

**Company Registration Number: 10250958 (England & Wales)**

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 17
<b>Governance Statement</b>	18 - 22
<b>Statement on Regularity, Propriety and Compliance</b>	23
<b>Statement of Trustees' Responsibilities</b>	24
<b>Independent Auditors' Report on the Financial Statements</b>	25 - 27
<b>Independent Reporting Accountant's Report on Regularity</b>	28 - 29
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	30 - 31
<b>Balance Sheet</b>	32 - 33
<b>Statement of Cash Flows</b>	34
<b>Notes to the Financial Statements</b>	35 - 63

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Sir Robert Fulton Pam Jones Phillip Vander Gucht Emma Taylor (resigned 31 August 2020)
<b>Trustees</b>	Phillip Vander Gucht, Chair Akua Agyepong Adrian Denny Tom Whelan Ayotola Tiamlyu David Taffs (resigned 31 August 2020) Rowena Estwick-Brown Sharron Humphreys (appointed 1 September 2019) Peter Mckenna Susan Phillips (appointed 1 September 2019) Victoria Stretton Jim Rouncefield (appointed 1 September 2020)
<b>Company registered number</b>	10250958
<b>Company name</b>	The Galaxy Trust
<b>Principal and registered office</b>	West Hill Primary Academy Dartford Road Dartford Kent DA1 3DZ
<b>Chief executive officer</b>	Gary Ratcliffe
<b>Senior Management Team</b>	Garry Ratcliffe, CEO and Accounting Officer Claire Misy, COO and CFO Danielle Egonu, Executive Headteacher Katy Ward, Head of School - West Hill Rajinder Kaur, Head of School - Oakfield Leon Dawson, Head of School - Temple Hill
<b>Independent auditors</b>	MHA MacIntyre Hudson Statutory Auditors Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Bankers**                      Lloyds Bank  
   4-6 High Street  
   Dartford  
   Kent  
   DA1 1BY

**Solicitors**                      Invicta Law Ltd  
   Priory Gate  
   29 Union Street  
   Maidstone  
   Kent  
   ME14 1PT

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE 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 year 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 operates three primary academies for pupils aged 3 to 11 serving a catchment area in Dartford. It has a pupil capacity of 2190 excluding nursery and had a roll of 2006 in the school census on January 2020.

**Context of the 2019-2020 academic year – COVID-19 Pandemic**

On 18th March 2020, the government announced the entire country was being placed into "lockdown" due to the coronavirus (COVID-19) pandemic. With the virus control measures being put in place by the government, all schools nationally closed from 23rd March 2020 to the majority of pupils. Pupils eligible to continue to attend school were those classed as vulnerable and children of key workers. All academies in The Galaxy Trust remained open for those eligible children and following further government guidance pupils from Nursery, Reception, Years 1 and 6 returned to school from 1st June 2020. Education provision was provided both remotely online and through the provision of hard copy learning packs to children who remained at home.

All academies in The Galaxy Trust remained open to those pupils eligible to attend for the remainder of the 2019-2020 academic year and closed to all children from 23rd July 2020.

All academies in The Galaxy Trust reopened to all pupils on 1st September 2020.

**Staffing**

Staff who were not required to be in school to support those children eligible to attend, remained at home, pursuant to government guidance and supported the ongoing online learning and safeguarding of children who also remained at home and their families. All staff continued to be paid and casual staff received payments based on the average of their previous months' payments. No members of staff of The Galaxy Trust were placed on the Furlough Scheme or made redundant.

**Funding**

Funding from the Department for Education (DfE) continued uninterrupted. As requested by the DfE, the Trust continued to pay all providers of services to ensure business continuity once all of the academies fully reopened to pupils.

**Exceptional government funding disclosures**

The Trust incurred additional exceptional costs in relation to COVID-19 and met the qualifying criteria for the government's financial support scheme for schools for support. All academies in the Trust participated in the national free school meals voucher scheme acting as a facilitator for the distribution of vouchers from the scheme provider to the parents/carers of eligible pupils. The Trust did not incur any exceptional costs or receive any additional funding in respect of this scheme. The Trust has yet to receive, funding from the government's support packages.

The Trust suffered significant financial loss due to the loss of income from breakfast and after school clubs, as well as other regular lettings.

**Governance**

Governance at The Galaxy Trust continued uninterrupted during this period with the Board meeting its statutory duties. The Board of Trustees called two Extraordinary General Meetings (EGMs) during this period to assess and monitor the risks associated with the opening of the academies in relation to safeguarding and health and safety of all pupils and staff. The consideration and approval of the 2020-2021 financial budgets also took place. The Local Governing Bodies of the individual academies also called EGMs to scrutinise the school level risk assessments and arrangements for the safe opening of their respective school. All governing body meetings were held virtually from 23rd March 2020 until the end of the academic year with a Virtual Meetings Policy in place.

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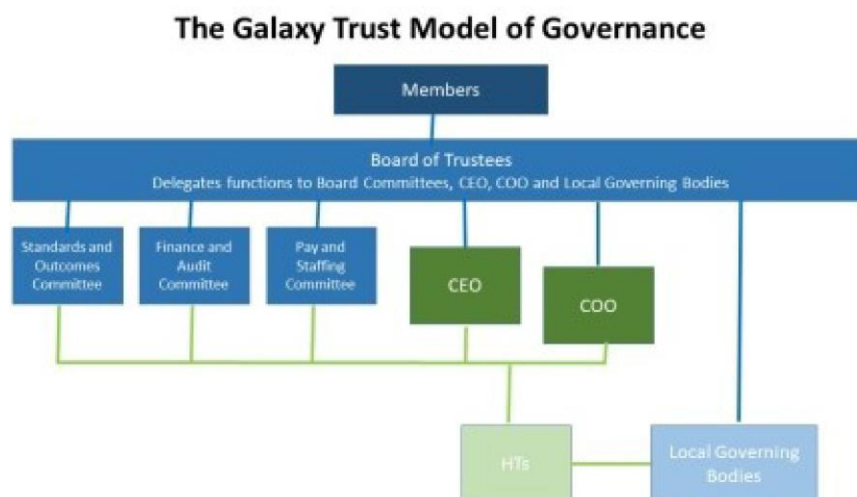
**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Structure, governance and management**



**a. Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Galaxy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Galaxy Trust .

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1 - 2.

**b. 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.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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(continued)

**c. Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The Galaxy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

**d. Method of recruitment and appointment or election of Trustees**

Members

In accordance with the adopted Articles of Association, the Members of the charitable company comprise the signatories to the Articles of Association and any person appointed under Article 15A. The Members may agree by passing a special resolution to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agrees to remove any such additional Members.

Trustees

The management of The Galaxy Trust is the responsibility of The Trustees, who are appointed, elected or co-opted under the terms of the Articles of Association. The Articles of Association require the appointment of at least three Trustees (unless otherwise determined by ordinary resolution) and is not subject to any maximum. The Members can appoint up to 11 Trustees. The Trustees delegate a number of functions to constituted Committees, including a Local Governing Body of each academy, via the Scheme of Delegation.

When a vacancy arises, the Members and Trustees seek to make an appointment that would maximise the skills and attributes to enable the Board to comprise appropriately qualified and experienced Trustees. A similar approach is taken at Local Governing Body level, where elections may be held in order to gain representative parental and staff views. The Board has no elected Parent Trustees as provision for Parent Governors has been established with the appointment of a Local Governing Body for each Academy under Article 100a.

With considered succession planning, one new Trustee, with an extensive background in both primary and secondary education and governance, was appointed by the Board, following a virtual interview process through Microsoft Teams, from 1st September 2020 to replace one resigning Trustee.

**e. Policies adopted for the induction and training of Trustees**

Training and induction is tailored to the new Trustees appropriate to their requirements and previous experience. All Trustees are provided with an induction pack, copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role either as a Trustee of the charitable company. All prospective Trustees are interviewed, adhering to the Safer Recruitment Policy, by the Chief Executive Officer (CEO) and the Chair of the Board of Trustees or another experienced Trustee and are given the opportunity to visit all schools in the Trust. Safeguarding training is mandatory as part of the induction process for all levels of governance and is also an annual requirement.

In the last twelve months, Trustees and Local Governors have taken part in training covering the roles and responsibilities of the governing body, Trust finance, assessment and school performance data and Governor Monitoring Visits as well as safer recruitment and safeguarding training.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**(continued)**

Impact of COVID-19

All face-to-face training was suspended from 23rd March 2020 with only online training available. A planned inhouse training session which was intended to bring all of the governance groups across the Trust together to provide training in key areas and enhance closer relationships was postponed. One Trustee embarked upon the Ambition Institute's Governance Leadership Programme in February 2020 which was suspended along with the Clerk's Level 3 Clerking of School and Academy Boards training being placed into abeyance.

**f. Organisational structure**

The Board of Trustees comprise those persons appointed under the Articles of Association as described earlier herein. The Board of Trustees has delegated the day-to-day operational management of The Galaxy Trust to the CEO who is supported by the Trust Strategic Team. The Strategic Team is comprised of the Chief Operating Officer (COO) (who is also the Chief Financial Officer), the Executive Headteacher (appointed September 2020) and the Headteachers/Heads of School of the academies within The Galaxy Trust. The Strategic Team meet on a regular basis to monitor and improve the educational performance and non- educational functions of The Galaxy Trust. The CEO is the Accounting Officer for The Galaxy Trust.

The Trustees delegate specific responsibilities to the appointed Committees the activities of which are reported at every Board of Trustees' meeting. The Board has constituted the following Committees, with full terms of reference approved and in place:

1. Curriculum and Standards Committee
2. Finance and Audit Committee
3. Pay and Staffing Committee
4. Local Governing Body for each academy

Impact of COVID-19

- The Board of Trustees called two Extraordinary General Meetings (EGMs) during the COVID-19 pandemic to assess and monitor the risks associated with the opening of the academies in relation to safeguarding and health and safety of all pupils and staff.
- Meetings of the Strategic Leadership Team took place weekly during the COVID-19 pandemic with the Chair of the Board observing the discussions and decision-making process.
- Meetings of the Local Governing Bodies and the Finance and Audit Committee were uninterrupted.
- Meetings of the Curriculum and Standards Committee and the Pay and Staffing Committee were postponed with no remaining items of business to be disposed of.

The Trust Scheme of Delegation specifically details what decisions remain with the Board and those that are delegated and to whom. A working party of Trustees was established in Autumn 2019 to review the Scheme of Delegation to ensure it reflected and clarified the responsibility and accountability for decision-making across all of the Trust's governance groups and Trust Senior Leaders. Local Governors across all of the schools in the Trust were given the opportunity to feedback and be a part of this review and the revised draft Scheme of Delegation was considered, approved and adopted by the Board of Trustees in April 2020. The Board also undertook a review of the policy cycle and delegations for all policies across the Trust to ensure they were reviewed and approved at both the appropriate level and adhered to DfE guidelines.



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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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(continued)

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

The CEO and Strategic Team are the key management personnel of the Trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as a Trustee. The CEO is not appointed to the Board of Trustees.

The Galaxy Trust continues to follow the National Pay and Conditions for Teachers when setting pay and remuneration for Headteachers/Head of School across The Galaxy Trust. Salary ranges are based on pupil numbers and the nationally agreed pay scales. The pay and remuneration for the CEO and CFO is set in line with current business market rates and with advice from Schools Personnel Service and the independent advisor for CEO appraisal, alongside Trustee approval.

**h. Related parties and other connected charities and organisations**

The Galaxy Trust works closely with the Dartford Area Schools Consortium which provides a range of networking and CPD opportunities for subscription schools across North Kent. Additionally, Temple Hill Primary Academy has forged a close working relationship with Temple Hill Trust, which amongst other services, manages "The Enchanted Woodland," – an outside green space within Temple Hill housing estate. The space is used by pupils to gain Forest School experience. It is anticipated that The Galaxy Trust will eventually gain overall management control of the woodland, in order to benefit pupils from The Galaxy Trust, as well as the wider community – including other local schools. The Galaxy Trust has other connections with local teaching schools and alliances to strengthen its own capacity. The CEO, as part of "Curly's Legacy", has facilitated the provision of "Farm School" and "Care Farm" activities for vulnerable children within The Galaxy Trust. Working closely with a local children's charity "We Are Beams" has allowed some children to access their sensory facilities on a regular basis. The Galaxy Trust's membership of the Kent MAT Alliance also facilitates strong peer to peer working arrangements in order to provide a greater level of school to school support and external scrutiny. The Trust, as requested by the DfE, continued to pay for any services provided by these organisations to ensure business continuity when the schools fully reopened.

**i. Trade Union facility time**

The Galaxy Trust does not have any employees who were relevant union officials during the period of 1st September 2019-31st August 2020

**j. Employees and disabled persons**

The process of recruitment and selection must be fair, systematic, efficient and effective, ensuring equality of opportunity. Employees must be appointed in accordance with relevant statutory obligations, codes of practice, and in line with relevant policies and procedures. Our approach will be to ensure the Trust effectively employs people with the right skills at the right time. No job applicant or employee will receive less favourable treatment because of their race, sex, religion or belief, disability, marital or civil partnership status, age, pregnancy or maternity, sexual orientation, gender reassignment, or caring responsibilities, or will be disadvantaged by conditions or requirements which cannot be justified.

The Galaxy Trust has regular staff meetings and Trust inset days whereby staff are informed and consulted on matters that may affect them. Weekly briefings are held in each Academy along with regular staff meetings.

## **Objectives and activities**

### **a. Objects and aims**

The Galaxy Trust is a multi-academy Trust of three primary academies based in the borough of Dartford, North Kent. The Trust, founded in September 2016, believes that it is leading the way in the pursuit of excellence: in the spirit of collaboration and inspiration, through a creative, inclusive and child-centred education. The Galaxy Trust values of Respect, Responsibility and Equality are recognised and appreciated throughout the Trust by the whole school community.

Learning is at the centre of our pedagogy. We firmly believe learning is a partnership and that through working collaboratively we will achieve the highest outcomes for all. We believe that every child is unique and ensure that learning experiences are tailored to meet the needs of individual children. We pride ourselves on providing the highest quality learning experiences; learning is fun, practical and engaging. Children are enthusiastic, motivated independent learners. They feel safe, valued and included and are aspirational about their futures.

Our key values are responsibility, respect and equality.

The main aims of the Galaxy Trust are summarised below:-

#### **Pupils:**

To provide a Galaxy Class experience for all pupils.

Ensure the best start for children beginning their learning journey at 2, 3, 4 or 5.

To ensure all pupils are fully prepared for their future life.

#### **Parents and Carers:**

To work in partnership in order to fully support children and their families.

To understand the needs of individual families and the context to their lives.

To develop opportunities for adult learning.

#### **Staff:**

To support every member of staff in becoming even better practitioners.

To develop colleagues in undertaking collaborative working.

To provide Galaxy Class development opportunities.

To know and understand each colleague as more than just a member of staff.

#### **Supporting Others:**

To offer outreach to like-minded schools who may be experiencing difficulties.

To open the school to visitors wishing to see good, alternative or innovative practice.

#### **Trust Development:**

To incorporate like-minded schools in to The Galaxy Trust – local provision for local children.

To seek out productive partnerships with Teaching Schools, local charities and businesses.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The main objectives of the Academy Trust during the year ended 31st August 2020 are summarised below along with the achievement and successes of the Trust and the impact of the COVID-19 pandemic:

*Key Priority 1: Standards in reading, writing and mathematics are all above the national average.*

Key Success Criteria:

- The reading, writing and maths expected level (combined) score is above the national average at all academies.
- Reading, writing, maths and grammar, punctuation and spelling greater depth individual subjects are all above the national average at all academies.
- Progress scores for Key Stage 1 to Key Stage 2 progress in reading, writing and maths are all above 0.

Performance and Achievement:

- All academies in the Trust met and exceeded the national floor standard for the combined figure (reading, writing and maths) for children at the end of Key Stage 2 in Summer 2019 which is the current published data.
- The pandemic gave the Trust the opportunity to develop and put in place a remote learning offer for all children out of school, whether self-isolating or due to illness.

Impact of COVID-19:

- The government announced that the 2019-2020 national curriculum assessments would not take place and this meant the following assessments planned between April and July 2020 were cancelled:
  - End of Key Stage 1 and Key Stage 2 assessments (including tests and teacher assessment)
  - Phonics screening check
  - Multiplication tables checker
- Primary school performance measures and performance tables will not be published for the 2019-2020 academic year.
- The Trust therefore made the decision not to undertake any formal assessments for pupil outcomes at the end of the 2019-2020 academic year. This was due to partial school closure between March 2020 and June 2020, with only approximately 60% of pupils from Years R, 1 and 6 returning from June 2020 to July 2020.
- The statutory rollout of the Reception Baseline Assessment (RBA) has been postponed until September 2021. During the summer term 2020 schools had the opportunity to sign up to the 2020 to 2021 early adopter year.

*Key Priority 2: All academies in The Galaxy Trust are Ofsted graded GOOD or better.*

Key Success Criteria:

- GOOD or better judgments from Ofsted at the next inspections.
- "Project Outstanding" in place with measurable targets at Temple Hill.
- All senior staff have a good understanding of the Ofsted Framework and communicate this knowledge clearly to all staff.

Performance and Achievement:

- All academies in the Trust are currently judged as "GOOD".
- A fourth school identified and joining the Trust in 2021 is currently judged as "OUTSTANDING".

Impact of COVID-19:

- Ofsted inspections were suspended from March 2020 with the intention of these restarting in January 2021 and the framework for future inspections is yet to be announced.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Objectives and activities (continued)**

*Key Priority 3: The Galaxy Trust brand is developed and becomes recognisable as representing The Trust and all academies within it.*

Key Success Criteria:

- New Trust website is developed with clear branding and easy navigation.
- New academy websites are developed in line with the updated Trust branding.
- All academies have The Galaxy Trust branding as part of their overall identity.

Performance and Achievement:

- The new Trust and school websites were successfully launched in Summer 2020 along with an increased social media presence.
- In order to build a stronger Trust identity, The Trust Executive Leaders and Central Team from Summer 2020 worked together at the Trust “hub” based at West Hill Primary Academy.

Impact of COVID-19:

- Although the Central Team worked mostly from home, as per the government guidelines during the pandemic, technology supported the team meeting regularly and the operational business of the Trust and its schools was uninterrupted.

*Key Priority 4: All academy buildings are all accessible, safe, secure and comfortable.*

Key Success Criteria:

- Health and Safety audits show academies are safe for pupils, staff and visitors.
- Accessibility plans are in place and implemented through local prioritisation.
- Condition Improvement Funding continues to be utilised to upgrade existing provision.

Performance and Achievement:

- Additional and extensive risk assessments in relation to the pandemic were in place and reviewed regularly, in line with government guidelines, to ensure the safety of staff, children and visitors to the schools.
- Despite less children and staff in schools during the pandemic, full health and safety audits continued and identified works carried out during the academic year.
- Outside space was fully utilised in order to maintain social distancing between “bubbles” of children, where possible.
- Accessibility plans are in place and due for review in Autumn 2021.
- With the Trust’s success of being awarded CIF bids totalling more than £4mn all school buildings have had extensive works to ensure they both meet stringent health and safety legislation but also support value for money moving forward (eg energy saving costs etc).

Impact of COVID-19:

- Works to the schools continued but were scheduled to take place when there were no children or staff in school.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Objectives and activities (continued)**

*Key Priority 5: To grow The Galaxy Trust to 5 academies in 5 years.*

Key Success Criteria:

- Positive relationships are developed with partners who may wish to join The Galaxy Trust.
- Joining The Galaxy Trust “offer” clearly articulated on the Trust website.
- Potential fourth academy to join The Galaxy Trust identified by July 2020.

Performance and Achievement:

- The pandemic gave the Trust the opportunity to support Fleetdown Primary School during the national lockdown and this has continued.
- Fleetdown Primary School will academise and join the Trust in 2021.
- The Galaxy Trust supported local schools by offering places to children at schools in the Trust who could not attend their own school due to closure.

Impact of COVID-19

- Discussions with local schools and Trusts continued but at a slower pace than planned.

*Key Priority 6: Financial strength in The Galaxy Trust continues with a growing Trust reserve.*

Key Success Criteria:

- Trust reserves increase year on year, moving towards £0.5 million.
- Savings are identified in Trust and academy-level spending.
- Bulk or group buying supports value for money decisions.

Performance and Achievement:

- Due to financial prudence and strong financial management, The Trust had a rollover in excess of 0.6 mn at the end of 2019-2020.
- The annual external audit, coupled with internal audits judged the Trust with no issues in its financial management system.
- Economies of scale have been achieved due to efficient, effective and streamlined processes.

Impact of COVID-19

- The Trust continued to pay all service providers during the pandemic despite the financial loss to the Trust of approximately £170,000 due to the pandemic.

*Key Priority 7: To develop a mental health and wellbeing strategy for pupils and staff*

Key Success Criteria:

- Staff have a “mental health and wellbeing” friendly work environment, in which they feel supported.
- Pupils know where to go for help with mental health.
- A clear and simply communicated mental health and wellbeing charter is in place

Performance and Achievement:

- A Trust-wide Mental Health Lead member of staff was appointed as well as Mental Health Leads within each school.
- Good staff retention along with the results of wellbeing surveys and focus groups indicate that the Trust is a positive and supportive place to work.
- Wellbeing and mental health support services are on offer as part of the employee package available to all members of staff.

Impact of COVID-19

- The rise in mental health referrals for children across the schools in the Trust is a serious concern and a focus for 2020-2021.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Objectives and activities (continued)**

**c. Public benefit**

The Directors of The Galaxy Trust can confirm that they have complied with their duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission, in exercising their powers or duties. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set.

The Trust provides a fully comprehensive education to all of the pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

As well as all statutory educational activities that are undertaken by individual academies within The Galaxy Trust, we also work hard to provide a range of experiences which promote curriculum enrichment, developing interests outside of the classroom, as well as community engagement.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Strategic report**

**Achievements and performance**

The three Academies in The Galaxy Trust are all graded as good by Ofsted and in Summer 2019 all schools met and exceeded the national floor standard for the combined figure (reading, writing and maths) for children at the end of Key Stage 2 in Summer 2019.

The Galaxy Trust made the decision not to undertake any formal assessments for pupil outcomes at the end of the 2019-2020 academic year. This was due to partial school closure between March and June, with only approximately 60% of pupils from Years R, 1 and 6 returning from June to July.

Despite no formal assessments taking place, each teacher was able to assemble an achievement summary for every child in order to provide a good handover to the next teacher.

It was decided that when all children returned to school for the new academic year, they would all be transitioning to their new year group and new teacher, rather than remaining in their previous year group. This meant that comprehensive transition information was provided to the receiving teacher.

Due to a number of teachers continuing to work from home as well as the absence of the majority of children from school between March and July, there is no formal data to present this year.

Impact of COVID-19

1. Ofsted inspections were suspended from March 2020 with the intention of these restarting in January 2021.
2. The government announced that the 2019/20 national curriculum assessments would not take place and this meant the following assessments planned between April and July 2020 were cancelled:
  - End of Key Stage 1 and KeyStage 2 assessments (including tests and teacher assessment)
  - Phonics screening check
  - Multiplication tables check
3. The statutory rollout of the Reception Baseline Assessment (RBA) has been postponed until September 2021. During the summer term 2020 schools had the opportunity to sign up to the 2020 to 2021 early adopter year.
4. Primary school performance measures and performance tables would therefore not be published for the 2019/20 academic year
5. The government announced that statutory primary assessments would take place in summer 2021.

**a. Key performance indicators**

Total Staff Costs	7,607,636.17
Salary Costs to ESFA/LA Revenue Income (%)	78.83
Salary Costs to Total Income (%)	71.95
Salary Costs as % Total Expenditure	71.73
FTE Teaching Staff	94
FTE Support Staff	108
Total FTE	202
Total Pupil Numbers (October 19 census)	2107
Pupil Teaching Ration (Based on October census 19)	22.41

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Financial review**

**a. Reserves policy**

At 31 August 2020 the total funds comprised:

Unrestricted	£201,154
Restricted: Fixed asset funds	£20,850,091
Pension reserve	£(4,025,000)
Other	£427,107
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	£17,453,352
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The Trustees review the reserve levels of the academies annually. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Once the Trust was established and within two years of operation the Trustees have determined that any revenue balances will automatically be transferred over to The Trust.

The reasoning for transferring revenue surpluses across will enable The Trust to build up enough reserves to cover the costs of one month's expenditure for each school, in case of any failure of funds from ESFA.

**b. Investment policy**

Whilst the Board of Trustees has responsibility for the Trust's finances, the Scheme of Delegation approved by the Board of Trustees delegates certain responsibilities to the Finance and Audit Committee:

Objectives

The investment objectives are:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.



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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Strategic report (continued)**

**Financial review (continued)**

Investment strategy

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, assets will only be considered with banking institutions which have credit ratings assessed to show good credit quality.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)). Whilst this exceeds the protection limit of £85,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

Spending and liquidity policy

A sufficient balance must be held in the current account so that the Academy Trust's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy.

Monitoring and review

The Academy has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The Chief Financial Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance and Audit Committee at appropriate intervals, depending on the terms of the investments. For example if investments are held one year then an annual report is appropriate.

It will be reviewed by Finance and Audit Committee on an annual basis to ensure continuing appropriateness.

**c. Principal risks and uncertainties**

In response to the Coronavirus pandemic, strains could have been placed on controls and procedure within the Trust. We had to act quickly to determine how new measures could be introduced as a result of the lockdown which may have affected the internal controls.

As all of our schools were open to keyworker and vulnerable groups, therefore current systems were maintained. All finance staff were working at home whilst one signatory would be in on a weekly basis to sign and authorise any paperwork. Remote access was set up prior to school closure and therefore access to the school network was possible. This meant that all finance functions could continue and access to accounting software, bank accounts and payment systems was possible.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Strategic report (continued)**

**Financial review (continued)**

In addition to the regular trustee meetings, the senior team, consisting of the CEO, CFO the school Headteachers, the Business Team, Clerk to the Trustees, Chair of Trustees met regularly with virtual meetings to discuss the safest and best ways to get staff and children back into school. Regular online team meetings are held, catch up calls and general wellbeing checks are being made.

From a finance perspective, staff and suppliers have continued to be paid and resources have continued to be purchased. Regular budget monitoring has continued, and regular virtual meetings have taken place to allow budget preparation for the new year to take place.

The Trust did incur additional exceptional costs in relation to COVID-19 and met the qualifying criteria for the government's financial support scheme for schools for support. All academies in the Trust participated in the national free school meals voucher scheme acting as a facilitator for the distribution of vouchers from the scheme provider to the parents/carers of eligible pupils. The Trust did not incur any exceptional costs or receive any additional funding in respect of this scheme. The Trust has yet to receive, funding from the government's support packages.

The Trust suffered significant financial loss due to the loss of income from breakfast and after school clubs, as well as other regular lettings.

The Board of Trustees has assessed the major risks to which The Trust is exposed and these are summarised in the Trust's Risk Register. The Trustees have implemented a number of systems to assess risks, The Trust faces, particularly around the operational areas and in relation to the control of finance. Mitigating controls have been introduced around operational procedures and internal financial controls in order to minimise risk. Where any significant financial risk still remains The Trust has adequate insurance cover.

Below is an extract from the Risk Register, which identifies key risks that have been considered and the mitigating actions in place.

- Loss or failure to recruit key staff:-  
Chief Executive Officer/Executive Headteacher  
Chief Operating Officer/Chief Financial Officer  
Headteacher/Head of School

To mitigate the above The Board of Trustees has agreed to retain for the immediate future the national terms and conditions and pay scales for all staff. All staff have regular appraisals and are supported to undergo personal development and training.

Publicity brochures are being redesigned in line with The Trust brand and will be provided to all prospective parents at open days. Positive links are made with local nurseries and advertising takes place in local publications.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Fundraising**

The Galaxy Trust is aware of the six principles that should be followed to help us meet our responsibilities for charity fundraising. Effective control is taken over fundraising to ensure we are compliant with our legal duties this includes:-

- acting in the best interests of our charity
- managing our charity's resources responsibly, which includes protecting and safeguarding its reputation
- acting with reasonable care and skill

**Plans for future periods**

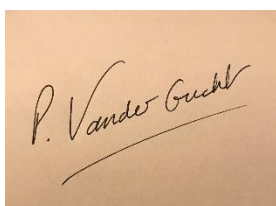
The Galaxy Trust has an initial growth plan of "Five Schools in Five Years". On 1st September 2017, West Hill Primary Academy joined The Galaxy Trust. This is in line with our strategic plan to incorporate 5 schools within 5 years.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

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



.....  
**Phillip Vander Gucht**  
Chair of Trustees

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Galaxy 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.

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

The Board of Trustees has delegated the day-to-day responsibility to Mr Garry Ratcliffe, the CEO 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 The Galaxy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Akua Agyepong	7	7
Adrian Denny	7	7
Rowena Estwick-Brown	7	7
Sharron Humphreys	3	7
Peter Mckenna	3	7
Susan Phillips	5	7
Victoria Stretton	6	7
David Taffs	7	7
Ayotola Tiamlyu	6	7
Phillip Vander Gucht, Chair	6	7
Tom Whelan	5	7

**Key changes in the composition of the Board of Trustees**

With considered succession planning, the wealth of skills and experience to the Board was enhanced this year with one additional Trustee appointment to replace one resignation. The Board of 11 Trustees has a collective background in the areas of primary and secondary education (both at school and high strategic consultancy level), governance in education, accountancy and finance both in the public and private sector, commercial business and growth strategy planning, professional experience in the field of Equality, Inclusion and Diversity, law and recruitment.

**The coverage of its work**

The Board sought to enhance communication across the governance groups and hosted the first Annual Governance conference with collaboration across all of the governance groups to share and discuss the values, vision and strategic direction of the Trust. The three core functions of governance were discussed along with clarity around roles and responsibilities. This was further enhanced with the appointment of a Link Trustee to each school's Local Governing Body.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board**

The strength of the Board and its focus on its duties has remained in place despite the challenges of COVID-19. The Board of Trustees called two Extraordinary General Meetings (EGMs) during this period to assess and monitor the risks associated with the opening of the academies in relation to safeguarding and health and safety of all pupils and staff. The consideration and approval of the 2020-2021 financial budgets also took place.

**Information about the quality of the data used by the Board, and why the Board finds it acceptable**

Trustees received key standards indicators which were benchmarked against the national figures and the school's Summer 2019 results evidenced the accurate predicted outcomes. The Board constituted a Curriculum and Standards Committee to bring together Senior Leaders, Trustees and Governors. Their focus was to monitor and evaluate the standards and achievement of all pupils across the schools in the Trust and the impact of the quality of education provided in order to drive the Trust's schools to outstanding.

**Governance reviews**

The Board of Trustees and each Local Governing Body carried out a Self-Evaluation Review during Summer 2020 along the guidelines recommended by the National Governance Association. Following the reports of the reviews being produced, the Chairs of the Local Governing Bodies were invited to join a meeting of the Board of Trustees to present the findings and detail the action plan for their respective governing body moving forward. This review/evaluation will take place, in addition to the completion of a skills audit exercise, annually.

The Finance and Audit Committee is a constituted Committee by the Board of Trustees and is responsible for:

**Finance**

- Scrutinising the draft financial accounts prior to their submission to the Board of Trustees.
- The rigorous review of financial systems to ensure statutory compliance and financial probity.
- The Chair of the Committee receiving the management accounts on a monthly basis.
- Monitoring the central spend budget throughout the year.
- Scrutinising the individual academy and Trust budgets and submitting a recommendation to the Board of Trustees.
- Considering whether, in relation to Pupil Premium Grant funding further strategic action and/or resource is required to close the gap in performance between disadvantaged and other pupils based on the Local Governing Body monitoring.
- Monitoring the allocation of the sports funding grant based on the Local Governing Body monitoring.
- Scrutinising all contracts and make recommendations to the Board of Trustees.
- Being notified of any recommendation to the Board of Trustees to write off debts.

**Audit**

- Reviewing the quality of all internal and external audit reports and making recommendations to the Board of Trustees.
- Setting the annual programme of work, receiving reports at each meeting from those doing the work and addressing any recommendations.
- Ensuring the internal audit reports are submitted to the ESFA.
- Reviewing, monitoring and quality assuring the Trust risk register at every meeting.
- Reviewing and signing off the asset register on an annual basis.
- Scrutinising the benchmark reports and submitting any recommendations to the Board of Trustees.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**Land and Asset Management**

- the acquisition and disposal of land
- the expansion of existing facilities/taking on new capital assets.

The Committee is also responsible for considering the annual Condition Improvement Fund Bids submitted by the COO and make recommendations to the Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dave Taffs	4	4
Tom Whelan	4	4
Akua Agyepong	2	4
Adrian Denny	4	4

As well as carrying out the duties delegated to the Committee by the Board of Trustees there was significant focus on the additional exceptional costs due to the COVID-19 pandemic and the impact on the Trust's reserves.

**Review of value for money**

As Accounting Officer the Chief Executive 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Educational monitoring to ensure good quality provision is taking place in all academies within The Galaxy Trust and swift action taken to improve provision where it is lacking.
- Key personnel working across all schools within The Galaxy Trust, sharing their expertise and best practices for the benefit of all pupils.
- Centralised procurement of key operational contracts have already achieved economies of scale and streamlined the administration process.
- A centralised training and development budget, combined training and INSET days, a Trust centred approach to learning.

**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 The Galaxy Trust for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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

**The risk and control framework**

The Trust'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 General Purposes 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 planned internal audits were carried out from 23rd March 2020 on a virtual basis with all documents provided by the Trust uninterrupted.

Following the publication of the Academies Financial Handbook September 2020, there was a new requirement that the Trust's external auditor could no longer also carry out the internal audits. Following a recommendation from the Finance and Audit Committee, the Members appointed the internal auditors to The Galaxy Trust.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the Chief Financial Officer reports to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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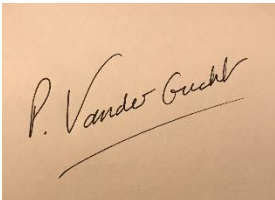
**Review of effectiveness**

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance & audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



.....  
**Phillip Vander Gucht**  
Chair of Trustees  
Date:25/01/2021



.....  
**Gary Ratcliffe**  
Accounting Officer



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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Galaxy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, 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 Board of Trustees are able to identify any material irregular or improper use of all 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.



.....  
**Gary Ratcliffe**  
Accounting Officer

Date:

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE 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 and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

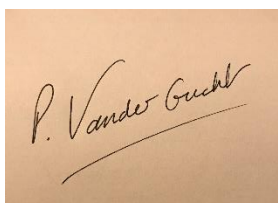
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



.....  
**Phillip Vander Gucht**  
(Chair of Trustees)  
Date:

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE GALAXY TRUST**

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**Opinion**

We have audited the financial statements of The Galaxy Trust (the '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 related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE GALAXY TRUST (CONTINUED)**

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**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 Auditors' Report thereon. Other information includes the Reference and Administrative details, Trustees' Report, incorporating the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE GALAXY TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

**Duncan Cochrane-Dyett BSc BFP FCA (Senior Statutory Auditor)**

for and on behalf of

**MHA MacIntyre Hudson**

Statutory Auditors

17-21 Ashford Road

Maidstone

Kent

ME14 5DA

Date:

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 24 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Galaxy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Galaxy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Galaxy Trust's funding agreement with the Secretary of State for Education dated 6 January 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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The work undertaken to draw our conclusions include:

- Reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Consideration of governance issues; and
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

**Conclusion**

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

Reporting Accountant  
**MHA MacIntyre Hudson**

Statutory Auditors  
17-21 Ashford Road  
Maidstone  
Kent  
ME14 5DA

Date:

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants:	4					
Other donations and capital grants		36,811	-	1,191,515	1,228,326	2,100,376
Charitable activities	5	-	9,711,711	-	9,711,711	8,931,664
Other trading activities	6	247,269	44,640	-	291,909	509,670
Investments	7	582	-	-	582	625
<b>Total income</b>		<b>284,662</b>	<b>9,756,351</b>	<b>1,191,515</b>	<b>11,232,528</b>	<b>11,542,335</b>
<b>Expenditure on:</b>						
Charitable activities	8	743,771	9,724,257	695,166	11,163,194	10,258,064
<b>Total expenditure</b>		<b>743,771</b>	<b>9,724,257</b>	<b>695,166</b>	<b>11,163,194</b>	<b>10,258,064</b>
<b>Net income/ (expenditure)</b>		<b>(459,109)</b>	<b>32,094</b>	<b>496,349</b>	<b>69,334</b>	<b>1,284,271</b>
Transfers between funds	19	-	(188,987)	188,987	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(459,109)</b>	<b>(156,893)</b>	<b>685,336</b>	<b>69,334</b>	<b>1,284,271</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	20,000	-	20,000	(637,000)
<b>Net movement in funds</b>		<b>(459,109)</b>	<b>(136,893)</b>	<b>685,336</b>	<b>89,334</b>	<b>647,271</b>



**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Reconciliation of funds:</b>					
Total funds brought forward	660,263	(3,461,000)	20,164,755	17,364,018	16,716,747
Net movement in funds	(459,109)	(136,893)	685,336	89,334	647,271
<b>Total funds carried forward</b>	<b>201,154</b>	<b>(3,597,893)</b>	<b>20,850,091</b>	<b>17,453,352</b>	<b>17,364,018</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 63 form part of these financial statements.

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 10250958**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	<b>20,734,529</b>	20,104,464
		<b>20,734,529</b>	20,104,464
<b>Current assets</b>			
Debtors	16	<b>839,515</b>	699,934
Cash at bank and in hand		<b>1,010,133</b>	1,103,746
		<b>1,849,648</b>	1,803,680
Creditors: amounts falling due within one year	17	<b>(976,957)</b>	(989,120)
<b>Net current assets</b>		<b>872,691</b>	814,560
<b>Total assets less current liabilities</b>		<b>21,607,220</b>	20,919,024
Creditors: amounts falling due after more than one year	18	<b>(128,868)</b>	(94,006)
<b>Net assets excluding pension liability</b>		<b>21,478,352</b>	20,825,018
Defined benefit pension scheme liability	26	<b>(4,025,000)</b>	(3,461,000)
<b>Total net assets</b>		<b>17,453,352</b>	17,364,018
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Restricted fixed asset funds	19	<b>20,850,091</b>	20,164,755
Restricted general funds	19	<b>427,107</b>	-
Restricted general funds - pension reserve	19	<b>(4,025,000)</b>	(3,461,000)
<b>Total restricted funds</b>	19	<b>17,252,198</b>	16,703,755
<b>Unrestricted funds</b>	19	<b>201,154</b>	660,263
<b>Total funds</b>		<b>17,453,352</b>	17,364,018

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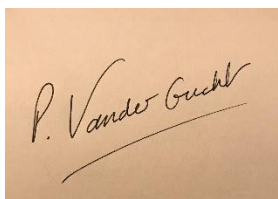
**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 10250958**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 30 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A photograph of a handwritten signature in black ink on a light-colored surface. The signature reads "P. Vander Gucht" and is underlined.

.....  
**Phillip Vander Gucht**  
(Chair of Trustees)  
Date:25/01/2021

The notes on pages 35 to 63 form part of these financial statements.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020</b> £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>39,630</b>	620,141
<b>Cash flows from investing activities</b>	22	<b>(133,243)</b>	(21,835)
<b>Change in cash and cash equivalents in the year</b>		<b>(93,613)</b>	598,306
Cash and cash equivalents at the beginning of the year		<b>1,103,746</b>	505,440
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<b>1,010,133</b>	1,103,746

The notes on pages 35 to 63 form part of these financial statements

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. General information**

The Galaxy Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation is detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees' Report.

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

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

The Galaxy Trust meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest pound.

**2.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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 as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cashflows taking into account the potential impact on the Academy Trust. This analysis also considers the effectiveness of available measures to assist in mitigating the impact. Based on these assessments and having regard to the resources available to the Academy Trust, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Trustees' Report and financial statements.

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

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**2. Accounting policies (continued)**

**2.3 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

**2.4 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 allocated on the portion of the asset's use.

• **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.

All resources expended are inclusive of irrecoverable VAT.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**2. Accounting policies (continued)**

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 Taxation**

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

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

**2.7 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Leasehold property	- 2% straight line
Furniture and equipment	- 15% straight line
Computer equipment	- 33% straight line
Assets under construction	- depreciated once brought into use

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

**2.8 Debtors**

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

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

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**2. Accounting policies (continued)**

**2.9 Cash at bank and in hand**

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

**2.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2.11 Concessionary loans**

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

**2.12 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. 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 as detailed in Notes 17 and 18. 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.



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

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**2. Accounting policies (continued)**

**2.13 Pensions**

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.

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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 26, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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**2. Accounting policies (continued)**

**2.13 Pensions (continued)**

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**2.14 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 the funders where the asset acquired or created is held for a specific purpose.

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

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**3. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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:

**Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 15 for the carrying amount of the property, plant and equipment, and Policy 2.7 for the useful economic lives for each class of assets.

**4. Income from donations and capital grants**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Donations	36,811	-	<b>36,811</b>	77,609
Capital grants	-	1,191,515	<b>1,191,515</b>	2,022,767
<b>Total 2020</b>	<b>36,811</b>	<b>1,191,515</b>	<b>1,228,326</b>	<b>2,100,376</b>
Total 2019	77,609	2,022,767	2,100,376	

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**5. Charitable Activities - Funding for the Trust's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	7,174,936	<b>7,174,936</b>	6,773,809
Pupil Premium	640,737	<b>640,737</b>	618,602
Other DfE / ESFA revenue grants	917,260	<b>917,260</b>	718,782
	<u>8,732,933</u>	<u><b>8,732,933</b></u>	<u>8,111,193</u>
<b>Other Government grants</b>			
Local Authority revenue grants	950,105	<b>950,105</b>	820,471
	<u>950,105</u>	<u><b>950,105</b></u>	<u>820,471</u>
<b>Exceptional government funding</b>			
Coronavirus exceptional support	28,673	<b>28,673</b>	-
<b>Total 2020</b>	<u><u>9,711,711</u></u>	<u><u><b>9,711,711</b></u></u>	<u>8,931,664</u>
Total 2019	<u>8,931,664</u>	<u>8,931,664</u>	

There are no unfulfilled conditions or other contingencies attached to the government grants.

The academy trust has been eligible to claim additional funding 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 £28,673 of costs which are included in notes 8 and 9 below.

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**6. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted general funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Consultancy and services	203,189	9,530	<b>212,719</b>	367,370
Catering income	11,051	57	<b>11,108</b>	15,077
Risk protection arrangement claims	19,878	27,106	<b>46,984</b>	11,527
Trip income	13,151	7,947	<b>21,098</b>	115,696
<b>Total 2020</b>	<b>247,269</b>	<b>44,640</b>	<b>291,909</b>	<b>509,670</b>
Total 2019	344,653	165,017	509,670	

**7. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Investment income	582	<b>582</b>	625
Total 2019	625	625	

In 2019, all Income from investments was allocated to Unrestricted funds.

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**8. Total expenditure**

	<b>Staff costs</b> <b>2020</b> £	<b>Premises</b> <b>costs</b> <b>2020</b> £	<b>Other costs</b> <b>2020</b> £	<b>Total</b> <b>2020</b> £	Total 2019 £
Educational operations:					
Direct costs	6,743,609	-	673,072	<b>7,416,681</b>	6,892,485
Allocated support costs	1,540,443	659,364	1,546,706	<b>3,746,513</b>	3,365,579
<b>Total 2020</b>	<u>8,284,052</u>	<u>659,364</u>	<u>2,219,778</u>	<u><b>11,163,194</b></u>	<u>10,258,064</u>
Total 2019	<u>7,557,798</u>	<u>543,216</u>	<u>2,157,050</u>	<u>10,258,064</u>	

**9. Analysis of expenditure by charitable activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2020</b> £	<b>Support</b> <b>costs</b> <b>2020</b> £	<b>Total</b> <b>funds</b> <b>2020</b> £	Total funds 2019 £
Educational operations	7,416,681	3,746,513	<b>11,163,194</b>	10,258,064
Total 2019	<u>6,892,485</u>	<u>3,365,579</u>	<u>10,258,064</u>	

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**9. Analysis of expenditure by charitable activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Defined benefit pension scheme finance cost	65,000	<b>65,000</b>	65,000
Staff costs	1,475,443	<b>1,475,443</b>	1,334,938
Depreciation	695,166	<b>695,166</b>	617,210
Premises costs	659,364	<b>659,364</b>	543,216
Other costs	851,540	<b>851,540</b>	805,215
<b>Total 2020</b>	<b>3,746,513</b>	<b>3,746,513</b>	<b>3,365,579</b>
Total 2019	3,365,579	3,365,579	

**10. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	<b>2020 £</b>	<b>2019 £</b>
Depreciation of tangible fixed assets	<b>695,166</b>	617,210
Fees paid to auditors for:		
- Audit of the financial statements	<b>10,335</b>	9,300
- Other services	<b>6,090</b>	5,700

**11. Governance costs**

	<b>2020 £</b>	<b>2019 £</b>
Auditors' remuneration - Audit of the financial statements	<b>10,335</b>	9,300
Auditors' remuneration - Other services	<b>6,090</b>	5,700
	<b>16,425</b>	15,000

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	<b>5,909,350</b>	5,551,315
Social security costs	<b>513,842</b>	489,845
Pension costs	<b>1,703,447</b>	1,342,948
	<b>8,126,639</b>	7,384,108
Agency staff costs	<b>92,413</b>	84,626
Staff restructuring costs	-	24,064
Defined benefit pension scheme finance cost	<b>65,000</b>	65,000
	<b>8,284,052</b>	7,557,798

Staff restructuring costs comprise:

	<b>2020</b>	2019
	<b>£</b>	£
Severance payments	-	24,064
	-	24,064

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

Included in staff severance payments is no (2019: one) non-contractual severance payment totalling £NIL (2018: £24,064).

**c. Staff numbers**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
Teachers	<b>75</b>	78
Administration and support	<b>175</b>	165
Management	<b>31</b>	29
	<b>281</b>	272



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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**12. Staff (continued)**

**d. Higher paid staff**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>2</b>	3
In the band £70,001 - £80,000	<b>2</b>	2
In the band £80,001 - £90,000	<b>1</b>	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	<b>1</b>	-

**e. 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 and employer national insurance contributions) received by key management personnel for their services to the Trust was £536,009 (2019 £407,872).

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**14. Trustees' and Officers' insurance**

The 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 officers indemnity element from the overall cost of the RPA scheme membership.

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**15. Tangible fixed assets**

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	19,964,163	988,897	279,085	360,901	21,593,046
Additions	584,655	726,982	6,642	7,061	1,325,340
Disposals	-	-	(549)	(19,258)	(19,807)
Transfers between classes	357,498	(357,498)	-	-	-
At 31 August 2020	<u>20,906,316</u>	<u>1,358,381</u>	<u>285,178</u>	<u>348,704</u>	<u>22,898,579</u>
<b>Depreciation</b>					
At 1 September 2019	1,143,801	-	116,833	227,948	1,488,582
Charge for the year	538,102	-	42,079	114,985	695,166
On disposals	-	-	(440)	(19,258)	(19,698)
At 31 August 2020	<u>1,681,903</u>	<u>-</u>	<u>158,472</u>	<u>323,675</u>	<u>2,164,050</u>
<b>Net book value</b>					
At 31 August 2020	<u>19,224,413</u>	<u>1,358,381</u>	<u>126,706</u>	<u>25,029</u>	<u>20,734,529</u>
At 31 August 2019	<u>18,820,362</u>	<u>988,897</u>	<u>162,252</u>	<u>132,953</u>	<u>20,104,464</u>

In the absence of valuations provided by the ESFA, buildings have been valued at an estimate based on similar sized academies in the surrounding area of the Trust.

Schools that are part of the Trust have entered into long-term leasehold agreement of 125 years at £nil rent with Kent County Council from the day of conversion into the Galaxy Trust.

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**16. Debtors**

	<b>2020</b>	2019
	£	£
<b>Due within one year</b>		
Trade debtors	<b>1,225</b>	18,276
Other debtors	<b>362,091</b>	371,293
Prepayments and accrued income	<b>476,199</b>	310,365
	<b>839,515</b>	699,934

**17. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	£	£
Other loans	<b>33,321</b>	60,633
Trade creditors	<b>373,757</b>	556,470
Other taxation and social security	<b>122,359</b>	107,309
Other creditors	<b>135,502</b>	106,383
Accruals and deferred income	<b>312,018</b>	158,325
	<b>976,957</b>	989,120

	<b>2020</b>	2019
	£	£
Deferred income at 1 September	<b>143,325</b>	151,771
Resources deferred during the year	<b>155,394</b>	143,325
Amounts released from previous periods	<b>(143,325)</b>	(151,771)
<b>Deferred income at 31 August</b>	<b>155,394</b>	143,325

At 31 August 2020 the Trust was holding funds received for Universal Infant Free School Meals, Rates Relief and school trips for the 2020-21 academic year.

**18. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	2019
	£	£
Other loans	<b>128,868</b>	94,006

Included within loans are capital loans inherited on conversion from Kent County Council and ESFA which are repayable between 8 to 10 years.

**THE GALAXY TRUST**  
(A Company Limited by Guarantee)

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

**19. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General funds	<b>660,263</b>	<b>284,662</b>	<b>(554,784)</b>	<b>(188,987)</b>	-	<b>201,154</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	<b>7,174,936</b>	<b>(6,747,829)</b>	-	-	<b>427,107</b>
Pupil Premium	-	<b>640,737</b>	<b>(640,737)</b>	-	-	-
Other DfE / ESFA revenue grants	-	<b>917,260</b>	<b>(917,260)</b>	-	-	-
Local Authority revenue grants	-	<b>951,220</b>	<b>(951,220)</b>	-	-	-
Other Government revenue grants	-	<b>27,558</b>	<b>(27,558)</b>	-	-	-
Other activities	-	<b>44,640</b>	<b>(44,640)</b>	-	-	-
Pension reserve	<b>(3,461,000)</b>	-	<b>(584,000)</b>	-	<b>20,000</b>	<b>(4,025,000)</b>
	<b>(3,461,000)</b>	<b>9,756,351</b>	<b>(9,913,244)</b>	-	<b>20,000</b>	<b>(3,597,893)</b>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	<b>20,104,464</b>	-	<b>(695,166)</b>	<b>1,325,231</b>	-	<b>20,734,529</b>
DfE / ESFA capital grants	<b>214,930</b>	<b>1,191,515</b>	-	<b>(1,128,694)</b>	-	<b>277,751</b>
Capital loans	<b>(154,639)</b>	-	-	<b>(7,550)</b>	-	<b>(162,189)</b>
	<b>20,164,755</b>	<b>1,191,515</b>	<b>(695,166)</b>	<b>188,987</b>	-	<b>20,850,091</b>

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**19. Statement of funds (continued)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total Restricted funds	16,703,755	10,947,866	(10,608,410)	188,987	20,000	17,252,198
Total funds	17,364,018	11,232,528	(11,163,194)	-	20,000	17,453,352

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**19. Statement of funds (continued)**

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

The General fund has been created to recognise the income and expenditure in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE / ESFA revenue grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from Suffolk County Council as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Academy Trust's core funding

The Non-Government revenue grants fund represents revenue grants received from non-Government entities.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of intangible and tangible fixed assets. Amortisation of intangible fixed assets and depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds.

The Capital loan on conversion fund represents the balance of the capital loan provided to Trust upon conversion.

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**19. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	<b>2020</b>	2019
	£	£
Oakfield Primary Academy	<b>192,031</b>	145,615
Temple Hill Primary School	<b>198,348</b>	318,071
West Hill Primary School	<b>105,338</b>	133,134
Central Trust	<b>132,544</b>	63,443
Total before fixed asset funds and pension reserve	<b>628,261</b>	660,263
Restricted fixed asset fund	<b>20,850,091</b>	20,164,755
Pension reserve	<b>(4,025,000)</b>	(3,461,000)
<b>Total</b>	<b>17,453,352</b>	17,364,018

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£	£	£
Oakfield Primary Academy	2,376,820	229,440	124,788	541,359	<b>3,272,407</b>	3,042,583
Temple Hill Primary School	2,404,401	239,844	225,717	684,147	<b>3,554,109</b>	3,265,733
West Hill Primary School	1,525,566	207,722	73,086	378,539	<b>2,184,913</b>	2,195,621
Central Trust	436,822	863,437	67,187	89,153	<b>1,456,599</b>	1,136,917
<b>Trust</b>	<b>6,743,609</b>	<b>1,540,443</b>	<b>490,778</b>	<b>1,693,198</b>	<b>10,468,028</b>	9,640,854

**THE GALAXY TRUST**  
(A Company Limited by Guarantee)

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

**19. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General funds	255,324	422,887	(16,206)	(1,742)	-	660,263
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	6,773,809	(6,776,191)	2,382	-	-
Pupil Premium	-	618,602	(618,602)	-	-	-
Other DfE / ESFA revenue grants	-	718,782	(718,782)	-	-	-
Local Authority revenue grants	-	820,471	(820,471)	-	-	-
Other activities	-	165,017	(165,017)	-	-	-
Pension reserve	(2,307,000)	-	(517,000)	-	(637,000)	(3,461,000)
	<u>(2,307,000)</u>	<u>9,096,681</u>	<u>(9,616,063)</u>	<u>2,382</u>	<u>(637,000)</u>	<u>(3,461,000)</u>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	18,676,447	-	(617,210)	2,045,227	-	20,104,464
DfE / ESFA capital grants	218,316	2,022,767	(8,585)	(2,017,568)	-	214,930
Capital loans	(123,685)	-	-	(30,954)	-	(154,639)
	<u>18,771,078</u>	<u>2,022,767</u>	<u>(625,795)</u>	<u>(3,295)</u>	<u>-</u>	<u>20,164,755</u>
<b>Total Restricted funds</b>	<u>16,464,078</u>	<u>11,119,448</u>	<u>(10,241,858)</u>	<u>(913)</u>	<u>(637,000)</u>	<u>16,703,755</u>



**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**19. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total funds</b>	16,719,402	11,542,335	(10,258,064)	(2,655)	(637,000)	17,364,018

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	20,734,529	<b>20,734,529</b>
Current assets	1,144,790	427,107	277,751	<b>1,849,648</b>
Creditors due within one year	(943,636)	-	(33,321)	<b>(976,957)</b>
Creditors due in more than one year	-	-	(128,868)	<b>(128,868)</b>
Defined benefit pension scheme liability	-	(4,025,000)	-	<b>(4,025,000)</b>
<b>Total</b>	201,154	(3,597,893)	20,850,091	<b>17,453,352</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	20,104,464	20,104,464
Current assets	1,588,750	-	214,930	1,803,680
Creditors due within one year	(928,487)	-	(60,633)	(989,120)
Creditors due in more than one year	-	-	(94,006)	(94,006)
Defined benefit pension scheme liability	-	(3,461,000)	-	(3,461,000)
<b>Total</b>	660,263	(3,461,000)	20,164,755	17,364,018

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**21. Reconciliation of net income to net cash flow from operating activities**

	<b>2020</b>	2019
	£	£
Net income for the period (as per Statement of Financial Activities)	<b>69,334</b>	1,284,271
<b>Adjustments for:</b>		
Depreciation charges	<b>695,166</b>	617,210
Capital grants from DfE and other capital income	<b>(1,191,515)</b>	(2,022,767)
Investment income	<b>(582)</b>	(625)
(Profit)/loss on disposal of tangible fixed assets	<b>109</b>	-
Defined benefit pension scheme cost less contributions payable	<b>519,000</b>	452,000
Defined benefit pension scheme finance cost	<b>65,000</b>	65,000
Increase in debtors	<b>(139,581)</b>	(222,270)
Increase in creditors	<b>22,699</b>	447,322
<b>Net cash provided by operating activities</b>	<b>39,630</b>	620,141

**22. Cash flows from investing activities**

	<b>2020</b>	2019
	£	£
Investment income	<b>582</b>	625
Purchase of tangible fixed assets	<b>(1,325,340)</b>	(2,045,227)
Capital grants from DfE Group	<b>1,191,515</b>	2,022,767
<b>Net cash used in investing activities</b>	<b>(133,243)</b>	(21,835)

**23. Analysis of cash and cash equivalents**

	<b>2020</b>	2019
	£	£
Cash in hand	<b>1,010,133</b>	1,103,746
<b>Total cash and cash equivalents</b>	<b>1,010,133</b>	1,103,746

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**24. Analysis of changes in net debt**

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	1,103,746	(93,613)	1,010,133
Debt due within 1 year	(60,633)	27,312	(33,321)
Debt due after 1 year	(94,006)	(34,862)	(128,868)
	<u>949,107</u>	<u>(101,163)</u>	<u>847,944</u>

**25. Capital commitments**

	2020 £	2019 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>421,847</u>	<u>902,065</u>

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

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**26. Pension commitments**

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 Kent County Council. Both are multi-employer defined benefit schemes.

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

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

**Teachers' Pension Scheme**

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

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

**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%.

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

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**26. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £802,447 (2019 - £503,142).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

**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 £488,000 (2019 - £454,000), of which employer's contributions totalled £382,000 (2019 - £356,000) and employees' contributions totalled £ 106,000 (2019 - £98,000). The agreed contribution rates for future years are 20.0 per cent for employers and between 5.5 to 12.5 per cent for employees.

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

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

**Principal actuarial assumptions**

	<b>2020</b>	2019
	%	%
Rate of increase in salaries	<b>3.25</b>	3.65
Rate of increase for pensions in payment/inflation	<b>2.25</b>	2.15
Discount rate for scheme liabilities	<b>1.65</b>	1.90
Inflation assumption (CPI)	<b>2.25</b>	2.15
Inflation assumption (RPI)	<b>3.05</b>	3.15

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

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**26. Pension commitments (continued)**

	<b>2020</b>	2019
	<b>Years</b>	Years
<i>Retiring today</i>		
Males	<b>21.8</b>	22.1
Females	<b>23.8</b>	24.0
<i>Retiring in 20 years</i>		
Males	<b>23.2</b>	23.7
Females	<b>25.2</b>	25.8

**Sensitivity analysis**

	<b>2020</b>	2019
	<b>£000</b>	£000
Discount rate +0.1%	<b>(216)</b>	(192)
Discount rate -0.1%	<b>222</b>	198
Mortality assumption - 1 year increase	<b>276</b>	228
Mortality assumption - 1 year decrease	<b>(266)</b>	(221)

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

	<b>2020</b>	2019
	<b>£</b>	£
Equities	<b>2,448,000</b>	2,176,000
Gilts	<b>25,000</b>	23,000
Other bonds	<b>488,000</b>	288,000
Property	<b>415,000</b>	372,000
Cash	<b>115,000</b>	85,000
Absolute return fund	<b>288,000</b>	248,000
<b>Total market value of assets</b>	<b>3,779,000</b>	3,192,000

The actual return on scheme assets was £252,000 (2019 - £144,000).

**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

**26. Pension commitments (continued)**

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

	<b>2020</b>	2019
	£	£
Current service cost	<b>(901,000)</b>	(713,000)
Past service cost	-	(95,000)
Interest income	<b>62,000</b>	86,000
Interest cost	<b>(127,000)</b>	(151,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(966,000)</b>	(873,000)

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

	<b>2020</b>	2019
	£	£
<b>At 1 September</b>	<b>6,653,000</b>	4,116,000
Effect of non-routine settlements	-	703,000
Current service cost	<b>901,000</b>	713,000
Interest cost	<b>127,000</b>	151,000
Employee contributions	<b>106,000</b>	98,000
Actuarial losses	<b>104,000</b>	694,000
Benefits paid	<b>(87,000)</b>	(17,000)
Past service costs	-	195,000
<b>At 31 August</b>	<b>7,804,000</b>	6,653,000

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

	<b>2020</b>	2019
	£	£
<b>At 1 September</b>	<b>3,192,000</b>	2,226,000
Effect of non-routine settlements	-	386,000
Interest income	<b>62,000</b>	86,000
Actuarial gains	<b>124,000</b>	57,000
Employer contributions	<b>382,000</b>	356,000
Employee contributions	<b>106,000</b>	98,000
Benefits paid	<b>(87,000)</b>	(17,000)
<b>At 31 August</b>	<b>3,779,000</b>	3,192,000

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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Reconciliation of opening to closing defined benefit pension scheme liability**

	2020 £	2019 £
Balance brought forward at 1 September	3,461,000	2,307,000
Defined benefit scheme cost less contributions payable	519,000	452,000
Defined benefit pension scheme finance cost	65,000	65,000
Actuarial losses / (gains)	(20,000)	637,000
Transfers in from new academies	-	-
Effects of non-routine settlements	-	-
<b>Balance carried forward at 31 August</b>	<b>4,025,000</b>	<b>3,461,000</b>

**Amounts recognised in the Balance Sheet are as follows:**

	2020 £	2019 £
Present value of the defined benefit obligation	(7,804,000)	(6,653,000)
Fair value of the scheme assets	3,779,000	3,192,000
	<b>(4,025,000)</b>	<b>(3,461,000)</b>

**27. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	83,453	77,655
Later than 1 year and not later than 5 years	65,926	61,894
	<b>149,379</b>	<b>139,549</b>

**28. Members' liability**

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



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**THE GALAXY TRUST**  
**(A Company Limited by Guarantee)**

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

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**29. Related party transactions**

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

During the year, transactions took place with Curly's Legacy, a registered charity, of which the CEO G Ratcliffe is also a Trustee. The Trust made payments totalling £8,255 for the provision of alternative outdoor learning services. At 31 August 2020 no balance was due to Curly's Legacy. The Trust made the purchases at arms length for which Board approval was sought. G Ratcliffe did not participate in this approval process. In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2019/20.

During the year, transactions also took place with We Are Beams Ltd, a Limited Company, of which the CEO G Ratcliffe is also a Director. The Trust received receipts totalling £965 for soft play and sensory room hire for vulnerable children. The CEO provided a summary of services and costs which was approved by the Board of Trustees of The Galaxy Trust.

**30. Post balance sheet events**

As of 17 December 2020 the Fleetdown Primary School will be joining the Trust.