

Company Registration No. 06272751 (England and Wales)

FUTURE SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

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FUTURE SCHOOLS TRUST

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FUTURE SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Harris
M Hodges
E Howe

Trustees

M L Hodges (Chair of Trustees)
M G S Farrell OBE (Resigned 14 July 2022)
M Kirby
G Niblock (Resigned 14 July 2022)
N G P Whitfield CBE (Vice Chair of Trustees)
I N H Linney-Drouet
Michael O'Brien (Appointed 11 July 2022)
Judy Rider (Appointed 10 May 2022)
Simon Cook (Appointed 10 March 2022)

Senior management team

- Chief Executive Officer
- Head of School - Cornwallis Academy
- Head of School - New Line Learning Academy
- Headteacher - Tiger Primary School
- Director of Finance

I Linney-Drouet
S McMahon
S Mackie

H King (resigned 31 August 2022)
C Johnson

Company registration number

06272751 (England and Wales)

Principal and registered office

Cornwallis Academy
Hubbards Lane
Maidstone
Kent
ME17 4HX
England

Academies operated

Cornwallis Academy
New Line Learning Academy
Tiger Primary School

Location

Maidstone
Maidstone
Maidstone

Principal

S McMahon
S Mackie
H King

Independent auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ
United Kingdom

Bankers

National Westminster Bank PLC
197 Sutton Road
Maidstone
Kent
ME15 9LF

FUTURE SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Brachers Law
Sommersield House
59 London Road
Maidstone
Kent
ME16 8JH

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates a nursery, a primary school and two secondary academies in Maidstone, Kent. Its academies have a combined pupil capacity of 3,190 and had a roll of 2,526 in the school census on October 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Future Schools Trust (Cornwallis Academy; New Line Learning; and Tiger Primary) are also the directors of the charitable company for the purposes of company law. 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.

Members' liability

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

Trustees' indemnities

The Trust purchases annually indemnity insurance from a third party provider. 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 Trust.

Method of recruitment and appointment or election of Trustees

The Trust's Articles of Association set out the constitution and method of appointment of Trustees. Suitability of Trustees is determined by their interest in the work of an Educational charity, eligibility and personal competence and to ensure the Board of Trustees has the breadth of skills and knowledge necessary to advance the academies in all areas.

Trustees hold office for 4 years subject to the provisions of the Memorandum and Articles of the company. A second term of appointment is fairly routine in line with guidance.

Policies and procedures adopted for the induction and training of Trustees

Trustees offer a wide range of skills and experiences essential to the good governance of the Trust. The training and induction provided for the Trustees depends on existing experience and is tailored individually for each Trustee including legal, charitable and educational induction. Annual training on student safeguarding is provided as is annual Governance and Academies Financial Handbook update as appropriate. Ongoing training and development is supported and encouraged.

Organisational structure

The Board of Trustees normally meets at least three times a year to set the strategic direction and policies of the Trust, review performance, take key decisions including adopting the Annual Report and Financial Statements, Budget and to make senior appointments. It has formed a Resource Committee which meet four times a year in order to take a more detailed look at these areas and advise the Board of Trustees in its decision making. In addition, there are Local Governing Bodies at each Academy, advisory in capacity, to provide local governance and feedback to the board about the progress, attainment, safeguarding and wellbeing of pupils and other committees may be formed from time to time as required. The Trust has agreed a Scheme of Delegation which, together with the Trust's Finance Policy identify clear responsibilities and reserved decisions.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is in line with the Trust Pay Policy, where Trustees have determined salary ranges. Pay progression is in line with the Trust's Performance Policy, based upon the achievement of targets, and as ratified by Trustees.

Trustees are not remunerated for their work at the Trust but may be eligible for small incidental expenses in line with Trust policy.

Headteachers are supported on a day to day basis by the wider central team, implementing policies, guidelines and targets agreed by the Trustees and reporting back to them on progress.

A Chief Executive Officer was appointed on 1st September 2020 and became the Accounting Officer on that date.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	9
Total pay bill	11,805
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Engagement with employees

Future Schools Trust recognise the important contribution their employees make to the overall success of the schools whether it be classroom staff or support staff. Staff members are kept fully informed through staff briefings, staff meetings, staff bulletins and the trust staff newsletter. Each school also creates a staff handbook at the beginning of each academic year to support new starters and inform staff of changes they need to be aware of.

Future Schools Trust has also implemented a number of important and detailed policies in relation to all aspects of personnel matters. Some of these policies include:

- Equal opportunities policy
- Health & safety policy

The Trustees recognise the equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Our policies and procedures fully support those with disabilities. We encourage and support a wide diversity of applicants at the recruitment stage and all successful candidates undergo a health screening process to objectively advise line managers on workplace adjustments. For those colleagues with existing disabilities or those who become disabled during their time with the partnership, we work with them to make reasonable adjustments to working practices and/or environment in order to keep the employee safe, and effective. This includes support and training to line managers and colleagues to better understand the needs of those with disabilities if required. We endeavour to ensure that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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

Future Schools Trust recognises the importance of fostering positive working relationships with all. key stakeholders including students, parents/guardians, suppliers and the wider community. The community ethos is at the heart of the Trust and is imbedded within each establishment.

Related parties and other connected charities and organisations

The Trust has no connect charities or organisations for this period and no related party transactions.

Objectives and activities

Objects and aims

The principal object and activity of the company is to provide education for pupils of different abilities between the ages of 3 and 19.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academies during the year ended 31 August 22 are summarised below:

- to provide a broad and balanced curriculum enabling all pupils to learn more and remember more;
- to support the wellbeing of all our stakeholders
- to nurture a safe and engaging environment in which we all strive;
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academies' business in accordance with the highest standards of integrity, probity and openness.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, strategies and activities

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Academies serve students in and around the Maidstone area aged 3 to 19. The Academies are non-selective and admission is open to all prospective students. In the event of over subscription, places are awarded in accordance with the criteria set out in the published admissions policy, preference being given respectively to children in local authority care, children with siblings already at the Academy, where there are medical grounds and proximity of the child's home to the Academy.

The Academies' main strategy is to improve educational attainment whilst recognising that skills for life are equally critical. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- a focus on wellbeing and associated self management skills;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs to allow students to explore science and engineering in a practical and project-oriented way;
- a careers advisory service to help students obtain employment or move on to higher education.

Public benefit

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

Trustees have considered the Charity Commission's guidance on public benefit. The key public benefit delivered by the Trust is the maintenance and development of a high quality education for the young people of the communities where the Trust schools are situated within. In doing this the Trust offers a broadly based academic education as well as a wide range of extra curricular activities, educational trips, visits and foreign exchange programmes.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

At Cornwallis Academy, 60% of students gained grade 4 or above in both English and Maths. Over 66% of all grades achieved were 4 or above with an impressive 9% of all grades being awarded at the top end (7-9). A-Level or equivalent results were equally as strong with 60% of all grades awarded at A*- A and over 90% of students accepting their first choice university places. We are absolutely delighted with these results. They're testament to our students' commitment, dedication and resilience.

Cornwallis Academy is also very proud to be graded 'GOOD' in all areas by Ofsted (November 2017) and students and staff are working tirelessly towards achieving 'OUTSTANDING'. Our aim is to provide all students with the best educational provision and ensure all students achieve their academic potential in order to secure their future employability within a safe, ethical and nurturing environment. We also aim for all our students to develop as confident, courteous and capable young people. We are a truly inclusive community and pride ourselves upon our SMILE ethos and school vision.

New Line Learning is continuing to become the school of choice with a pupil population increase of 9.4% within the first 6 weeks of term 1. Open mornings have been particularly popular and parents have commented on how calm and friendly the school has felt.

The Personal Development Pathways have been fully embedded and have successfully engaged pupils in a wide range of activities, many of which are resulting in pupils gaining nationally recognised qualifications such as the Arts Award and Duke of Edinburgh. In addition to this, enrichment opportunities are taken up by a wide range of pupils with increasing numbers participating in School of Excellence performances and sports fixtures winning more games.

Pupil outcomes whilst not as good as we would have liked, were broadly in line with our predictions demonstrating that we know our pupils well.

The overall P8 was above the 2019 result at -0.51 (-0.54) for the in school cohort (104 pupils) and -0.65 for the whole cohort (111 pupils). English as a standalone subject have achieved outstanding results by exceeding Targets by 11% 5+ and 10% 4+.

We continue to be proud of all our achievements as well as the pupil's improved sense of self belief. We have a clear vision that will continue to drive standards and expectations to support all pupils to be the best that can be.

Tiger Primary School is a popular two-form entry, family orientated, Primary School with 433 children on roll. We are fully committed to providing highly effective teaching and learning, to having high expectations and high aspirations. All pupils access the full curriculum, with targeted and bespoke interventions to ensure support and challenge is provided when needed.

Our EYFS curriculum is language rich and promotes independence. It is built on firm foundations, where language, independence and exploration are key. Time, and money have been invested in our Early Years environment to support early development. Our inside and outside areas are vibrant learning zones, supporting childhood development.

Tiger Primary School values its diverse community and fully embrace the partnership between school and home. Our key focus is to enable all children to have a curriculum that builds on prior knowledge, allows children to explore their interests and become inquisitive, lifelong learners. At Tiger, the whole child is considered. We offer a holistic approach to education with the child at the very heart of all we do. We strive for every child to be the best versions of themselves possible.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

EYFS pupils enter school with a low starting point. Communication and Language are the greatest barriers to Learning success. Our EYFS curriculum is language rich and promotes independence. It is built on firm foundations, where language, independence and exploration are key. Time, and money have been invested in our Early Years environment to support early development. Our inside and outside areas are vibrant learning zones, supporting childhood development.

Tiger Primary School values its diverse community and fully embrace the partnership between school and home. Our key focus is to enable all children to have a curriculum that builds on prior knowledge, allows children to explore their interests and become inquisitive, lifelong learners.

At Tiger, the whole child is considered. We offer a holistic approach to education with the child at the very heart of all we do. This approach helps to break down barriers to learning, supports children's mental health and gives them a greater sense of belonging.

Key performance indicators

No key financial performance indicators have been set by governors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial; these are largely educational and pastoral. Trust KPIs are discussed and approved every academic year with a focus on pupils' outcomes, quality of teaching and learning, staff retention, attendance, pupil numbers and Ofsted grading.

Going concern

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

Protecting the success of the academy trust

The best interest of young people guides every ambition and decision we take. We are passionate in our belief that schools are stronger whilst being proud and protective of the unique identity of each of our schools. Maintaining a strong moral purpose and supportive but challenging culture is central to everything we aim to achieve. Our pledges are:

- ensure all our students are happy and achieve their potential
- continuously develop and promote excellent teaching and learning
- provide opportunities which broaden students' horizons
- continuously develop positive relationships with all members of our local community
- nurture a safe and engaging environment in which we all thrive

To deliver our vision, we only employ outstanding people with a drive to succeed. Our dedicated team share our ethos and strive to achieve the best results possible, while delivering excellent pastoral care. Our ethos and values are considered in everything we do and underpin all strategic decisions made. Our relationships with our stakeholders are highly valued and our positive impact on our local community is of the most importance.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Academy at termly meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees following DfE guidance have agreed that a fixed asset fund should be maintained, the value of which should match the net book value of fixed assets. The balance of this fund therefore represents monies that have already been invested in fixed assets (net of depreciation charged thereon) and hence this is not a fund that is available for future spending. The balance on this fund at 31 August 2022 is £22,582k (2021:£22,635k)

A capital fund is maintained representing unspent capital grants received from the DE. This is available for future spending but in accordance with the conditions of grant, it must be used for capital expenditure. It is not therefore available to support or to fund future running costs (revenue expenditure). The balance on this fund at 31 August 2022 is nil (2021:£3k).

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

An endowment fund is maintained representing sponsorship income received. In accordance with the terms of sponsorship the company must maintain the sponsorship it receives and is not allowed to spend any element thereof. Income arising from the endowment fund (e.g. interest earned) may be used to support the general objects of the company, but the principal element is not available for future spending. The trustees are currently reviewing whether the capital element of the endowment may be used for specific projects in the future. The balance on this fund at 31 August 2022 is £987k (2021:£987k)

A general restricted fund is maintained representing grant funding received mainly from the ESFA to fund the operating activities of the Academies. An unrestricted general fund is maintained, representing funds raised or generated by the Academies, to which no restrictions apply, beyond the general requirement that they be applied to the company's educational and charitable objectives.

The trust's minimum reserves target is for unrestricted funds to equal one month's average payroll costs. This would mean a minimum unrestricted reserve of £750k (2021:£965k). The trust is working on adopting a new reserve's policy that would instead plan for estate management, cyclical maintenance, cashflow timings and income and future capital and revenue income and expenditure plans to ensure reserves are in place for future strategic developments.

The unrestricted reserves balance of £1,945k (£1,354k) is currently much higher as it is expected the reworked reserves policy will result in further requirements from the central fund reserves. There are also future capital projects planned from the central reserve.

The company maintains one further fund, the Local Government Pension Scheme (LGPS) fund. This represents the company's share of the pension fund surplus or deficit, calculated in accordance with the requirements of Financial Reporting Standard (FRS) 102. Further details of the calculations and assumptions underlying the balance on this fund are set out in note 21 to the financial statements. The balance on this fund at 31 August 2022 is £2,213k (2021:£12,069k)

b. Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

c. Principal risks and uncertainties

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

d. Activities during year

Future Schools Trust have had a positive year despite facing difficulty filling certain roles in both teaching and non-teaching posts. The schools have continued to support their students using the Covid Catch Up Fund, School-Led Tuition Grant and the Recovery Premium to attempt to minimise the impact of school closures since Covid-19. The two secondary schools were also in receipt of the Covid Mass Testing Grant and the Vaccine Grant. This was used to fund the testing and vaccination programme set up to enable students to return to schools safely.

Both the secondary schools continue to grow with an increase in pupil numbers in 2021/22 and this trend is set to continue into 2022/23 and beyond.

The Trust's internal exclusion provision the Gateway continues to thrive through using the devolved Kent County Council Funding for both secondary schools. The Trust is reviewing the way this provision is funded and will introduce a formulaic method that mirrors the schools from 2023/24 providing clearer transparency.

All schools in consultation with Kent County Council made settlements to all term-time only staff adopting the new term-time only calculations funded by the KCC dedicated schools grant.

The schools have been able to maximise self-generated income this year by having the schools fully open for lettings and have seen a steady increase in community usage since Covid-19. These funds are used to support the running of the school.

All schools ended the year in surplus prior to the depreciation accounting adjustment, which is a great achievement considering the financial challenges that were faced.

During the year the total income amounted to £16,792k (2021: £15,795k) while total expenditure was £17,913k (2021: £16,472k).

Total fund balances at 31 August 2022 amounted to £23,379k (2021: £13,426k).

The fixed asset fund of £22,582k (2021: £22,638k) reflects the value of fixed assets and unspent capital grants.

Other restricted funds available for spending amounted to £78k (2021: £516k). The academy's share of the LGPS deficit amounted to £2,213k (2021: £12,069k). Unrestricted funds stood at £1,945k at 31 August 2022 (2021: £1,354k). The endowment fund stood at £987k (2021: £987k).

Principal risks and uncertainties

The principal risks facing the Trust are improving student numbers in our secondary schools and the relatively small size of the trust. In order to manage those risks, both secondary schools have an extensive marketing campaign. Furthermore, the Trust is working in collaboration with the Local Authority and the Regional Schools Commissioner to maximise student numbers, and to secure the support of the RSC in discussing potential growth with other schools.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial and risk management objectives and policies

The key financial risks to which the academy trust is exposed to relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Cost of living crisis and high inflation
- Cyber security
- Damage to reputation

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £2,213k (2021: £12,069k). Although the amounts in the accounts are an actuarial estimation, future contributions payable by the academy trust can be affected by such estimations.

The key objective of Trustees is to identify financial risks and ensure appropriate preventative measures are set out to ensure risk exposure is minimised.

Future Schools Trust has a risk register that lists the key risks noted above (along with many others) and discusses mitigating factors. This is reviewed on a termly basis both in terms of ensuring that the mitigating factors are still relevant and whether any of the action plans need reviewing. Trustees will also consider forecasts and budgets which are thoroughly scrutinised to ensure the financial risks are considered and preventative actions taken in a timely manner.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by Trustees.

Streamlined energy and carbon reporting

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

		2022	2021
		kWh	kWh
<i>Energy consumption</i>			
Aggregate of energy consumption in the year			
- Gas combustion	**	827,077	929,332
- Fuel consumed for transport		16,288	11,323
- Electricity purchased		2,129,494	1,501,627
		<u>2,972,859</u>	<u>2,442,282</u>

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	152.07	170.88
- Fuel consumed for owned transport	3.08	2.14
	<u>155.15</u>	<u>173.02</u>
Scope 2 - indirect emissions		
- Electricity purchased	496.47	350.09
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust	2.00	1.11
	<u>2.00</u>	<u>1.11</u>
Total gross emissions	<u>653.62</u>	<u>524.22</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	<u>0.28</u>	<u>0.22</u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

*Measures taken to improve energy efficiency ***

The Trust is committed to reducing its carbon footprint. The trust is continuing to look into solar panel schemes and the efficiency of the boilers.

Plans for future periods

All of the academy trust's work continues to focus essentially on improving the quality of its provision in order to enable all students to achieve the highest possible standards of attainment and achievement.

Cornwallis Academy

Our aim is to provide all students with the best educational provision. We want our school to be the local school of choice, providing an exceptional learning environment where ambitions are achieved for all. Our drive is to ensure all students achieve their academic potential in order to secure their future employability within a safe, ethical and nurturing environment. We also aim for all our students to develop as confident, courteous and capable young people. We work hard and expect our students to work equally hard to achieve these goals. We are a truly inclusive community and pride ourselves upon our SMILE ethos and school logo.

The vision is to ensure that we have ambitions for all students. To that end our philosophy is set out broadly around the five key strategic intents:

- 1) Teaching and Learning is self-sustaining and consistently good or better
- 2) All members of the school community feel valued and believe in lifelong learning
- 3) The curriculum enables all student outcomes to reflect their ability and potential, overcoming any barriers
- 4) Leadership within the school is ambitious and inspiring
- 5) Our Sixth Form provision is good and ambitious

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

New Line Learning Academy

At New Line Learning Academy there is an unrelenting focus to improve outcomes for all pupils and to raise aspirations. Our vision is expressed as "Believe and Achieve". The academy philosophy is based on being 'Ready, Respectful and Safe' - and in our belief that working together can remove barriers for all learners.

Inclusive Curriculum

The intent of our coherently planned, ambitious curriculum is to give every pupil the opportunity to meet our high expectations and to provide the cumulative knowledge, understanding, skills and attributes for academic success in school, as well as a fulfilled and successful life beyond school. We follow the National Curriculum but retain the opportunity to offer an alternative as and when appropriate to meet the needs of our pupils.

We are committed to providing a broad curriculum well matched to pupil need, interest and aspiration across key stage three and four which:

- secures development and achievement
- provides opportunities for pupils' personal development
- allows all pupils to achieve their personal best
- prepare pupils for 'life after New Line'
- challenges, motivates, inspires and leads to a lifelong interest in learning
- prepares pupils for further education, whether academic, or vocational and for the world of work
- promotes active community involvement
- ensures that pupils are fully prepared for life in modern Britain
- offers a wide range of quality extra-curricular opportunities for personal development
- involves working with the community to promote local, national and global awareness

New Line Learning Academy six key strategic themes are:

- 1) To ensure Academy pupil number is continually increasing
- 2) To ensure Learning and Teaching is self-sustaining and consistently 'effective' in line with the Trust Charter targets
- 3) To further improve the effectiveness of teaching, engaging and promoting pupils' thirst for learning
- 4) To improve pupils' progress in key identified groups — SEND, Boys, HPA and DA pupils
- 5) To provide a curriculum that meets the needs of all pupils
- 6) To provide high quality professional learning to support effective leadership

Tiger Primary School

Our focus is to ensure all children achieve their full potential and be the very best version of themselves that they can be. This is achieved through our nurturing approach to education; through a curriculum that builds on prior knowledge, with long term memory being enhanced. The children are at the centre of all that we do. We have high aspirations for our children and demonstrate to them that we value their work and efforts.

We expect positive behaviour from all of our learners. This is underpinned with our three core rules: Ready, Respectful, Safe.

Curriculum

At Tiger Primary, we want the very best for all of our pupils. Our curriculum develops knowledge, understanding, skills and nurtures the wellbeing of each child.

FUTURE SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Our intention is to have life long, happy learners who thrive in our warm, caring environment.

Our curriculum is broad and balanced, addresses the needs of the pupils and prepares them to be Positive British Citizens.

We offer all of our pupils:

- A curriculum that matches their needs, challenges them and supports their individual learning needs
- A curriculum that builds on prior knowledge and allows children to explore topics that interest them
- A school that allows them to be the very best version of themselves that they can be
- A school that cares for pupil wellbeing and supports pupil mental health
- Lessons that challenge, motivate, inspire pupils to learn and thrive
- A school that prepares pupils for secondary education
- A school that is a family and respects one another
- A school where every child truly matters
- A wide range of extracurricular activities

Funds held as custodian trustee on behalf of others

The trust is not acting as custodian trustee for any funds or assets.

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2022 and signed on its behalf by:

Marilyn Hodges

M L Hodges

Chair of Trustees

FUTURE SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the principal, 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 Future Schools 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
M L Hodges (Chair of Trustees)	4	4
M G S Farrell OBE (Resigned 14 July 2022)	4	4
M Kirby	3	4
G Niblock (Resigned 14 July 2022)	4	4
N G P Whitfield CBE (Vice Chair of Trustees)	4	4
I N H Linney-Drouet	4	4
Michael O'Brien (Appointed 11 July 2022)	1	1
Judy Rider (Appointed 10 May 2022)	1	1
Simon Cook (Appointed 10 March 2022)	1	2

FUTURE SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees are responsible for the general control and management of the Trust. The Trustees give their time freely and receive no remuneration or other financial benefits, although they may be eligible for small incidental expenses in line with Trust policy.

The Board of Trustees met at least once a term to set the strategic direction and policies of the Trust, review performance, take key decisions including adopting the Annual Report and Financial Statements, Budget and to make senior appointments. In 2021/22, The Board of Trustees approved the release of some of the reserves to improve the quality of education by providing better access to technology at Tiger Primary. They approved the proposal for the 3G Pitch at Cornwallis Academy. They agreed to review the management structure in both our secondary schools to reflect their rapid growth. They approved the creation of 5 new Trust Wide roles (2 of which have now been appointed and in post) to build capacity for growth.

The Trust has delegated some of its decision making to additional Trust Committees. It has formed a Resource (including Audit) which meets at least three times a year in order to take a more detailed look at these areas and advise the Board of Trustees in its decision making. These committees have strategic oversight of all matters related to Audit, Finance and Capital Assets. They seek to monitor internal scrutiny and the delivering of objectives, provide independent assurance over the suitability and compliance of financial systems and operational controls, and ensure that the Trust is operating within the Funding Agreement and in line with the Academies Financial Handbook. It has also formed a Gateway Management Committee to ensure Trustees and representatives from all our schools provide sufficient support and challenge for The Gateway. In addition, each Academy has a Local Governing Body, accountable to the Board of Trustees, to provide local governance and feedback to the board about the progress, attainment, safeguarding and wellbeing of pupils and other committees may be formed from time to time as required. The Local Governing Bodies also act as a scrutiny committee to assist the Board in discharging its standards related accountabilities. The role of the Local Governing Body is to ensure annual school improvement plans contain appropriately challenging targets on achievement and attendance for each school and where necessary to prevent underperformance, they may also challenge headteachers.

The Trustees have still managed to provide robust governance with less than 6 meetings per year by discharging some duties to local Governing Bodies and other various committees. These meeting more frequently and report into Trustees on a regular basis.

The Trust has agreed a Scheme of Delegation which together with the Trust's Finance Policy identify clear responsibilities and reserved decisions.

The Trust, as a Multi Academy Trust, has a Central Office to support its academies in relation to their business operational needs. The Scheme of Delegation is reviewed annually.

FUTURE SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governance reviews:

Future Schools Trust continues to review its governance structure and scheme of delegation. Recruiting new governors and succession planning for Trustees has been a priority. Segregation of duties between Trustees and Local Governors is clearly defined in our Scheme of delegation. Declarations of interests are formally recorded and updated annually on Governor Hub. Declaring conflicts of interest is a standard agenda item for all governance meetings and forms part of minutes.

The Resources Committee is a sub committee of the main board of trustees. Its purpose is to:

Finance

- To ensure that a proper financial budget is prepared on a timely basis for each financial year and agreed and adopted by the Finance Director and Headteachers.
- Ensure that a three year financial plan is established and regularly monitored where practical.
- Ensure that termly accounts are prepared on a timely basis. Maintain a forecast of the end of year position and review at every meeting. Where it appears that any school is unable to fulfil its budgetary targets, the committee should make sure that action is taken to rectify the situation or, if that is not possible, to deal with the financial consequences in the most expedient way making recommendations to the Full Governing Body as appropriate.
- Report any relevant and significant issues to the Governing Body on a regular basis.
- Approving decisions on expenditure following recommendations from other committees.

Human Resources

- To ensure compliance with the Trust Recruitment policy. Equal opportunities legislation, pre employment checks and employment law throughout the recruitment process of any member of staff.
- To ensure compliance with the Trust Safeguarding policy including receiving reports from the Trust and overall monitoring of policy implementation to support strategic planning for staffing posts and succession planning.
- To monitor decisions delegated to the CEO and Principals with regard to temporary appointments and fixed term contracts.
- To ensure policies, procedures and programmes are in place to develop an employee orientated culture that emphasizes quality, continuous professional development and high performance by overseeing Performance Management and training across the Trust.
- To ensure that all employment policies and procedures are in place, consulted upon, distributed to all staff and kept under review. To keep under review staff work/life balance, working conditions and well being, including the monitoring of absence, exit interviews and the provision of wellbeing services.

Audit

- Appoint a suitable firm of auditors to conduct the annual audit
- Appoint a suitable Internal Auditors to review the system of controls in place in the Finance Team of the Trust.
- Ensure the risks facing the Trust are reviewed on a regular basis and steps are put in place to minimise the risk to the Trust.
- Ensure health and safety policy is followed and review any concerns.

FUTURE SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Resources Committee met at least once a term to ensure that the Board of Trustees can guarantee sound management of the Academies' finances and resources, including proper planning, monitoring, compliance and probity. The committee has strategic oversight of all matters related to Audit, Finance and Capital Assets. It seeks to monitor internal scrutiny and the delivering of objectives, provide independent assurance over the suitability and compliance of financial systems and operational controls, and ensure that the Trust is operating within the Funding Agreement and in line with the Academies Trust Handbook. The Committee's delegated responsibilities are set out in the Trust's Scheme of Delegation and the Trust's Academies Trust Handbook. The Board recognises the overriding principles of the Academies Trust Handbook. Major strategic issues will be referred to the Trust Board for their approval.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M L Hodges (Chair of Trustees)	4	4
M G S Farrell OBE (Resigned 14 July 2022)	4	4
M Kirby	2	4
I N H Linney-Drouet	4	4
Simon Cook (Appointed 10 March 2022)	2	2

Review of value for money

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

The accounting officer considers how the Academy'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 has delivered improved value for money during the year by:

- Establish a curriculum led financial planning model
- The managing of financial and non financial risk through the risk register and the audit committee
- The checking and improvements as a result of both internal and external audit advice.
- Constant review of financial reports, annual budgets and cash flows.
- Review of contracts based on the Trust's purchasing procurement procedures and management of these contracts to maximise best value.
- Better income generation through lettings.
- Improving the use of SEN and pupil premium funding to deliver better educational standards for targeted students to narrow the gap.
- Review of staffing structures and careful performance management of staff.

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 Future Schools Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

FUTURE SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the resources 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;
- identification and management of risks.

The Board of Trustees has decided to employ Williams Giles Professional Services Ltd as internal auditor.

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

- Testing of payroll systems
- Testing of purchase systems and sales systems
- Testing of control account/bank reconciliations
- Testing financial reporting

Twice a year the auditor reports to the board of trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Non financial reviews are also conducted on Health & Safety and Safeguarding throughout the year.

The audit committee feels the internal audit function has delivered a well-planned schedule of work for the academic year. Any material control weaknesses have been highlighted through the reporting cycle and dealt with through rigorous challenge at the committee meetings.

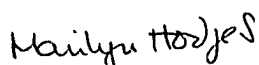
Review of effectiveness

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

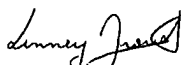
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- The board of trustees financial decisions to help the committee consider actions and assess year on year progress

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Health and Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 13 December 2022 and signed on its behalf by:



M L Hodges
Chair of Trustees



I N H Linney-Drouet
Accounting Officer

FUTURE SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Future Schools Trust, I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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.



I N H Linney-Drouet
Accounting Officer

13 December 2022

FUTURE SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of Future Schools Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

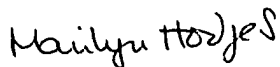
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2022 and signed on its behalf by:



M L Hodges
Chair of Trustees

FUTURE SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Future Schools Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

FUTURE SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

FUTURE SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Use of our report

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

Azets Audit Services Limited

Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

15 December 2022

Chartered Accountants
Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
United Kingdom
BR6 0NZ

FUTURE SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 29 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Future Schools Trust during the period 1 September 2021 to 31 August 2022 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 Future Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Future Schools Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Future Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Future Schools Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

FUTURE SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services Limited

Reporting Accountant

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ
United Kingdom

Dated: 15 December 2022

FUTURE SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Restricted funds:		Endowment funds	Total 2022	Total 2021
	Notes	£'000	General £'000	Fixed asset £'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	4	306	-	292	-	598	275
Charitable activities:							
- Funding for educational operations	5	-	15,505	-	-	15,505	15,069
Other trading activities	6	687	-	-	-	687	451
Investments	7	2	-	-	-	2	-
Total		995	15,505	292	-	16,792	15,795
Expenditure on:							
Raising funds	8	304	-	-	-	304	89
Charitable activities:							
- Educational operations	9	100	16,710	799	-	17,609	16,383
Total	8	404	16,710	799	-	17,913	16,472
Net income/(expenditure)		591	(1,205)	(507)	-	(1,121)	(677)
Transfers between funds	19	-	(451)	451	-	-	-
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	21	-	11,074	-	-	11,074	(2,148)
Net movement in funds		591	9,418	(56)	-	9,953	(2,825)
Reconciliation of funds							
Total funds brought forward		1,354	(11,553)	22,638	987	13,426	16,251
Total funds carried forward		1,945	(2,135)	22,582	987	23,379	13,426

FUTURE SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Restricted funds: Endowment funds £'000	Total 2021 £'000
Income and endowments from:						
Donations and capital grants	4	93	-	182	-	275
Charitable activities:						
- Funding for educational operations	5	-	15,069	-	-	15,069
Other trading activities	6	451	-	-	-	451
Total		<u>544</u>	<u>15,069</u>	<u>182</u>	<u>-</u>	<u>15,795</u>
Expenditure on:						
Raising funds	8	89	-	-	-	89
Charitable activities:						
- Educational operations	9	217	15,427	739	-	16,383
Total	8	<u>306</u>	<u>15,427</u>	<u>739</u>	<u>-</u>	<u>16,472</u>
Net income/(expenditure)		238	(358)	(557)	-	(677)
Transfers between funds	19	96	(311)	215	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(2,148)	-	-	(2,148)
Net movement in funds		334	(2,817)	(342)	-	(2,825)
Reconciliation of funds						
Total funds brought forward		1,020	(8,736)	22,980	987	16,251
Total funds carried forward		<u>1,354</u>	<u>(11,553)</u>	<u>22,638</u>	<u>987</u>	<u>13,426</u>

FUTURE SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022	2021
	Notes	£'000	£'000
Fixed assets			
Tangible assets	14	22,582	22,635
Current assets			
Stocks	15	22	18
Debtors	16	592	517
Cash at bank and in hand		3,639	3,164
		<u>4,253</u>	<u>3,699</u>
Current liabilities			
Creditors: amounts falling due within one year	17	<u>(1,243)</u>	<u>(839)</u>
Net current assets		3,010	2,860
Net assets excluding pension liability		25,592	25,495
Defined benefit pension scheme liability	21	<u>(2,213)</u>	<u>(12,069)</u>
Total net assets		<u>23,379</u>	<u>13,426</u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds		22,582	22,638
- Restricted income funds		78	516
- Pension reserve		(2,213)	(12,069)
- Endowment funds		987	987
Total restricted funds		<u>21,434</u>	<u>12,072</u>
Unrestricted income funds	19	<u>1,945</u>	<u>1,354</u>
Total funds		<u>23,379</u>	<u>13,426</u>

The accounts on pages 27 to 52 were approved by the Trustees and authorised for issue on 13 December 2022 and are signed on their behalf by:

Marilyn Hodges

M L Hodges

Chair of Trustees

Company Number 06272751

FUTURE SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	22		1,030		478
Cash flows from investing activities					
Dividends, interest and rents from investments		2		-	
Capital grants from DfE Group		145		50	
Purchase of tangible fixed assets		(691)		(262)	
Net cash used in investing activities			(544)		(212)
Cash flows from financing activities					
Finance costs		(11)		(6)	
Net cash used in financing activities			(11)		(6)
Net increase in cash and cash equivalents in the reporting period			475		260
Cash and cash equivalents at beginning of the year			3,164		2,904
Cash and cash equivalents at end of the year			3,639		3,164

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 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.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

The Cornwallis Academy land and buildings have been included at a desktop valuation. The trust has a 125 year lease with Kent County Council from the date that the land and buildings were introduced to the trust.

The New Line Learning Academy land and buildings have been included at a desktop valuation. The trust has a 125 year lease with Kent County Council from the date that the land and buildings were introduced to the trust.

The Tiger Primary School land and buildings have been included at a desktop valuation. The trust has a 125 year lease with Kent County Council from the date that the land and buildings were introduced to the trust.

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:

Leasehold land and buildings	2%
Computer equipment	33%
Fixtures, fittings and equipment	20%

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

1.6 Liabilities

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

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 Stock

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid any business held are disclosed in note 28.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of 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 14 for the carrying amount of the assets and note 1 accounting policies for the useful economic lives for each class of asset.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2022.

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Voluntary funds	306	-	306	93
Donated fixed assets	-	55	55	132
Capital grants	-	237	237	50
	<u>306</u>	<u>292</u>	<u>598</u>	<u>275</u>

Donated fixed assets relate to computer equipment received under non-exchange transactions.

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	13,298	13,298	12,499
Other DfE/ESFA grants:				
UFSM	-	39	39	46
Pupil premium	-	775	775	726
Supplementary grant	-	160	160	-
Rates	-	104	104	106
Teachers pension grants	-	52	52	426
Teachers pay grants	-	19	19	151
Recovery premiums	-	106	106	-
Tutoring funding	-	52	52	-
Others	-	36	36	132
	<u>-</u>	<u>14,641</u>	<u>14,641</u>	<u>14,086</u>
Other government grants				
Local authority grants	-	557	557	496
LA high needs funding	-	275	275	209
	<u>-</u>	<u>832</u>	<u>832</u>	<u>705</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	32	32	251
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	-	-	27
	<u>-</u>	<u>32</u>	<u>32</u>	<u>278</u>
Total funding	<u>-</u>	<u>15,505</u>	<u>15,505</u>	<u>15,069</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

5 Funding for the academy trust's educational operations

(Continued)

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

- The funding received for other coronavirus funding totals £32k (2021: £251k). This funding relates to Mass testing funding of £32k (2021: £68k) ; COVID catch up and summer school funding of nil (2021: £183k). COVID catch up funding was spent on external tutors and staffing costs and the provision of a summer school during the year. There was no unspent funding at the year end.

- The academy furloughed some of its nursery and lettings staff under the government's CJRS. The funding received of nil (2021: £27k) relates to staff costs in respect of 10 staff in 2021.

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Lettings income	93	-	93	39
Catering income	335	-	335	162
Nursery income	177	-	177	175
Other income	82	-	82	75
	<u>687</u>	<u>-</u>	<u>687</u>	<u>451</u>

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Short term deposits	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

8 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds					
- Direct costs	-	-	304	304	89
Academy's educational operations					
- Direct costs	10,087	505	1,462	12,054	11,604
- Allocated support costs	3,071	1,644	840	5,555	4,779
	<u>13,158</u>	<u>2,149</u>	<u>2,606</u>	<u>17,913</u>	<u>16,472</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Expenditure

(Continued)

Net income/(expenditure) for the year includes:	2022 £'000	2021 £'000
Fees payable to auditor for:		
- Audit	13	12
- Other services	8	5
- Over provision in prior year	-	(6)
Operating lease rentals	75	95
Depreciation of tangible fixed assets	799	739
Bank charges	11	6
Net interest on defined benefit pension liability	195	149
	<u> </u>	<u> </u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Direct costs				
Educational operations	-	12,054	12,054	11,604
Support costs				
Educational operations	100	5,455	5,555	4,779
	<u>100</u>	<u>17,509</u>	<u>17,609</u>	<u>16,383</u>
			2022 £'000	2021 £'000
Analysis of support costs				
Support staff costs			3,071	2,577
Depreciation			294	236
Premises costs			1,350	1,245
Legal costs			56	40
Other support costs			760	670
Governance costs			24	11
			<u>5,555</u>	<u>4,779</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	9,104	8,928
Social security costs	903	856
Pension costs	2,870	2,481
Staff costs - employees	12,877	12,265
Agency staff costs	277	86
Staff restructuring costs	4	5
Staff development and other staff costs	13,158	12,356
	72	64
Total staff expenditure	13,230	12,420

Staff restructuring costs comprise:

Severance payments	4	-
Other restructuring costs	-	5
	4	5

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £4k (2021: £5k). Individually, the payments were £2k and £2k (2021: £5k).

Staff numbers

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

	2022 Number	2021 Number
Teachers	125	158
Administration and support	187	151
Management	32	19
	344	328

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

Higher paid staff

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

	2022 Number	2021 Number
£60,000 - £70,000	7	4
£70,001 - £80,000	3	4
£80,001 - £90,000	1	2
£110,001 - £120,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £548k (2021: £558k).

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

I Linney-Drouet (CEO)

Remuneration - £115,000 - £120,000 (2021: £115,000 - £120,000)

Pension contributions - £25,000 - £30,000 (2021: £25,000 - £30,000)

Retirement benefits are not accruing for any other director/trustee.

During the year expenses totalling £45 (2021: £36) were reimbursed or paid directly to 1 Trustee (2021: 1 Trustee). These expenses were in relation to staff training.

12 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- site staff ;
- IT services

The academy trust charges a flat percentage of 7.0% (6.9%) of GAG.

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Central services

(Continued)

The amounts charged during the year were as follows:

	2022 £'000	2021 £'000
Cornwallis Academy	496	457
New Line Learning Academy	315	278
Tiger Primary School	143	120
	<u>954</u>	<u>855</u>

The recharges above for Tiger Primary School include charges specific to the nursery of £ 20k(£17k).

13 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

14 Tangible fixed assets

	Leasehold land and buildings £'000	Assets under construction £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 1 September 2021	25,185	-	5,026	1,009	31,220
Additions	100	288	290	68	746
Disposals	-	-	-	(4)	(4)
At 31 August 2022	<u>25,285</u>	<u>288</u>	<u>5,316</u>	<u>1,073</u>	<u>31,962</u>
Depreciation					
At 1 September 2021	3,030	-	4,869	686	8,585
On disposals	-	-	-	(4)	(4)
Charge for the year	505	-	183	111	799
At 31 August 2022	<u>3,535</u>	<u>-</u>	<u>5,052</u>	<u>793</u>	<u>9,380</u>
Net book value					
At 31 August 2022	<u>21,750</u>	<u>288</u>	<u>264</u>	<u>280</u>	<u>22,582</u>
At 31 August 2021	<u>22,155</u>	<u>-</u>	<u>157</u>	<u>323</u>	<u>22,635</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Tangible fixed assets

(Continued)

Additions to land and buildings during the year include installing a new gateway roof, garden facilities and reception modification.

Assets in course of construction include the installation of a new heating system.

15 Stocks

2022
£'000

2021
£'000

Stock	22	18
	<u>22</u>	<u>18</u>

16 Debtors

2022
£'000

2021
£'000

Trade debtors	29	20
VAT recoverable	159	93
Other debtors	3	7
Prepayments and accrued income	401	397
	<u>592</u>	<u>517</u>

17 Creditors: amounts falling due within one year

2022
£'000

2021
£'000

Trade creditors	495	136
Other taxation and social security	209	214
Other creditors	364	303
Accruals and deferred income	175	186
	<u>1,243</u>	<u>839</u>

18 Deferred income

2022
£'000

2021
£'000

Deferred income is included within:		
Creditors due within one year	134	152
	<u>134</u>	<u>152</u>

Deferred income at 1 September 2021	152	206
Released from previous years	(152)	(206)
Resources deferred in the year	134	152
	<u>134</u>	<u>152</u>
Deferred income at 31 August 2022	134	152

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Deferred income

(Continued)

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals; Nursery fees; and other funds received in advance.

19 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	415	13,298	(13,184)	(451)	78
UIFSM	-	39	(39)	-	-
Pupil premium	-	775	(775)	-	-
Teachers pension grants	-	52	(52)	-	-
Teachers pay grants	-	19	(19)	-	-
Supplementary grant	-	160	(160)	-	-
Rates	-	104	(104)	-	-
Other DfE / ESFA grants	4	36	(40)	-	-
Other government grants	-	832	(832)	-	-
COVID funds	97	32	(129)	-	-
Recovery premiums	-	106	(106)	-	-
Tutoring grants	-	52	(52)	-	-
Pension reserve	(12,069)	-	(1,218)	11,074	(2,213)
	<u>(11,553)</u>	<u>15,505</u>	<u>(16,710)</u>	<u>10,623</u>	<u>(2,135)</u>
Restricted fixed asset funds					
DfE group capital grants	3	237	(799)	559	-
General fixed assets	22,635	55	-	(108)	22,582
	<u>22,638</u>	<u>292</u>	<u>(799)</u>	<u>451</u>	<u>22,582</u>
Restricted endowment fund	987	-	-	-	987
Total restricted funds	<u>12,072</u>	<u>15,797</u>	<u>(17,509)</u>	<u>11,074</u>	<u>21,434</u>
Unrestricted funds					
General funds	1,354	995	(404)	-	1,945
Total funds	<u>13,426</u>	<u>16,792</u>	<u>(17,913)</u>	<u>11,074</u>	<u>23,379</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the academy trust that has been provided (via the Education Skills and Funding Agency) by the Department for Education. The General Annual Grant fund has been set up because the funding must be used for the normal running costs of the academies within the trust.

Universal Infant Free School Meals (UIFSM), Pupil Premium, Teachers Pension Grants, Teachers Pay Grants, Rates, Supplementary grants: Income received from the ESFA for specific purposes.

Other DfE/ESFA grants represent grants provided for specific purpose. This fund includes Recovery premiums, Tutoring grants, FSM and summer school funding.

Other government grants: This includes High Needs funding, Pupil Premium and other similar funding.

COVID funding: Amounts received from the ESFA for Catch Up and Mass Testing.

The Restricted Fixed Asset fund represents assets held by the academy trust that have been recorded and depreciated inline with the academy trusts policies. The fund also includes capital funding received by the academy trust and the associated expenditure of these funds.

The LGPS deficit fund represent the separately identifiable pension scheme deficit inherited from the local authority upon conversion to academy trust status. All pension deficit movements are recognised through this fund.

The Restricted Endowment fund represents funds that were provided to the academy trust historically by its sponsor.

Transfers represent the funding of fixed assets and a reallocation of restricted funds brought forward that were incorrectly recognised as restricted.

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	253	12,499	(12,129)	(208)	415
UIFSM	-	46	(46)	-	-
Pupil premium	-	726	(726)	-	-
Teachers pension grants	-	426	(426)	-	-
Teachers pay grants	-	151	(151)	-	-
Rates	-	106	(106)	-	-
Other DfE / ESFA grants	-	132	(128)	-	4
Other government grants	-	705	(705)	-	-
COVID fund	-	278	(181)	-	97
Other restricted funds	103	-	-	(103)	-
Pension reserve	(9,092)	-	(829)	(2,148)	(12,069)
	<u>(8,736)</u>	<u>15,069</u>	<u>(15,427)</u>	<u>(2,459)</u>	<u>(11,553)</u>
Restricted fixed asset funds					
DfE group capital grants	-	50	-	(47)	3
General fixed assets	22,980	132	(739)	262	22,635
	<u>22,980</u>	<u>182</u>	<u>(739)</u>	<u>215</u>	<u>22,638</u>
Restricted endowment fund	<u>987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>987</u>
Total restricted funds	<u>15,231</u>	<u>15,251</u>	<u>(16,166)</u>	<u>(2,244)</u>	<u>12,072</u>
Unrestricted funds					
General funds	563	544	(306)	553	1,354
Designated funds	457	-	-	(457)	-
	<u>1,020</u>	<u>544</u>	<u>(306)</u>	<u>96</u>	<u>1,354</u>
Total funds	<u>16,251</u>	<u>15,795</u>	<u>(16,472)</u>	<u>(2,148)</u>	<u>13,426</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

Total funds analysis by academy

	2022 £'000	2021 £'000
Fund balances at 31 August 2022 were allocated as follows:		
Cornwallis Academy	935	797
New Line Learning Academy	157	(122)
Tiger Primary School	630	689
Central services	301	506
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	2,023	1,870
Endowment fund	987	987
Restricted fixed asset fund	22,582	22,638
Pension reserve	(2,213)	(12,069)
	<hr/>	<hr/>
Total funds	23,379	13,426
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £'000
Cornwallis Academy	5,189	558	173	1,962	7,882	7,330
New Line Learning Academy	3,119	437	144	1,015	4,715	4,560
Tiger Primary School	1,612	378	71	334	2,395	2,233
Central services	167	675	-	97	939	1,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,087	2,048	388	3,408	15,931	15,733
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	-	-	22,582	-	22,582
Current assets	1,945	1,321	-	987	4,253
Creditors falling due within one year	-	(1,243)	-	-	(1,243)
Defined benefit pension liability	-	(2,213)	-	-	(2,213)
Total net assets	1,945	(2,135)	22,582	987	23,379

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	-	-	22,635	-	22,635
Current assets	1,354	1,355	3	987	3,699
Creditors falling due within one year	-	(839)	-	-	(839)
Defined benefit pension liability	-	(12,069)	-	-	(12,069)
Total net assets	1,354	(11,553)	22,638	987	13,426

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £212k were payable to the schemes at 31 August 2022 (2021: £210k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,335k (2021: £1,197k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	526	466
Employees' contributions	149	142
Total contributions	675	608

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
Retiring today		
- Males	22	21.9
- Females	23.9	23.8
Retiring in 20 years		
- Males	23.4	23.3
- Females	25.4	25.3

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

	2022 £'000	2021 £'000
Discount rate + 0.1%	-331	-579
Discount rate - 0.1%	340	594
Life expectancy + 1 year	399	952
Life expectancy - 1 year	-389	-915
Pension increase + 0.1%	326	549
Pension decrease - 0.1%	318	-535

Defined benefit pension scheme net liability	2022 £'000	2021 £'000
Scheme assets	11,535	11,379
Scheme obligations	(13,748)	(23,448)
Net liability	(2,213)	(12,069)

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

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

	2022 Fair value £'000	2021 Fair value £'000
Equities	7,559	7,448
Other bonds	1,526	1,579
Gilts	67	64
Cash and other liquid assets	196	326
Property	1,357	1,170
Other assets	830	792
Total market value of assets	<u>11,535</u>	<u>11,379</u>

The actual return on scheme assets was £(152,000) (2021: £1,404,000).

Amount recognised in the statement of financial activities

	2022 £'000	2021 £'000
Current service cost	1,549	1,146
Interest income	(190)	(150)
Interest cost	385	299
Total operating charge	<u>1,744</u>	<u>1,295</u>

Changes in the present value of defined benefit obligations

	2022 £'000	2021 £'000
At 1 September 2021	23,448	18,763
Current service cost	1,549	1,146
Interest cost	385	299
Employee contributions	149	142
Actuarial (gain)/loss	(11,416)	3,402
Benefits paid	(367)	(304)
At 31 August 2022	<u>13,748</u>	<u>23,448</u>

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

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

	2022 £'000	2021 £'000
At 1 September 2021	11,379	9,671
Interest income	190	150
Actuarial loss/(gain)	(342)	1,254
Employer contributions	526	466
Employee contributions	149	142
Benefits paid	(367)	(304)
At 31 August 2022	11,535	11,379

22 Reconciliation of net expenditure to net cash flow from operating activities

	2022 £'000	2021 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,121)	(677)
Adjusted for:		
Capital grants from DfE and other capital income	(292)	(182)
Investment income receivable	(2)	-
Finance costs payable	11	6
Defined benefit pension costs less contributions payable	1,023	680
Defined benefit pension scheme finance cost	195	149
Depreciation of tangible fixed assets	799	739
(Increase) in stocks	(4)	-
Decrease in debtors	17	5
Increase/(decrease) in creditors	404	(242)
Net cash provided by operating activities	1,030	478

23 Analysis of changes in net funds

	1 September 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	3,164	475	3,639

FUTURE SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

24 Long-term commitments, including operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £'000	2021 £'000
Amounts due within one year	30	76
Amounts due in two and five years	30	52
	<u>60</u>	<u>128</u>

25 Capital commitments

	2022 £'000	2021 £'000
Expenditure contracted for but not provided in the accounts	<u>70</u>	<u>-</u>

Capital commitments relate to the new heating system and will be funded by a CIF grant and school reserves.

26 Related party transactions

Owing to the nature of the academy 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 Trustees have an interest. The following related party transactions took place in the financial period.

S Hodges is the daughter of ML Hodges, a trustee, and is employed by the academy trust as a teacher. The appointment of S Hodges was made in open competition and ML Hodges was not involved in the decision-making process regarding the appointment. Remuneration is paid within the normal pay scale for the role and no special treatment is received as a result of the relationship with a trustee.

No further related party transactions have occurred during the year.

27 Members' liability

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

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2022 the trust received £35k (2021: £34k) and disbursed £32k (2021: £31k) from the fund. An amount of £16k (2021: £13k) is included in other creditors relating to undistributed funds that is repayable to ESFA.