,088
Total funds carried forward		<u>182,628</u>	<u>(4,418,730)</u>	<u>49,238,743</u>	<u>45,002,641</u>

PACE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

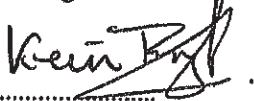
	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		48,296,838		49,206,912
Current assets					
Stocks	14	4,011		4,831	
Debtors	15	455,046		670,074	
Cash at bank and in hand		994,357		938,655	
			<u>1,453,414</u>		<u>1,613,560</u>
Current liabilities					
Creditors: amounts falling due within one year	16	(916,187)		(1,096,831)	
Net current assets			<u>537,227</u>		<u>516,729</u>
Total assets less current liabilities			<u>48,834,065</u>		<u>49,723,641</u>
Creditors: amounts falling due after more than one year	17		(12,000)		-
Net assets before defined benefit pension scheme liability			<u>48,822,065</u>		<u>49,723,641</u>
Defined benefit pension scheme liability	20		(5,550,000)		(4,721,000)
Total net assets			<u><u>43,272,065</u></u>		<u><u>45,002,641</u></u>
Funds of the Trust:					
Restricted funds					
- Fixed asset funds			48,371,440		49,238,743
- Restricted income funds			336,937		302,270
- Pension reserve			(5,550,000)		(4,721,000)
Total restricted funds			<u>43,158,377</u>		<u>44,820,013</u>
Unrestricted income funds	19		<u>113,688</u>		<u>182,628</u>
Total funds			<u><u>43,272,065</u></u>		<u><u>45,002,641</u></u>

PACE ACADEMY TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

The accounts on pages 32 to 63 were approved by the trustees and authorised for issue on 10/12/2020
and are signed on their behalf by:



.....
Kevin Bright
Chair

Company Number 08891864

PACE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	22		130,829		349,447
Cash flows from investing activities					
Dividends, interest and rents from investments		570		490	
Capital grants from DfE Group		201,152		160,041	
Capital funding received from sponsors and others		38,897		111,208	
Purchase of tangible fixed assets		(330,746)		(290,297)	
Net cash used in investing activities			(90,127)		(18,558)
Cash flows from financing activities					
Cash inflow from new borrowing		15,000		-	
Net cash provided by/(used in) financing activities			15,000		-
Net increase in cash and cash equivalents in the reporting period			55,702		330,889
Cash and cash equivalents at beginning of the year			938,655		607,766
Cash and cash equivalents at end of the year			<u>994,357</u>		<u>938,655</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

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

1.1 Basis of preparation

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

PACE Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

At the time of approving the financial statements, the trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions, including the current and future impact of COVID-19, that may cast significant doubt on the ability of the trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. It is difficult to determine the full impact of COVID-19 to the trust, however after due considerations the trustees have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue its operational activities and continue as a going concern. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Trust 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.4 Expenditure

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

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	5-10%
Computer equipment	33%
Fixtures, fittings & equipment	20%

No depreciation is provided in respect of freehold land.

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

1.6 Liabilities

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Stock

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

1.10 Taxation

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

1.11 Pensions benefits

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees consider that they have not made any critical judgements in the preparation of the financial statements.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donated fixed assets	-	722,200	722,200	-
Capital grants	-	240,049	240,049	271,249
Other donations	5,609	-	5,609	8,447
	<u>5,609</u>	<u>962,249</u>	<u>967,858</u>	<u>279,696</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,420,472	6,420,472	6,170,232
Start up grants	-	-	-	61,500
Other DfE group grants	-	1,121,644	1,121,644	785,887
	-	7,542,116	7,542,116	7,017,619
Other government grants				
Local authority grants	-	1,461,191	1,461,191	1,018,521
Special educational projects	-	244,118	244,118	236,621
	-	1,705,309	1,705,309	1,255,142
Other funding				
Teaching School income	-	23,585	23,585	26,186
Coronavirus Job Retention Scheme Grant	-	22,248	22,248	-
Coronavirus exceptional support	-	1,722	1,722	-
	-	47,555	47,555	26,186
Total funding	-	9,294,980	9,294,980	8,298,947

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 £1,722 of catering costs. These costs are included in notes 7 and 9 below as appropriate.

- The academy furloughed some of its support staff including swimming teachers, breakfast, after school club and nursery staff under the government's CJRS. The funding received of £22,248 relates to staff costs in respect of 18 staff which are included within note 10 below as appropriate.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	56,006	-	56,006	73,149
Catering income	103,583	-	103,583	157,103
Parental contributions	4,764	41,527	46,291	52,451
Other income	246,010	98,264	344,274	426,075
	<u>410,363</u>	<u>139,791</u>	<u>550,154</u>	<u>708,778</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other investment income	570	-	570	490
	<u>570</u>	<u>-</u>	<u>570</u>	<u>490</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2020 £	Total 2019 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	4,965	4,965	4,866
Academy's educational operations					
- Direct costs	6,412,508	-	282,995	6,695,503	5,929,119
- Allocated support costs	2,281,428	2,639,820	852,422	5,773,670	5,348,373
	<u>8,693,936</u>	<u>2,639,820</u>	<u>1,140,382</u>	<u>12,474,138</u>	<u>11,282,358</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for audit services	16,500	16,000
Depreciation of tangible fixed assets	1,963,020	1,794,578
Net interest on defined benefit pension liability	92,000	86,000
	<u>2,071,520</u>	<u>1,996,578</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services; and
- others as arising.

	2020	2019
	£	£
The amounts charged during the year were as follows:		
Beecholme Primary School	36,605	39,500
Chipstead Valley Primary School	93,624	81,000
Keston Primary School	49,160	43,542
New Valley Primary School	10,998	37,000
Stanford Primary School	57,500	59,200
	<u>247,887</u>	<u>260,242</u>

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Direct costs				
Educational operations	416,542	6,278,961	6,695,503	5,929,119
Support costs				
Educational operations	-	5,773,670	5,773,670	5,348,373
	<u>416,542</u>	<u>12,052,631</u>	<u>12,469,173</u>	<u>11,277,492</u>

Analysis of support costs

	2020	2019
	£	£
Support staff costs	2,279,228	1,998,510
Depreciation	1,963,020	1,794,578
Technology costs	68,852	66,035
Premises costs	676,800	614,444
Legal costs	88,429	94,035
Other support costs	665,321	738,924
Governance costs	32,020	39,284
	<u>5,773,670</u>	<u>5,345,810</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	6,220,997	5,645,933
Social security costs	478,379	465,222
Pension costs	1,904,708	1,340,002
Amounts paid to employees	8,604,084	7,451,157
Agency staff costs	89,852	142,092
Amounts paid to staff	8,693,936	7,593,249
Staff development and other staff costs	44,179	43,056
Total staff expenditure	<u>8,738,115</u>	<u>7,636,305</u>

Staff numbers

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

	2020	2019
	Number	Number
Teachers	88	81
Administration and support	173	176
Management	9	10
	<u>270</u>	<u>267</u>

Higher paid staff

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

	2020	2019
	Number	Number
60,001 - 70,000	2	1
70,001 - 80,000	3	3
80,001 - 90,000	1	-
90,001 - 100,000	1	-
130,000 - 140,000	-	1
	<u>7</u>	<u>5</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £797,501 (2019: £673,710).

11 Trustees' remuneration and expenses

The Executive Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of executive head teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments or expenses from the academy trust in respect of their role as trustees.

The value of trustees remuneration was as follows:

M Rosewell (Executive Head Teacher and trustee):

Remuneration £70,001 - 80,000 (2019: £130,001 - £140,000)

Employer's pension contributions paid £Nil (2019: £20,001 - £25,000)

12 Insurance for trustees and officers

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim, for the year ended 31 August 2020 the trust was insured by the ESFA's Risk Protection Arrangement.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	53,274,523	278,879	144,787	53,698,189
Additions	888,603	62,774	101,569	1,052,946
Disposals	-	(899)	(1,168)	(2,067)
At 31 August 2020	54,163,126	340,754	245,188	54,749,068
Depreciation				
At 1 September 2019	4,256,156	157,526	77,595	4,491,277
On disposals	-	(899)	(1,168)	(2,067)
Charge for the year	1,863,577	69,470	29,973	1,963,020
At 31 August 2020	6,119,733	226,097	106,400	6,452,230
Net book value				
At 31 August 2020	48,043,393	114,657	138,788	48,296,838
At 31 August 2019	49,018,367	121,353	67,192	49,206,912

14 Stocks

	2020	2019
	£	£
Uniforms stock	4,011	4,831

15 Debtors

	2020	2019
	£	£
Trade debtors	45,396	123,147
VAT recoverable	60,667	110,310
Other debtors	-	7,030
Prepayments and accrued income	348,983	429,587
	455,046	670,074

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Debtors

(Continued)

Prepayments and accrued income include £69,868 (2019: £58,450) relating to grants due from the ESFA for pupil premium which was not received at the year end.

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other loans	3,000	-
Trade creditors	179,228	374,759
Other taxation and social security	132,806	128,570
Other creditors	70	243
Accruals and deferred income	601,083	593,259
	<u>916,187</u>	<u>1,096,831</u>

17 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other loans	12,000	-
	<u>12,000</u>	<u>-</u>

Analysis of loans	2020	2019
	£	£
Wholly repayable within five years	15,000	-
Less: included in current liabilities	(3,000)	-
Amounts included above	<u>12,000</u>	<u>-</u>

Loan maturity

Debt due in one year or less	3,000	-
Due in more than one year but not more than two years	3,000	-
Due in more than two years but not more than five years	9,000	-
	<u>15,000</u>	<u>-</u>

Other loans are comprised of one public benefit entity concessionary loan. The loan bears interest at 2.01% per annum and is repaid over 60 equal instalments over a five year period.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	410,835	462,059
	<u> </u>	<u> </u>
Deferred income at 1 September 2019	462,059	263,973
Released from previous years	(462,059)	(263,973)
Resources deferred in the year	410,835	462,059
	<u> </u>	<u> </u>
Deferred income at 31 August 2020	410,835	462,059
	<u> </u>	<u> </u>

Deferred income relates to grant and other funding for the subsequent academic year received in advance.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	230,713	6,420,472	(6,798,195)	65,357	(81,653)
Start up grants	29,666	-	(29,666)	-	-
Other DfE / ESFA grants	(103,345)	1,145,614	(1,136,747)	(4,449)	(98,927)
Other government grants	118,454	1,728,894	(1,287,727)	(122,875)	436,746
Other restricted funds	26,782	139,791	(85,802)	-	80,771
Pension reserve	(4,721,000)	-	(759,000)	(70,000)	(5,550,000)
	<u>(4,418,730)</u>	<u>9,434,771</u>	<u>(10,097,137)</u>	<u>(131,967)</u>	<u>(5,213,063)</u>
Restricted fixed asset funds					
Inherited on conversion	39,245,553	-	-	-	39,245,553
DfE group capital grants	9,993,190	240,049	(1,906,294)	130,907	8,457,852
Donated fixed assets	-	722,200	(54,165)	-	668,035
	<u>49,238,743</u>	<u>962,249</u>	<u>(1,960,459)</u>	<u>130,907</u>	<u>48,371,440</u>
Total restricted funds	<u>44,820,013</u>	<u>10,397,020</u>	<u>(12,057,596)</u>	<u>(1,060)</u>	<u>43,158,377</u>
Unrestricted funds					
General funds	<u>182,628</u>	<u>416,542</u>	<u>(416,542)</u>	<u>(68,940)</u>	<u>113,688</u>
Total funds	<u>45,002,641</u>	<u>10,813,562</u>	<u>(12,474,138)</u>	<u>(70,000)</u>	<u>43,272,065</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for normal running costs of the Trust including salary costs, overheads, premises costs and curriculum costs. Under the Funding Agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension Reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (note 20).

Transfer between funds

Transfer from restricted general funds to the restricted fixed asset fund was necessary to fund fixed assets purchased during the year.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	172,258	6,170,232	(6,111,777)	-	230,713
Start up grants	17,466	61,500	(49,300)	-	29,666
Other DfE / ESFA grants	194	785,887	(954,644)	65,218	(103,345)
Other government grants	15,970	1,255,142	(1,152,658)	-	118,454
Other restricted funds	(5,408)	154,274	(122,084)	-	26,782
Pension reserve	(1,905,000)	(1,164,000)	(557,000)	(1,095,000)	(4,721,000)
	<u>(1,704,520)</u>	<u>7,263,035</u>	<u>(8,947,463)</u>	<u>(1,029,782)</u>	<u>(4,418,730)</u>
Restricted fixed asset funds					
Transfer on conversion	15,112,203	24,894,000	(760,650)	-	39,245,553
DfE group capital grants	10,731,412	271,249	(1,036,491)	27,020	9,993,190
	<u>25,843,615</u>	<u>25,165,249</u>	<u>(1,797,141)</u>	<u>27,020</u>	<u>49,238,743</u>
Total restricted funds	<u>24,139,095</u>	<u>32,428,284</u>	<u>(10,744,604)</u>	<u>(1,002,762)</u>	<u>44,820,013</u>
Unrestricted funds					
General funds	222,993	563,441	(511,568)	(92,238)	182,628
Teaching School	-	26,186	(26,186)	-	-
	<u>222,993</u>	<u>589,627</u>	<u>(537,754)</u>	<u>(92,238)</u>	<u>182,628</u>
Total funds	<u>24,362,088</u>	<u>33,017,911</u>	<u>(11,282,358)</u>	<u>(1,095,000)</u>	<u>45,002,641</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds **(Continued)**

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
Beecholme Primary School	47,461	108,597
Chipstead Valley Primary School	83,560	137,189
Keston Primary School	63,282	42,912
New Valley Primary School	34,471	78,179
Stanford Primary School	199,421	57,783
Central services	22,430	60,238
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	450,625	484,898
Restricted fixed asset fund	48,371,440	49,238,743
Pension reserve	(5,550,000)	(4,721,000)
	<hr/>	<hr/>
Total funds	<u>43,272,065</u>	<u>45,002,641</u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
Beecholme Primary School	874,908	121,842	36,466	203,819	1,237,035	1,213,778
Chipstead Valley Primary School	2,111,496	630,351	85,238	731,233	3,558,318	3,422,287
Keston Primary School	1,577,283	293,111	65,737	395,064	2,331,195	1,951,754
New Valley Primary School	657,643	112,596	32,242	191,439	993,920	984,039
Stanford Primary School	1,111,356	220,876	56,150	288,850	1,677,232	1,355,105
Central services	104,810	191,064	2,991	97,038	298,865	372,288
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>6,437,496</u>	<u>1,569,840</u>	<u>278,824</u>	<u>1,907,443</u>	<u>10,193,603</u>	<u>9,299,251</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Croydon. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of both schemes related to the period ended 31 March 2020.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year 2020 (2019: £nil).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

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

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £771,455 (2019: 481,046).

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

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations (Continued)

Local Government Pension Scheme

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

All schools within the PACE Academy Trust contribute a pooled future service rate of 14.8% and a pooled deficit rate of 3.2% following the 2016 Teachers' Pension Scheme valuation.

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

Total contributions made	2020	2019
	£	£
Employer's contributions	497,000	449,000
Employees' contributions	139,000	119,000
	<u>636,000</u>	<u>568,000</u>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	2.6	3.2
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.4	1.9
	<u>2.4</u>	<u>1.9</u>

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
Retiring today		
- Males	21.7	22.1
- Females	24	24
Retiring in 20 years		
- Males	22.6	23.4
- Females	25.4	25.5
	<u>25.4</u>	<u>25.5</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 August 2020:	Approximate % Increase to Employer Liability	Approximate Monetary amount £
0.5% decrease in Real Discount Rate	13%	571
0.5% increase in the Salary Increase Rate	1%	31
0.5% increase in the Pension Increase Rate	12%	532

The Trust's share of the assets in the scheme

	2020	2019
	Fair value	Fair value
	£	£
Equities	3,063,000	2,376,000
Bonds	948,000	964,000
Cash	66,000	48,000
Property	506,000	398,000
Other assets	330,000	24,000
Total market value of assets	4,913,000	3,810,000

The actual return on scheme assets was £505,000 (2019: £272,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£	£
Current service cost	1,164,000	853,000
Past service cost	-	67,000
Interest income	(73,000)	(88,000)
Interest cost	165,000	174,000
Total operating charge	1,256,000	1,006,000

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2020	2019
		£	£
	At 1 September 2019	8,531,000	4,018,000
	Transferred in on existing academies joining the Trust	-	2,043,000
	Current service cost	1,164,000	853,000
	Interest cost	165,000	174,000
	Employee contributions	139,000	119,000
	Actuarial loss	502,000	1,279,000
	Benefits paid	(38,000)	(22,000)
	Past service cost	-	67,000
	At 31 August 2020	<u>10,463,000</u>	<u>8,531,000</u>
	Changes in the fair value of the Trust's share of scheme assets	2020	2019
		£	£
	At 1 September 2019	3,810,000	2,113,000
	Transferred in on existing academies joining the Trust	-	879,000
	Interest income	73,000	88,000
	Actuarial gain	432,000	184,000
	Employer contributions	497,000	449,000
	Employee contributions	139,000	119,000
	Benefits paid	(38,000)	(22,000)
	At 31 August 2020	<u>4,913,000</u>	<u>3,810,000</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	48,296,838	48,296,838
Current assets	179,974	1,198,838	74,602	1,453,414
Creditors falling due within one year	(66,286)	(849,901)	-	(916,187)
Creditors falling due after one year	-	(12,000)	-	(12,000)
Defined benefit pension liability	-	(5,550,000)	-	(5,550,000)
Total net assets	113,688	(5,213,063)	48,371,440	43,272,065

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	49,206,912	49,206,912
Current assets	337,734	1,243,995	31,831	1,613,560
Creditors falling due within one year	(155,106)	(941,725)	-	(1,096,831)
Defined benefit pension liability	-	(4,721,000)	-	(4,721,000)
Total net assets	182,628	(4,418,730)	49,238,743	45,002,641

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2020	2019
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,660,576)	21,735,553
Adjusted for:		
Net surplus on conversion to academy	-	(23,730,000)
Capital grants from DfE and other capital income	(962,249)	(271,249)
Investment income receivable	(570)	(490)
Defined benefit pension costs less contributions payable	667,000	471,000
Defined benefit pension scheme finance cost	92,000	86,000
Depreciation of tangible fixed assets	1,963,020	1,794,577
Decrease/(increase) in stocks	820	(2,440)
Decrease/(increase) in debtors	215,028	(292,354)
(Decrease)/increase in creditors	(183,644)	558,850
Net cash provided by operating activities	130,829	349,447

23 Analysis of changes in net funds	1 September	Cash flows	31 August
	2019		2020
	£	£	£
Cash	938,655	55,702	994,357
Loans falling due within one year	-	(3,000)	(3,000)
Loans falling due after more than one year	-	(12,000)	(12,000)
	938,655	40,702	979,357

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Commitments under operating leases

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

	2020	2019
	£	£
Amounts due within one year	10,412	12,882
Amounts due in two and five years	3,478	20,592
	<u>13,890</u>	<u>33,474</u>

25 Related party transactions

There were no related party transactions during the year.

26 Post balance sheet events

There were no post balance sheet events.

27 Members' liability

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

28 Teaching School trading account

	2020		2019	
	£	£	£	£
Direct income				
External funding		23,585		26,186
Direct costs				
Direct staff costs	23,585		26,186	
Total expenditure		<u>(23,585)</u>		<u>(26,186)</u>
Surplus from all sources		<u>-</u>		<u>-</u>
Teaching School balances at 1 September 2019		-		-
Teaching School balances at 31 August 2020		<u><u>-</u></u>		<u><u>-</u></u>