

Registered Company number: 08641815

**APOLLO SCHOOLS TRUST**  
(a company limited by guarantee)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 August 2020**

## Contents

	Page
Company information	1
Trustees' report	2 – 6
Governance Statement	7 - 8
Statement of Regularity, Propriety and Compliance	9
Statement of Trustees Responsibilities	10
Auditors' report	11 – 12
Statement of financial activities	13
Balance sheet	14
Statement of cashflows	15
Notes to the financial statements	16 - 29

## APOLLO SCHOOLS TRUST

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**Members/Trustees**

Mrs Lesley Powell (Trustee)  
Mrs Suzanne Duncan (Trustee)

**Trustees**

Mrs Margaret Saxton (Chair)  
Mrs Carina Tomlinson

**Company Secretary**

Mr Lee Alexander

**Accounting Officer**

Mrs Kerrie Whelan

**Senior Management Team:**

Head of School	Mrs Kerrie Whelan
Deputy Head of School	Mrs Lesley Wood
Head of Finance (Financial services provided by North East Learning Trust as co-sponsor)	Mr Lee Alexander

**Head of School Office**

Endeavour Academy (Durham)  
c/o East Durham College  
Willerby Grove  
Peterlee  
County Durham  
SR8 2RN

**Registered Office**

Apollo Schools Trust  
c/o The Academy at Shotton Hall  
Passfield way  
Peterlee  
Co Durham  
SR8 1AU

**Company Registration Number**

08641815

**Independent Auditor**

RSM UK Audit LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

**Bankers**

Lloyds Bank  
102 Grey Street  
Newcastle upon Tyne  
NE1 6AG

**Solicitors**

Ward Hadaway Law Firm  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

**APOLLO SCHOOLS TRUST  
TRUSTEES' REPORT  
Year ended 31 August 2020**

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

The trust operated the Endeavour Academy (Durham) an alternative provision academy supporting 14 to 16 year old students. At the year end the number of students on roll were 41 (2019: 28).

### **Structure, Governance and Management**

#### **Constitution**

The 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, as incorporated on 7 August 2013. The trust officially opened to staff and students on the 1 September 2013. The directors act as trustees for charitable activities of Apollo Schools Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Apollo Schools Trust. Endeavour Academy (Durham) was the only Academy within the Multi Academy Trust during the year ended 31 August 2020.

Details of the trustees who served throughout the year are included in the company information on pages 1 and 2.

#### **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 period 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.

#### **Trustee indemnities**

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

#### **Method of recruitment and appointment or election of Trustees**

The Members of the Academy comprise of the 2 signatories to the memorandum. Details of the appointed Trustees (directors) are shown in the company information details. The Trustees may appoint up to 3 Co-opted Trustees. A Co-opted Trustee, means a person who is appointed to be a Trustee Director by being Co-opted by Directors who have not themselves been so appointed. The Secretary of State may appoint such Additional Directors as he thinks fit under Article 62, 62A, 62C or 68A. The term of office for any Director shall be 4 years. At the Directors first meeting each school year they will elect a chairman and vice-chairman.

#### **Policies and procedures adopted for the induction and training of trustees**

The Trust provides both individual and full board training through an annual calendar which is reviewed each year to reflect any changes in practice and legislation. Trustees also have access to the website and a Governor Information File to assist in their induction.

#### **Organisational structure**

The Board of Trustees normally meets once each term. The Board establishes an overall framework for governance and determines membership, terms of reference and policy. During the year it received reports including policy renewals, financial performance, premises management, compliance with reporting and regulatory requirements and drafting the annual budget. (The board of Trustees exercise effective oversight as they are intrinsically linked to all significant day to day operations, given the nature and size of the provision. This includes both internal meetings with the Head of School and other key staff as well as an active role in key meetings with external agencies such as the LA commissioner.) Leadership, Teaching & Achievement undergo a termly review to assess academy performance.

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, which is largely exercised through strategic planning and the setting of policy. Throughout the year the Trustees devolved the day to day management of the Academy to the Head of School.



**APOLLO SCHOOLS TRUST**  
**TRUSTEES' REPORT**  
**Year ended 31 August 2020**

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During the year the designated Accounting Officer (Head of School) and Head of Finance (as service provider from North East Learning Trust (NELT)) were responsible for the authorisation of spending within agreed budgets as detailed in the scheme of delegation. The head of school is responsible for the appointment of all staff, through appointment panels for teaching posts which include HR representation.

**Arrangements for setting pay and remuneration of key management personnel**

The Trustees have ultimate authority for setting pay and remuneration for all staff including key management personnel. The Trust pay policy and changes to pay are reviewed annually by Trustees. No Trustee receives any pay or remuneration for discharging their duties as an officer to the company and therefore during the year key management personnel consisted of the Head of School (Trustee), Deputy Head and Head of Finance (Employee of North East Learning Trust).

The school has an internal performance management policy. Targets are based on whole school priorities: standards of teaching and learning, standards of assessment and progress and whole school literacy, in addition to this some will also have individual targets based on individual observations and wider discussions with reviewers.

**Connected organisations, including related party relationships**

The Trust is sponsored by both North East Learning Trust and East Durham College working in partnership to provide quality alternative provision for students in the North East of England. The Trust partners are committed to the furtherance of education and provide support through collaboration and sharing of resources, which during the year consisted of teaching staff, access to procurement contracts and delivery of professional services. As part of this arrangement the Trust confirm that the trading between connected parties occurs at cost and the majority of the services provided are specific to the landlord tenant relationship at East Durham College and therefore Trustees have little alternative procurement options, however Trustees are satisfied that arrangements remain value for money. In addition, during the year the Trust has commissioned student places to Northern Education Trust which represents a related party relationship as Suzanne Duncan is a trustee of both Apollo Schools Trust and Northern Education Trust. The Trust does not work in federation with any other organisation.

**Risk management**

Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the establishment of the Alternative Provision and sensitivity of student admissions. Throughout the year monitoring of performance and student places have been reviewed closely to ensure operations continue to be viable during the start-up phase. Robust financial and accounting procedures have been adopted from the North East Learning Trust as sponsor, which comply with statutory and ESFA accounting requirements. The Trust is insured under the DfE Risk Protection Assurance scheme to minimise the trusts exposure to risk. The Trust has developed a risk register and medium term plan to mitigate risk and support strategic planning.

**Objectives, strategies and activities**

The principle objective and activity of the charitable trust during the year was the operation of Endeavour Academy (Durham) to provide education for students between the ages of 14 and 16 in line with the vision and values of the Trust. Trustees and staff are committed to providing an outstanding education with a personalised approach so that each learner can have their needs, be they medical, mental, social or learning, identified and responded to. Staff provide a nurturing environment and teach students to set goals preparing them with the skills required to take on the challenge of further education, employment and training and to achieve a fulfilling life.

The Academy delivers a mainstream core curriculum in a small school, alternative setting with an emphasis on teaching resilience programmes of learning to improve student confidence, raise self-esteem and support students to overcome their social and emotional issues which have previously impacted on attendance and attainment. Students are taught in small class settings with a high staff to student ratio with all lessons focussed on relating learning to real life situations.

The Academy aim to reduce gaps in achievement and improve overall school attendance from point of entry. Staff work hard to aim for all students to leave school with qualifications in Maths, English and Science. Students have access to a suite of qualifications to ensure inclusion and achievement of all, irrespective of ability. The Academy work in partnership with specialist providers who support the mental health needs of students attending the Academy with on-site counselling being offered to all students.

Students have access to vocational options where they develop employability skills in real life working environments. There is a strong emphasis on teaching life skills which will improve chances and promote successful transitions at the next key point and reduce disengagement and risks of becoming NEET (Not in Education, Employment or Training). Students have

**APOLLO SCHOOLS TRUST**  
**TRUSTEES' REPORT**  
**Year ended 31 August 2020**

weekly careers lessons, Careers interviews and support with independent travel training all of which prepares them for the next point of transition and improves opportunities to remain engaged with lifelong learning.

The Academy work closely with parents and take into account parents, carers and student voice which plays a significant role in developing the school and the curriculum on offer.

The Academy rated Good by Ofsted (2018) with Inspectors noting 'The headteacher, staff and Trustees have established an effective school that has a significant transformative impact on pupils' personal development, behaviour and welfare'.

**Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust intends to provide a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role including local enterprise.

**Strategic Report**

**Achievements and Performance**

The educational outcomes for students attending the Academy are good. Yr 11 outcomes have improved each year since opening and have been good in comparison to similar type settings.

Outcomes 2020 (21 Students) – Results generated on Centre Assessed Grades.

- 100% of students achieved GCSE Maths and English
- 100% of students left with a qualification in Science (67% GCSE / 33% ELC)
- 52% / 11 Students left with 5 GCSE's
- 95% / 20 Students left with 5 or more qualifications.

No on roll	% students entered for 5+ GCSE or eq.	% students 5+ grade 4-9 or eq. (inc Maths/Eng)	% students 5+ grade 1-9 or eq.	% students 4-9 inc Math and Eng.	% students grade 1-9 in Eng and Maths	% Pass in any qualification	DATE
	15.1	1.5	12.3	2.2	18.9	57.7	AP/PRU National Data 2015
	100	5	81	29	95	100	Nearest Comp 18/19
21	52	0	52	14	100	100	Endeavour 19/20
21				10	19	100	Endeavour 18/19

• **Destinations:**

	FE	Apprenticeship / Emp	Durham Works	Not Confirmed / OOB
<b>2020 Leavers (21 Students)</b>	<b>16</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>2019 Leavers (21 Students)</b>				
Yr 1	15	4	1	1 (OOB)
Yr 2	10	6	3	2 (OOB)

During the accounting period our principle achievement was the continued establishment of the new provision and the addition of students to the school with numbers of students attending the Academy rising steadily since opening in January 2018 in line with our strategic plan.



**APOLLO SCHOOLS TRUST**  
**TRUSTEES' REPORT**  
**Year ended 31 August 2020**

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The Academy Our KPI's include links to student numbers which have increased, , Ofsted rating for which the Academy achieved a 'Good' following the 2018 Inspection and free reserves levels. Detailed Performance against these areas is detailed within this report.

**Going concern**

Taking into account consideration of all relevant facts and circumstances and after making appropriate enquiries the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. By the end of the year there were 41 students on roll (2019: 28), with increased funding to 50 places for 2020/21 which are expected to be fully occupied. For this reason, it adopts the going concern basis in preparing the financial statements.

The Trust is less susceptible to loss of income in relation to Covid-19 as it is mainly funded by income from the ESFA and charges to the Local Authority and Commissioning Schools. Funding is also obtained from DfE recurring grants and commissioning agreements. The Trust has been able to accommodate additional costs in relation to the Covid-19 pandemic through sound and effective financial management, utilising additional grant income provided through the DfE within the original current year budget. Although there is a practical delay to student transfers during Covid-19 restrictions in 2020/21, this delay is not expected to adversely affect the Trusts ability to continue as a going concern as overall student numbers and the demand for AP services remain as forecast.

**Financial Review**

The majority of the Trusts income is obtained from the DfE, via the ESFA for commissioned place funding. During the year ending 31 August 2020 total income of £611k (2019: £455k) exceeded expenditure (excluding depreciation) of £510k (2019: £465k). The net in year surplus before recognised gains and losses, LGPS pension adjustments, transfers and depreciation was £135k which has increase the closing reserves fund excluding fixed asset funds and pensions to £216k (2019: £87k). The surplus reflects the increase in student places filled and an increase in fees. during the year.

The full £927k capital project budget made up of £627k Construction, £234k Information Technology and £66k Fixtures, Furniture & Equipment was fully recognised during 2013/14. The remaining unutilised capital project funding remains at £9k, relating to branding, which is expected to be utilised during 2020/21.

All expenditure of the Academy Trust is made in line with the requirements of the grants provided by the DfE.

The Trust Finance Manual sets out the key financial responsibilities and policies including: delegation of spending, capitalisation limit, purchasing procedures including procurement regulations and systems of internal control. All expenditure of the Academy Trust is made in line with this manual and as such, supports the provision of Education of all students on role.

**Principle risks and uncertainties**

The Trustees have considered that the principal risk and uncertainties facing the Academy during the year are: Safeguarding pupils, student recruitment and financial viability.

The principal risk to Endeavour Academy (Durham) is the ability to allocate the forecast number of students; which provides a significant risk to the overall affordability and viability of the Trust.

Trustees are focused on the establishment of Endeavour and consider the principal risks are as follows:

- Safeguarding and management of pupils
- Recruitment and training of experienced AP staff
- Financial viability

Procedures and forecasts have been established to support trustees to minimise any exposure to risk.

**Fundraising**

The academy trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Management Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from

**APOLLO SCHOOLS TRUST**  
**TRUSTEES' REPORT**  
**Year ended 31 August 2020**

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undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure. The Trust does not utilise the services of a professional fundraiser.

**Reserves policy**

The Trustees review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Endeavour Academy (Durham) is expected to produce at least a break even budget, however the Trustees recognise that this is not always feasible in the start-up phase of a new provision with low pupil numbers and lower funding levels from ESFA. The level of available reserves at 31st August 2020 is £216k (2019: £88k), which is made up of restricted general reserves of £199k (2019: £71k) and unrestricted reserves of £17k (2018/19: £16k). Current reserve levels are intended to be retained for the foreseeable future to ensure sufficient reserves are in place to support the equivalent of 2-3 months' expenditure (circa £130k) as well as providing a contingency reserve, to mitigate failure to recruit budget level of students.

**Investment policy**

The Trust does not have sufficient spare cash available to invest presently, however the trust will establish an investment policy which aims to manage cash balances to provide daily working capital requirements and any surplus cash will be optimised where possible. Forecast cashflows show sufficient operational reserves for the foreseeable future and cash flow projections are fully considered before any significant expenditure decisions are made during this early phase of the provisions establishment.

**Plans for Future Periods**

Endeavour is continuing a period of growth and development as it embeds itself within the community of schools within the region.


**Auditors**

RSM UK Audit LLP has indicated its willingness to continue in office.

**Statement as to disclosure of information to auditors**

The Trustees have confirmed that, as far as they are aware, there is no relevant information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on the 29<sup>th</sup> January 2021 and signed on its behalf by:

  
Margaret Saxton  
Chair



**APOLLO SCHOOLS TRUST**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2020**

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**Scope of responsibility**

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

The Trustees have delegated the day-to-day responsibility to the Head of School, as Accounting Officer, for ensuring financial controls conform to 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 Apollo Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the 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 Trustees have formally met 3 times during the academic year 2019-20. The board of Trustees exercise effective oversight as they are intrinsically linked to all significant day to day operations, given the nature and size of the provision. This includes both internal meetings with the Head of School and other key staff as well as an active role in key meetings with external agencies such as the LA commissioner. Attendance during the period at Trustee meetings was as follows:

Trustee meeting	Meetings Attended	Out of a Possible
Lesley Powell	3	3
Suzanne Duncan	3	3
Margaret Saxton	2	3
Carina Tomlinson	3	3

**Governance Review**

The sponsors (Trustees) and key management personnel have met frequently throughout the year in addition to the board meetings, this is largely due to the nature of the provision and little change during the course of the year. During the year the Trust continued to develop governance to establish any improvement to further embed consistent practice ensuring compliance with DfE requirements. At this time the Trust have not formed any separate committees due to the nature and size of the Trust, and assume all responsibility for the review of academy performance as defined by the scheme of delegation. The Trustees are actively involved with other trust's and education establishment and are established leaders in their own right, which brings a wealth of experience to enable effective governance of Endeavour Academy. Trustees are kept well apprised of school performance and review reports provided by the Head of School. The significant actions regarding finance relate to the security of future commissioned places. Trustees have exercised informed decision making through actively seeking detailed forecast plans to ensure long term viability, which has included sensitivity analysis and scenario forecast reports throughout the year to aid the furtherance of Endeavour.

**Review of value for Money**

The Accounting Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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 by:

Economies of scale at both sponsors have reduced support costs in respect of Finance, payroll, Human Resources and IT support as Endeavour has no direct appointments for the delivery of these services and has agreed service level agreements specific to Endeavours needs.

There have been no significant purchases during the year and funds have been managed to ensure there was sufficient funding to support the operational needs of the Academy.

**APOLLO SCHOOLS TRUST**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2020**

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**The purpose of the system of internal control**

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

**Capacity to handle risk**

The Trustees reviews the key risks of the Academy Trust on an on-going basis to minimise any potential risk together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Academy Trust is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the Local Governing Body and Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by Trustees 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, during the year used Audit ONE to carry out an internal assurance engagement in relation to purchasing and payroll control checks, which provided reassurance that control standards are consistently maintained and no significant or material errors or omissions exist.

**Review of effectiveness**

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

- The work of the internal assurance reviewer
- The work of the external auditor
- The work of the Head of Finance from North East Learning Trust who has responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on the 29<sup>th</sup> January 2021 and signed on its behalf by:



**Margaret Saxton**  
Chair



**Kerrie Whelan**  
Accounting Officer



**APOLLO SCHOOLS TRUST**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**Year ended 31 August 2020**

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

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

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

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

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

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

Approved by order of the members of the Board of trustees on 29<sup>th</sup> January 2021 and signed on its behalf by:



**Margaret Saxton**  
**Chair**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO SCHOOLS TRUST  
YEAR ENDING ON 31 AUGUST 2020**

**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**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 which includes the Director's Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO SCHOOLS TRUST  
YEAR ENDING ON 31 AUGUST 2020**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report or Strategic Report included within the Trustees' Report.

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

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

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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.

CLAIRE LEECE (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

DATE:

**APOLLO SCHOOLS TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including income and expenditure account and statement of total recognised gains and losses)  
For the year ended 31 August 2020

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	6	6	113
Charitable activities:						
Funding for the academy trust's educational operations	2	1	604	-	605	342
Other trading activities	4	-	-	-	-	-
<b>Total</b>		<u>1</u>	<u>604</u>	<u>6</u>	<u>611</u>	<u>455</u>
<b>Expenditure on:</b>						
Raising funds	5	-	-	-	-	-
Charitable activities:						
Academy trust educational operations	5	-	510	113	623	578
<b>Total</b>		<u>-</u>	<u>510</u>	<u>113</u>	<u>623</u>	<u>578</u>
<b>Net expenditure</b>		<b>1</b>	<b>94</b>	<b>(107)</b>	<b>(12)</b>	<b>(123)</b>
<b>Transfers between funds</b>	13	-	-	-	-	-
<b>Other recognised gains / (losses):</b>						
Re-measurement of net defined benefit obligations	21	-	284	-	284	(217)
<b>Net movement in funds</b>		<u>1</u>	<u>378</u>	<u>(107)</u>	<u>272</u>	<u>(340)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>16</u>	<u>(888)</u>	<u>449</u>	<u>(423)</u>	<u>(83)</u>
<b>Total funds carried forward</b>		<u>17</u>	<u>(510)</u>	<u>342</u>	<u>(151)</u>	<u>(423)</u>

All of the Academy Trust's activities derive from continuing operations during the above financial year. A statement of total recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

**APOLLO SCHOOLS TRUST**  
**(Company Number: 08641815)**  
**BALANCE SHEET**  
**at 31 August 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	10	292	405
<b>Current assets</b>			
Debtors	11	248	81
Cash at bank and in hand		94	154
		<u>342</u>	<u>235</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	<u>(76)</u>	<u>(104)</u>
<b>Net current assets</b>		<u>266</u>	<u>131</u>
<b>Net assets (excluding pension liability)</b>	14	558	536
<b>Pension scheme liability</b>	21	<u>(709)</u>	<u>(959)</u>
<b>Net (liabilities)/assets (including pension liability)</b>		<u>(151)</u>	<u>(423)</u>
<b>Total funds of charity</b>			
<b>Restricted funds</b>			
Fixed Asset fund	13	342	449
General fund	13	199	71
Pension fund	13	<u>(709)</u>	<u>(959)</u>
	13	<u>(168)</u>	<u>(439)</u>
<b>Unrestricted fund</b>			
General fund	13	<u>17</u>	<u>16</u>
<b>Total funds</b>	13	<u>(151)</u>	<u>(423)</u>

The financial statements on pages 13 to 29 were approved by the Trustees and authorised for issue on 29<sup>th</sup> January 2021 and signed on their behalf by:

  
**Margaret Saxton**  
**Chair**

**APOLLO SCHOOLS TRUST**  
**STATEMENT OF CASH FLOWS**  
**for the Year ended 31 August 2020**

	Note	2020 £'000	2019 £'000
<b>Cashflows from operating activities</b>	15	(66)	130
<b>Cashflows from investing activities</b>			
Capital grants from DfE		6	17
Purchase of tangible fixed assets		-	(6)
<b>Net cash provided by investing activities</b>		6	11
<b>Change in cash and cash equivalents in the reporting period</b>		(60)	142
Cash and cash equivalents at 1 September		154	12
<b>Cash and cash equivalents at 31 August</b>	16	94	154



**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

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**1 ACCOUNTING POLICIES**

**General Information**

Apollo Schools Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations are set out in the Trustees' Report.

**Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS102, 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in the financial statements are rounded to the nearest £1,000.

**Going Concern**

After reviewing financial and other information available, the trustees consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Future forecasts and ongoing commitment from the LA commissioner and non-LA commissioner's support the now established student intake therefore support the going concern assumption. At the balance sheet date, the cash at bank was £94k (2019: £154k) generally the decrease in cash is largely due to cash being tied up in debtors at the balance sheet date. Current cash levels are favourable and forecast to remain stable for the foreseeable future. At the balance sheet date, the academy trust net liabilities of £151k (2019: £423k), largely relate to actuarial valuation of the LGPS pension fund see note 21.

**Incoming resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants receivable**

Grants are included in the Statement of Financial Activities based upon when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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

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

**Other Income**

Other income including income for student places is recognised in the period it is receivable.

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

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**1 ACCOUNTING POLICIES (continued)**

**Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

**Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

**Resources expended**

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

- **Expenditure on Raising Funds**  
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**  
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

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

Depreciation is calculated so as to write off the cost of an asset, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £113k.

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

Depreciation is provided on all tangible fixed assets other than freehold land, on a straight-line basis over its expected useful life dependant on the type of asset.

- Leasehold improvements                      10 years
- Fixtures, fittings and equipment            5/7 years
- ICT Equipment                                    5/7 years

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.

**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.



**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

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## **2 ACCOUNTING POLICIES (continued)**

Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### **Financial Instruments**

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

- *Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.
- *Cash at bank* – is classified as a basic financial instrument and is measured at face value.
- *Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### **Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

### **Fund accounting**

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the ESFA/DfE.

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**1 ACCOUNTING POLICIES (continued)**

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the ESFA, where the asset acquired or created is held for a specific purpose.

**Critical accounting estimates and areas of judgement**

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

**Critical areas of judgement, 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 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2 FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2020 Total £'000	2019 Total £'000
<b>DfE/ESFA REVENUE GRANTS</b>					
General annual grants/GAG	-	289	-	289	234
Other DfE/group grants	-	193	-	193	108
	-	482	-	482	342
Other income from the academy trust's educational operations	1	122	-	122	96
	1	604	-	604	438
2019	7	431	-	438	251

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2020 Total £'000	2019 Total £'000
Capital grants	-	-	6	6	17
	-	-	6	6	17
2019	-	-	17	7	7

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**4 OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
Other trading activities	-	-	-	-
	-	-	-	-
2019	-	-	-	-

**5 EXPENDITURE**

	Staff Costs £'000	Non Pay Expenditure Premises Depreciation £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds:					
Direct costs	-	-	-	-	-
Allocated support costs					-
Academy's educational operations:					
Direct costs	161	113	16	290	263
Allocated support costs	222	-	111	333	315
	383	113	127	623	578
2019	340	113	125	578	390

The restricted expenditure on charitable activities was £623k (2019: £578k).

	2020 £'000	2019 £'000
Net incoming/(outgoing) resources for the period are stated after:		
Depreciation	113	113
Fees payable to RSM UK Audit LLP and its associates for:		
- audit	9	8
- other services	-	1
- Interest on defined benefit liability	18	20

**6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS**

	Total 2020 £'000	Total 2019 £'000
Direct costs	290	263
Support costs	333	315
	623	578

**Analysis of support costs**

Support staff costs (incl. pension deficit charge of £16k (2019: £2k))	223	211
Subscriptions	2	2
Premises costs	7	3
Other support costs	29	29
Governance costs	12	9
Service contracts	60	61
<b>Total support costs</b>	<b>333</b>	<b>315</b>

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**7 STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs during the period were:		
Wages and salaries	290	260
Social security costs	22	18
Pension costs including defined benefit pension charge of £16k (2019: £2k)	71	51
	<u>383</u>	<u>329</u>
Agency staff costs	-	11
Staff restructuring	-	-
Total Staff Costs	<u>383</u>	<u>340</u>

Staff recharges from sponsors during the year were £34k (2019: £11k).

The following number of persons (including seconded personnel) employed by the Academy Trust during the Year ended 31 August 2020 was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Teachers	3	2
Administration and support	7	4
Management	2	2
	<u>12</u>	<u>8</u>

During the year there were no employees whose employee benefits exceeded £60,000.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) paid was £126k (2019: £121k).



**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**8 RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES**

During the year ended 31 August 2020 no trustee received any remuneration (including any expenses).

The Head of School only receives remuneration in respect of services provided undertaking the role of Head of School and there are no other staff trustees.

During the year ended 31 August 2020 the Head of School as Accounting Officer, received remuneration of £69k including employer pension contributions of £13k. (2019: £64k).

Related party transactions involving the trustees are set out in note 18.

**9 TRUSTEES’ AND OFFICERS’ INSURANCE**

The Academy Trust is a member of the Department for Education’s risk protection arrangement (RPA), which is a voluntary arrangement for academies and free schools. It is an alternative to insurance through which the cost of risks that materialise will be covered by government funds. The scheme provides protection for Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover on any one claim. The cost of insurance is £300 (2019: £300).

**10 TANGIBLE FIXED ASSETS**

	Leasehold Improvements £’000	Equipment Fixtures & Fittings £’000	IT Equipment £’000	Total £’000
<b>Cost</b>				
Opening	611	75	245	931
Additions	-	-	-	-
At 31 August 2020	<u>611</u>	<u>75</u>	<u>245</u>	<u>931</u>
<b>Depreciation</b>				
Opening	(268)	(58)	(200)	(526)
Charge in Period	<u>(51)</u>	<u>(17)</u>	<u>(45)</u>	<u>(113)</u>
At 31 August 2020	<u>(319)</u>	<u>(75)</u>	<u>(245)</u>	<u>(639)</u>
<b>Net book value</b>				
At 31 August 2020	292	-	-	292
At 31 August 2019	<u>343</u>	<u>17</u>	<u>45</u>	<u>405</u>

**11 DEBTORS**

	2020 £’000	2019 £’000
Trade Debtors	68	34
Prepayments and accrued income	171	42
Other debtors	<u>9</u>	<u>5</u>
	<u>248</u>	<u>81</u>

At the year end accrued income £141k attributable to a related party trading transaction with North East Learning Trust for student places.

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 31 August 2020

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD**

	2020 £'000	2019 £'000
Trade creditors	-	34
Accruals	65	58
Tax & social security	5	5
Other Creditors	6	7
	<u>76</u>	<u>104</u>

At the year end accruals included £49k unbilled service costs from sponsor schools (2019: £46k).

**13 FUNDS – Current year**

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	71	289	(161)	-	199
DfE Revenue	-	34	(34)	-	-
Other income	-	281	(281)	-	-
Pension reserve	(959)	-	(34)	284	(709)
<b>Restricted General Funds</b>	<u>(888)</u>	<u>604</u>	<u>(510)</u>	<u>284</u>	<u>(510)</u>
<b>Restricted Fixed Asset Fund</b>					
DfE capital grants	449	6	(113)	-	342
<b>Restricted Fixed asset Funds</b>	<u>449</u>	<u>6</u>	<u>(113)</u>	<u>-</u>	<u>342</u>
<b>Total Restricted Funds</b>	<u>(439)</u>	<u>610</u>	<u>(623)</u>	<u>284</u>	<u>(168)</u>
<b>Unrestricted Funds</b>	<u>16</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>17</u>
<b>Total Funds</b>	<u>(423)</u>	<u>611</u>	<u>(623)</u>	<u>284</u>	<u>(151)</u>

APOLLO SCHOOLS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year ended 31 August 2020

13 FUNDS – Current year (continued)

FUNDS – Prior year	Balance at 1 September 2018 £'000	Incoming Resources £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	83	234	(246)	-	71
DfE Revenue	-	108	(108)	-	-
Other income	-	89	(89)	-	-
Pension reserve	(720)	-	(22)	(217)	(959)
<b>Restricted General Funds</b>	<b>(637)</b>	<b>431</b>	<b>(465)</b>	<b>(217)</b>	<b>(888)</b>
<b>Restricted Fixed Asset Fund</b>					
DfE capital grants	545	17	(113)	-	449
<b>Restricted Fixed asset Funds</b>	<b>545</b>	<b>17</b>	<b>(113)</b>	<b>-</b>	<b>449</b>
<b>Total Restricted Funds</b>	<b>(92)</b>	<b>448</b>	<b>(578)</b>	<b>(217)</b>	<b>(439)</b>
<b>Unrestricted Funds</b>	<b>9</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>16</b>
<b>Total Funds</b>	<b>(83)</b>	<b>455</b>	<b>(578)</b>	<b>(217)</b>	<b>(423)</b>

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**13 FUNDS – Current year (continued)**

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

The remaining balance of both restricted general reserves £199k and unrestricted reserves £17k will be retained to support future needs and development of Endeavour Academy (Durham), during the early establishment phase.

Restricted fixed asset funds represent the DfE studio school development capital grant award plus devolved formula capital less current year depreciation. The total cash draw down from the original development grant is £917k, and the remaining £10k relates to final retentions not yet discharged relating to the allocated branding budget. The remaining unutilised devolved formula capital is £39k, which will be retained for future IT and furniture replacement.

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Current year	Unrestricted	Restricted	Restricted	Total 2020 £'000
	Funds	General	Fixed Asset	
	£'000	Fund	Fund	
	£'000	£'000	£'000	
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	292	292
Current assets	17	275	50	342
Current liabilities	-	(76)	-	(76)
Pension scheme liability	-	(709)	-	(709)
<b>Total net assets</b>	<b>17</b>	<b>(510)</b>	<b>342</b>	<b>(151)</b>
Prior year	Unrestricted	Restricted	Restricted	Total 2019 £'000
	Funds	General	Fixed Asset	
	£'000	Fund	Fund	
	£'000	£'000	£'000	
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	405	405
Current assets	16	175	44	235
Current liabilities	-	(104)	-	(104)
Pension scheme liability	-	(959)	-	(959)
<b>Total net assets</b>	<b>16</b>	<b>(888)</b>	<b>449</b>	<b>(423)</b>

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 31 August 2020

**15 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET FLOW FROM OPERATING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net (expenditure) for the reporting period (as per the statement of financial activities)	(12)	(123)
Adjusted for:		
Depreciation [note 10]	113	113
Capital grants from DfE and other capital income	(6)	(17)
Interest receivable [note 4]	-	-
Pension movement [note 21]	34	22
(Increase)/decrease in debtors	(167)	76
(Decrease) in creditors	(28)	59
<b>Net cash (used in) Operating Activities</b>	<b>(66)</b>	<b>130</b>

**16 ANALYSIS OF CHANGE IN NET FUNDS**

	<b>At 31</b>	<b>Cash flows</b>	<b>At 31</b>
	<b>August</b>	<b>£000</b>	<b>August</b>
	<b>2019</b>		<b>2020</b>
	<b>£000</b>		<b>£000</b>
Cash in hand and at bank	154	(60)	94
	<b>154</b>	<b>(60)</b>	<b>94</b>

**17 ULTIMATE CONTROLLING PARTY**

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.

**18 RELATED PARTY TRANSACTIONS**

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

Income related party transaction

During the year income of £141k (2019: £110k) was received from North East Learning Trust (NELT), in respect of guaranteed student place numbers of £75k and other student funding (AWPU and Pupil premium) of £66k. In addition, the Trust has commissioned two student places to Northern Education Trust totalling £37k (2019: £21k).

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
North East Learning Trust (NELT)	141	110
Northern Education Trust	37	21

Expenditure related party transaction

During the period the Trust purchased goods and services from both sponsors.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
North East Learning Trust (NELT)	11	14
East Durham College (EDC)	74	81

At the yearend there were outstanding trade balances for EDC only. EDC trading relating to staff support costs of £25k charged at cost and service level agreement costs for Estates, IT and HR services totalling £50k. Trading with NELT included accruals of £11k in relation to service level agreements for Finance support.



**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

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**19 CONTINGENT LIABILITIES**

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

**20 MEMBERS LIABILITY**

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

**21 PENSIONS AND SIMILAR OBLIGATIONS**

The Academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £6,384 were payable to the schemes at 31 August 2020 (2019: £4,728) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

**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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to TPS in the period amounted to £23k (2019: £4k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.



**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**21 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £55k (2019: £54k), of which employer's contributions totalled £46k (2019: £45k) and employees' contributions totalled £9k (2019: £9k). The agreed contribution rates for future years are 21 percent for employers and employee contribution rates remain the same.

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.

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.3%	3.5%
Rate of increase for pensions in payment/inflation	2.3%	2.0%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.3%	2.0%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.2	22.3
Females	24.2	24.0
<i>Retiring in 20 years</i>		
Males	23.2	24.0
Females	25.7	25.7

Sensitivity analysis	At 31 August 2020	At 31 August 2019
	£'000	£'000
Discount rate +0.1%	1,068	1,569
Discount rate -0.1%	1,118	1,654
Mortality assumption – 1 year increase	1,096	1,557
Mortality assumption – 1 year decrease	1,090	1,644
CPI rate +0.1%	1,621	1,621
CPI rate -0.1%	1,061	1,061

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	190	328
Debt instruments	148	244
Property	27	47
Cash	19	33
<b>Total market value of assets</b>	<b>384</b>	<b>652</b>

The actual return on scheme assets was £61,000 (2019: £24,000)

**APOLLO SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 August 2020**

**Amount recognised in the statement of financial activities**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Past service cost	4	-
Current service cost	58	47
Net interest cost	18	20
Total operating charge	<u>80</u>	<u>67</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2019</b>	1,611	1,276
Current service cost	58	47
Interest cost	31	36
Employee contributions	9	9
Actuarial (gain)/loss	(601)	262
Past service cost	4	-
Benefits paid	(19)	(19)
<b>At 31 August 2020</b>	<u>1,093</u>	<u>1,611</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2019</b>	652	556
Interest income	13	16
Return on plan assets	(317)	45
Employer contributions	46	45
Employee contributions	9	9
Benefits paid	(19)	(19)
<b>At 31 August 2020</b>	<u>384</u>	<u>652</u>

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

### **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 11 December 2018 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Apollo Schools Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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.

### **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of Apollo Schools Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

### **Responsibilities of Apollo Schools Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of Apollo Schools Trust's funding agreement with the Secretary of State for Education dated 31 August 2017 and the Academies Financial Handbook extant from 1 September 2018, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Apollo Schools Trust and appointment of the accounting officer.

### **Reporting Accountant's responsibilities for reporting on regularity**

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.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement 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.

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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.



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

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Apollo Schools Trust and the ESFA in accordance with the terms of our engagement letter dated 11 December 2018. Our work has been undertaken so that we might state to the Apollo Schools Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Apollo Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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