

Companies House

**Future
Academies**

**Consolidated Annual Report and
Financial Statements**

31 August 2022

Company Limited by Guarantee
Registration Number
06543442(England and Wales)



Future Academies

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Reference and Administrative Information

Members

Lord John Nash
Lady Caroline Nash
Gilbert Chalk
David Bloch (appointed 4 February 2022)
John Putt

Trustees

Lord John Nash (Chairman)
Lady Caroline Nash
Lara Newman
Mike Parish (Resigned 2 November 2022)
David Carter
Paul Smith (resigned 22 July 2022)
David Cannon (appointed 31 October 2022)
Maiken Vestergaard-Poulson (appointed 31 October 2022)
Paul Mullins (appointed 22 November 2022)

Senior Management (during 2021/22)

Paul Smith (Chief Executive, until 22 July 2022)
David Hughes (Chief Financial Officer, and Accounting Officer from 23 July 22)
Daniel Smith (Head of Standards and Effectiveness until 31 August 2022)
Helen Latham (Chief Operating Officer, from May 2022)
Tony Macdowall (Principal, Phoenix Academy)
Matt Singh (Principal, Laureate Academy)
Matthew Laban (Principal, Barclay Academy)
Deborah Warwick (Principal, Future Academies, Watford)
Dr Philip Hills (Principal, the Grange Academy)
Antony Faccinello (Principal, Trinity Academy)
Antony Oulton (Principal, Pimlico Academy, until 31 August 2022)
Alex Gamon (Executive Principal, Primaries)
Oliver Wimborne (Head of Curriculum Centre, until 31 August 2022)
Natalie Parker (Head of Initial Teacher Training and CPD)

Registered office

Pimlico Academy
Lupus Street
London
SW1V 3AT

Company registration number

06543442(England and Wales)

Auditor

Buzzacott LLP, 130 Wood Street, London. EC2V 6DL

Bankers

HSBC, 69 Pall Mall, London. SW1Y 5EY

Solicitors

Stone King, 16 St John's Lane, London. EC1 4BS

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Trustees' Report (including the strategic report)

For the year ended 31 August 2022

The Trustees of Future Academies ("the Trust"), who are also Directors of the Trust for the purposes of the Companies Act, present their statutory report and the audited consolidated financial statements for the year ended 31 August 2022, which include the financial results of the subsidiary company, Future Academies Trading Limited. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 39 to 45 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and principal activities

Future Academies is a company limited by guarantee with no share capital (Company Registration No. 6543442) which was incorporated on 25 March 2008. The Company is an exempt charity and is regulated by the Department for Education (DfE). It has a wholly owned subsidiary, Future Academies Trading Ltd (Company 09744838), which supports the charitable objectives by raising funds through commercial activities centred on the Trust's sites.

The Trust's memorandum and articles of association are the primary governing documents, and the Trust's Scheme of Governance provides a framework under which the Trust is governed and managed. The Member of the Trust is the Principal Sponsor, Future, a charity (charity number 1114396) founded by Lord John Nash and Lady Caroline Nash. For the purposes of the Trust governance, the Trustees of Future are designated as members, and listed at the front of this report. The articles of association require Future to appoint at least one, and up to 12, Trustees to be responsible for the affairs of the Trust and the management of Future Academies. These member-appointed Trustees may appoint additional alternate Directors, and the Secretary of State has the power to appoint Directors in certain circumstances.

The principal objects of Future Academies are to *advance, for the public benefit, education in the United Kingdom by establishing and developing Academies and to advance sport, the arts, culture, citizenship and community development within the communities from which such Academies draw their students*. Future Academies is a multi-Trust (MAT) of ten schools in Central London and Hertfordshire: There are seven secondary schools, Pimlico Academy, Phoenix Academy, Laureate Academy, Barclay Academy, The Grange Academy, Future Academies Watford and Trinity Academy; along with three primary schools, Churchill Gardens Primary Academy, Millbank Academy and Pimlico Primary. The Trust's School Centred Initial Teacher Training institute, known as Future Training, continues to train both primary and secondary teachers.

Future Academies

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Legal status and members' liability

Future Academies is an Trust limited by guarantee, without share capital. The Member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up while such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he or she ceases to be a member.

Trustees and Governors

The Memorandum and Articles of Association, Trust Scheme of Governance, and the funding agreements with the Department for Education form the basis of how the Trust is governed. The Trust is the body legally responsible for the operation of each Academy within the group. The Trust Board comprises non-executive Trustees ("Directors") and the Chief Executive Officer, in an ex-officio role. The Board of Future Academies is chaired by Lord Nash, s principal sponsor.

The Board operates a separate Finance, Audit and Risk Committee as a sub-committee of the Board. This was chaired by Mike Parish from the June 2021 meeting until November 2022, with avid Cannon becoming chair in December 2022. The CEO acted as Accounting Officer until his substantive departure on 22 July 2022. The Board appointed the Chief Financial Officer as acting Accounting Officer to succeed the CEO, and while that post remains vacant. A new appointee is due to take post on 1 January 2023.

Supporting the Board, each Academy has a Local Governing Body (LGB), which is an advisory body intended to assist with holding the Principals and Executive Principals to account for the progress, attainment, safeguarding and well-being of pupils.

Trustees and LGB members ("Governors") are appointed according to their skill sets and the contribution they can make to ensure the Trust's activities are effective. New Trustees and Governors are interviewed by experienced Trustees or Governors, given an introduction to the Trust and an opportunity to meet with the relevant Principal(s) prior to their first full meeting.

The SCITT is governed by the Trustees and has a Management Board made up of Trustees and others with expertise in the field of teacher training.

Organisational structure

In accordance with the funding agreement with the Education and Skills Funding Agency (ESFA), an agency of the DfE, the Trustees have made governance arrangements as described above. The Trustees of Future Academies are responsible for ensuring that high standards of corporate governance are maintained. They exercise their powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academies, addressing such matters as:

- policy development and strategic development;
- ensuring sound management and administration of the relevant Academies;
- ensuring compliance with legal requirements;

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- establishing and maintaining effective internal controls;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

- the effective management of all resources;
- the monitoring of performance;
- helping the Academies to be responsive to the needs of parents, carers and the community;
- setting the Academies' standards of conduct and values; and
- assessing and managing risk.

Trustees are also responsible for setting general policy, adopting an annual plan and budget, monitoring the Academies adherence to both the budget and the strategic development plan and making major decisions about the direction of the Academies, capital expenditure and senior staff appointments.

The Trust's Chief Executive Officer oversees the work of the Principals within each Academy. The Principals manage the Academies on a day to day basis, implementing the strategy laid down by the Board.

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Trust's key management personnel are approved by the Trust Board. The Remuneration Committee of the Board meets annual to determine the pay of the key management personnel, comprising the executive team and senior management. No Trustee or Governor received any remuneration in respect of their governance duties from the Trust during the period.

Principals' pay is set by the Remuneration Committee, taking the principles established in the Government's School Teachers Pay and Conditions Document as a guide. All other staff pay is determined with reference to pay policies in place at each Academy, national pay rates and market forces.

Employee Engagement

The Trust has a joint negotiation and consultation agreement with the unions, and this provides a forum for employee engagement throughout the Trust. In addition, each school has its own process for engagement with staff, such as annual staff surveys and more regular informal communications.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
7	7

Percentage of time spent on facility time

Percentage of time	Number of employees
1-50%	4

Percentage of pay bill spent on facility time

Total cost of facility time	£2,800
Total pay bill	£27,062,000
Percentage of the total pay bill spent on facility time	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.5%
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Connected organisations

Transactions with connected organisations during the year have been disclosed in note 21, related party transactions. The Trust does not ordinarily transact with related parties, other than receipt of donations from the sponsor, and transactions with the Trust's subsidiary company

Risk management

The Trust has drawn up a formal risk management process to assess business risks and implement risk management strategies. This process has identified the types of risk the Trust faces.

During the period, Trustees reviewed all risks to which the Trust may have been exposed and systems were established to mitigate those risks, including appropriate insurances, suitable financial procedures and other policies and procedures.

The Trust has engaged MHA Macintyre Hudson to provide independent scrutiny of Trust risk and controls. From December 2022, the Trust has restructured the Finance, Audit and Risk Committee to provide separate scrutiny of finance, and audit and risk.

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OBJECTIVES AND ACTIVITIES

The main activity of the Trust is the operation of its Academies and educational activity. The purpose is to provide education for pupils of different abilities with an emphasis on a cumulative, knowledge-rich curriculum and the training of teachers.

In setting the Trust's objectives and planning their activities, the Trustees give careful consideration to the Charity Commission general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance and future plans

Overview

The Covid-19 pandemic had an unprecedented impact on the delivery of education across two years, with children experiencing severe disruption and change to their education. Nonetheless, our academies and staff responded well to these challenges, and the students proved adaptable to continue their learning experiences.

After two years of cancellations of exams and formal testing, 2022 saw the return of public exams for key stages 4 and 5, along with the "SATs" national curriculum tests at key stage 2. Government moderation of these results means that they are not directly comparable with pre-Pandemic published results, or with future results. They do provide, however, a useful comparison with the national picture as the sector seeks to return to normality, and an indicator of how well each school is performing.

Overall, results were mixed amongst schools in the Trust. Two schools performed particularly well: Pimlico Academy continues to outperform the national picture at both Key Stage 4 and 5, whilst Barclay Academy's Key Stage 4 results are the best they have ever achieved. Phoenix Academy also performed well in comparison to other schools in Hammersmith. During the year, three schools were inspected by Ofsted:

- Pimlico Academy moved from Outstanding to "Good with outstanding features", reflecting that the inspection regime has changed significantly since the last inspection in 2010. Personal development is still regarded as outstanding, which is a cornerstone of the Trust's philosophy of enriched student's experiences;
- Trinity Academy attained a Good rating, in its first inspection within the Trust; and
- Future Academies Watford retained its Requires Improvement rating, awarded in 2019 as part of its predecessor trust.

The Board has approved an investment of £2.7 million across the next two years to deliver sustained improvement in the quality of education, specifically focusing on:

- Education standards and support, including literacy, reading and behaviour for learning, and post-pandemic student progress across all areas;
- Education enrichment, to support student personal development. This is particularly important for the cadre of students who had such limited exposure to culture, the arts and sport throughout successive lockdown;

Future Academies

STRATEGIC REPORT (continued)

Achievements and performance and future plans (continued)

Overview (continued)

- Breadth and accessibility of the Trust curriculum across key stages 2 and 3;
- Special Educational Needs – direct support to students with a learning difficulty or disability and supporting schools with implementation of strategies to support attainment for these groups of students.

The Board also approved during the year a five-year investment of £10.2 million in our IT and estates. This will be funded from reserves and from future capital grants from the Department for Education. This will see replacement of end of life plant and machinery and improvements in educational facilities, including measures to improve energy efficiency and to address impending compliance risks. The IT programme is intended to deliver enhanced capability, consistently high levels of performance, and robust cyber security. In May 2022, the Trust appointed a Chief Operating Officer, and she will oversee this investment.

At the end of the academic year, our CEO, Paul Smith left the Trust, taking a position at a larger multi Trust. The Board put in place interim leadership arrangements for the start of the 2022-23 academic year, with an executive team comprising the Chief Financial Officer, acting as Accounting Officer, the Chief Operating Officer, and an interim Director of Education. Lawrence Foley joins the Trust in January 2023 as the new Chief Executive Officer, and he has been tasked with developing our strategy and maintaining momentum in organisation improvement.

Vision

Our vision is for Future Academies to become a beacon, a national leader of educational excellence and social mobility. Our Trust motto 'libertas per cultum' encapsulates this vision.

We believe that a good education provides a child with the building-blocks to lead a purposeful and fulfilling life:

- it brings choice
- it brings freedom
- it is empowering
- it levels the playing field

A good education helps to ensure that birth and background will not constrain a child's chances in life.

To become a national leader of educational excellence is an ambitious vision for our Trust, and one that has been a long time in the making and we are moving closer to achieving it.

Future Academies

STRATEGIC REPORT (continued)

Achievements and performance and future plans (continued)

Vision (continued)

Our mission is to provide all students with an education that sets them up with the best possible prospects for the future. We seek to achieve this through:

- the provision of a rigorous, knowledge-rich education;
- knowledgeable, aspirational and compassionate teachers and school staff;
- access to a wide range of outstanding cultural, artistic and sporting opportunities;
- curriculum enhancement activities and careers guidance; and
- a firm but fair approach to behaviour management which encourages self-discipline, hard work and respect.

Certain traits will characterise Future Academies students. Principally, they will be goal-oriented: they will set themselves high standards and work hard to achieve their goals. They will have freedom from prejudice and disadvantage, and freedom to follow whichever path they should choose. Students will embrace the ideals upon which a good education is based: self-discipline, altruism, hard work, confidence, honesty, humility and articulacy.

Our values

We put our students first, and we accept no excuses.

We aspire to the highest outcomes for all students, regardless of their background or circumstance, and regardless of any limitations that they face in their own ambitions. We will achieve this goal by sponsoring and improving inadequate or failing schools, as well as by opening free schools.

All students will be provided with access to a broad and deep knowledge-rich curriculum throughout their time at our schools. This curriculum, developed and written in-house by our teachers and the Curriculum Centre team, will be the clearest distillation of our vision of what a curriculum should look like: high aspirations in both its coverage and complexity.

Exceptional teachers are essential if our vision is to be achieved. We recruit teachers that have, first and foremost, the highest expectations for their students. Moreover, all teachers show deep and passionate subject-knowledge, as well as a willingness to develop this further. We are committed to training such teachers through our SCITT programme, the Pimlico-London SCITT; rated the best in the South of England and the third best in the country by the good teacher training guide.

Future Academies

STRATEGIC REPORT (continued)

Achievements and performance and future plans (continued)

Our values (continued)

Alongside our curriculum and teachers, our bespoke Education Enrichment programme will play a vital role in helping us to achieve our mission. This co-curricular programme incorporates such aspects as:

- university access and outreach;
- high-quality work experience and networking; and
- rich cultural experiences.

Priorities

The Trust priorities for the period 2022-24 are:

- Deliver sustained improvement in the quality of education across the Trust, including the standard of teaching and the attainment of students;
- Develop the Trust operating model to underpin the vision through consistent, efficient and cost-effective operating procedures and structures.
- Evolve the corporate governance throughout the Trust to support Trust leaders.
- Widen the Future Academies Curriculum to support our vision to provide the highest quality of education to all students.

Key Performance Indicators

Assessments

This summer saw the first set of post-pandemic exam and testing results. The disruption to teaching and learning over the preceding two years has had a significant impact on attainment and progress for our students, and the nature of the restrictions throughout this period has had a varying impact in different students. Comparing an individual's results with others can therefore present unfair comparison, and equally there may be a host of reasons why the data even for a whole cohort of students is not necessarily an indicator of the quality of the teaching or the potential of those students. The Government stated in August 2022 that these results were a staging post to a more normal position in future years, and that all students should be proud of their achievements gained, reflecting their resilience and hard work throughout the pandemic.

Future Academies

STRATEGIC REPORT (continued)

Key Performance Indicators (continued)

Assessments (continued)

Our academies delivered the following results in 2022:

Key Stage 5 results

Academy	Average Points Score	Percentage A* to C
Barclay	35	78.6%
Laureate	19.4	35.7%
Future Academies Watford	29.8	62%
Grange	32	70%
Trinity	26.1	52%
Phoenix	33.7	79%
Pimlico	39.4	87.3%
National average ¹	39	82.1%

Key Stage 4 results

Academy	Attainment 8 Score	Percentage Grade 5 Plus (English/Maths)	Percentage entering EBacc	EBacc average point score
Barclay	52.1	66.7%	25.6%	4.5
Laureate	40.7	33.6%	49.2%	3.8
Future Academies Watford	42	38.0%	41.3%	3.7
The Grange	42.3	37.5%	35.8%	3.8
Trinity	42.1	30.8%	94.5%	4.0
Phoenix	47.5	52.2%	20.6%	4.3
Pimlico Academy	55.0	58.5%	77.3%	5.4
National averages ¹	48.7	49.6%	39.4%	4.27

Barclay and Pimlico academies outperformed the national average in 2022. For Barclay, this represents the best results to date on a continuing upward trend. Whilst grade 4 represents a pass at GCSE, the Government currently expects to migrate towards using grade 5 as a benchmark over the coming years, and the Trust uses this as the benchmark for evaluating performance. EBacc consists of English language and literature, maths, sciences, geography and history plus one foreign language. Government expect an increasing numbers of students to sit exams across the EBacc range, and this KPI reflects the Trust's progress against this objective; Trinity in particular has a high percentage of students sitting a full suite of subjects, and their results are consistent with our other secondary schools.

¹ Source: Department for Education

Future Academies

STRATEGIC REPORT (continued)

Key Performance Indicators (continued)

Assessments (continued)

Across the Trust, the investment in school improvement is designed to drive up these KPI scores in all schools.

Primary National Curriculum Results (SATs)

In primary schools, year 6 students undertake tests across the national curriculum subjects of reading, writing and maths. These are conducted in the summer term and are externally moderated. Outcomes across our three primary provisions demonstrate broad correlation with national averages. As a contextual note, Churchill Gardens and Millbank provide specialist special education needs provision. This data includes results for those students. Nationally, students accessing this kind of support do attain a lower-than-average key stage 2 grade. Given the small sample size from which these data are drawn, they account for a significant proportion of our pupil body.

KS2 Results		National	Future Academies
		21-22	21-22
		Cohort	115
Reading	% Expected standard+	74%	70.4%
	% Greater Depth	28%	27.8%
Writing	% Expected standard+	69%	71.3%
	% Greater Depth	13%	20.0%
Maths	% Expected standard+	71%	67.8%
	% Greater Depth	13%	17.4%
Grammar, punctuation and spelling	% Expected standard+	72%	79.1%
	% Greater Depth	28%	47.0%

In three of the four examined areas, the percentage of pupils attaining 'greater depth' far outstrips national average. This is particularly the case in spelling, punctuation and grammar and reflects the richness and breadth of our curriculum. This demonstrates the quality of education we provide, and is reflected in the Ofsted ratings for these schools. We continue to provide significant support for the students attending the specialist units, supporting them on their journey through primary and secondary education. Our investment in school improvement will aim to provide additional support to SEND students as well as non-SEND students, raising outcomes across all schools in the next academic year.

Future Academies

STRATEGIC REPORT (continued)

Independent Evaluation of the Quality of Education Provision

Ofsted are the Government's independent inspector of schools. After the delays of the pandemic, Ofsted have now committed to inspecting all schools by 2025 and, following a change in legislation, this includes all schools previously assessed as outstanding. Ofsted have also changed their inspection framework. Since this change, in excess of 80% of previously outstanding schools have seen a downgrading following inspection, with 21% dropping below Good. Pimlico Academy was adjudged as Good with outstanding features following inspection in the autumn of 2021, and this represents an endorsement of the Trust philosophy and approach. In particular, student personal development was highlighted as outstanding, which is testament to the extra-curricular and education enrichment activities available to all students. These activities are heavily subsidised by the charitable contributions from Future charity, which ensure access for all students to a rich and varied programme.

Our schools have the following Ofsted rating:

- Outstanding schools: Millbank Primary and Pimlico Primary, plus the SCITT
- Good schools: Pimlico, Trinity, Phoenix, and Churchill Gardens
- Requires improvement: Future Academies Watford
- Not yet rated – the three remaining schools have not been inspected since they joined Future Academies. However, the three predecessor schools had all previously been inspected as inadequate or requires improvement

Promoting the success of the Trust

Directors recognise their responsibility under Section 172(1) of the Companies Act to act in a way that is most likely to promote the success of the Trust, considering the long-term consequences of decision making, the importance of engagement with stakeholders, and the impact of the Trust's operations on the local community and environment.

The key to the Trust's success remains the provision of high-quality education, which requires the recruitment and retention of good quality staff. The Trust's Curriculum Centre and cross-Trust initiatives and CPD support the development and delivery of high-quality teaching, which is measured by the Ofsted ratings of the Trust's Academies in particular. The Trust operates an 'Outstanding' SCITT that trains new teachers for deployment in our Academies and throughout the sector.

Employee and supplier engagement are covered elsewhere within this report.

FINANCIAL REVIEW

Financial report for the year

The statement of financial activities shows total income for the year of £54.7 million (2021: £91 million), and net expenditure, prior to the actuarial gains on defined benefit pension schemes, of £4.5 million (net income 2021: £38.1m).

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FINANCIAL REVIEW (continued)

Financial report for the year (continued)

These results are not wholly comparable, for two reasons:

- The deficit includes an actuarially determined charge of £3.1 million to the SOFA for the local government pension scheme (2020-21 £1.9 million credit). This has arisen from the annual valuation, where a combination of factors has seen a higher net in-year charge, primarily due to falling investment returns, whilst the overall valuation has moved from a deficit of £15.6 million to a deficit of £1.2million). excluding this charge, the deficit for the year is £1.4 million; and
- In the prior year, the Trust acquired £38.5 million assets from Trinity London Trust, including £0.6 million restricted (revenue) funds. Under charity accounting, this transfer is accounted for as revenue within the statement of financial activities. Excluding these incoming reserves, the Trust reported £52.5 million income in 2021, generating a deficit of £0.4 million.

Income includes £1.8 million capital grant which, under charity accounting, also needs to be accounted as revenue. Capital expenditure is taken to the balance sheet, with depreciation of £4.3million charged to revenue. Excluding the impact of these capital items, accounting adjustments, and the pension valuation adjustments, the Trust had an underlying operating surplus of £1.7million (2021: £2.4 million). These surpluses reflect a combination of factors: additional government funding to support post pandemic recovery, together with underspends in staff costs arising from the difficult recruitment market and savings during and post lockdown in ancillary areas no longer required.

The impact of these surpluses is revenue reserves totalling £8.8 million at 31 August 2022 (£7.8 million). These exceed the level of reserves that the Board seek to retain as contingency, and so the Board have allocated the following funds for investment over the coming three years:

- Education standards: £2.7 million, to continue post pandemic recovery, establishment of cross-Trust support to improve the quality of teaching and learning, and further development of the Trust curriculum offer;
- Transformation of corporate and shared services: £0.5 million to deliver effective and efficient cross-Trust operations;
- Inflation protection: A fund of £1 million has been set aside to smooth the impact of current levels of high inflation over and above the Government funding announced in the Autumn Statement. This will ensure that schools can continue to operate effectively, and smooth any transition required in the longer term; and
- IT investment: £1.8 million to fund the IT strategy

In addition, we retain a buffer of 5% of our annual revenue (£2.5 million), in line with our reserves policy, with remaining reserves available to support future projects and the delivery of a new strategy under the incoming CEO.

Future Academies

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

For the 2021-22 financial year, the Trust received government revenue grant of £50.3 million, showing a growth since 2020-21 of £2.7million (£47.6 million total government grant). This also exceeded budget by £2.3 million. This reflects additional Government funding for post-pandemic recovery and inflationary pressures, as well as a rise in student numbers from 6,133 to 6,639 (funded per school census data). The migration towards the National Funding Formula will see some equalisation of per-pupil funding between London and Hertfordshire, but will also accompany below-inflation increases over the coming two years.

Other revenue streams have started to recover, with income from commercial lettings reaching £0.7million, which is almost back to pre-pandemic levels. The Trust operates a wholly-owned subsidiary trading company, through which revenue from the contracted-out lettings service is channelled. The surpluses are gift-aided to the Trust.

The additional funding was targeted at supporting students to catch-up progress in education from the lost or diminished provision and experiences during Covid-19, with specific funding also for high needs students. Much of the work to address the issues postdates the receipt of the funding, as measures and interventions are put in place. Whilst the Trust provided additional teaching and learning opportunities in this year, including running summer schools, the work will continue for to repair the impact of lockdowns on student progress for the years to come. This is one factor for surpluses experienced across the education sector, as noted by the National Audit Office, in its study on financial sustainability of schools in England.

At the same time, however, the sector has also experienced recruitment difficulties and increased turnover of staff, particularly in non-teaching roles. Staff costs represented 77% of the Trust budget, but outturns show staff costs to be under 73% of actual revenue, despite a 4% uplift in monthly outturn across the final two months of the year. This is a key driver in the surpluses experienced; prior to the pandemic, in common with other schools, the Trust regularly overspent its staffing budget. This reversal has necessitated a review of roles and responsibilities, refocussing priorities, and an increased use of agency and temporary staff – in 2021-22, the Trust spent almost £1million on temporary staff and £0.5 million in advertising and recruitment costs.

The Trust had fixed utility cost contracts during this year, and so the impact of the significant price rises in unit prices did not have a significant impact in this period. Looking forward, we forecast a doubling of such costs, despite the introduction of the unit price cap. This is expected to be covered by additional Government funding in the short term.

The Trust now receives automatic allocations of capital funding from the Department for Education through its School Condition Allocation scheme. The Trust received £1.6million in June 2022 for attending to school building condition, including health and safety compliance and replenishment of end of life plant and machinery. The Board has agreed a multi year investment plan to address the priorities across the Trust. At 31 August 2022, the Trust carried forward £3.2 million of unspent capital grant, which will be used to support this investment.

In addition, the Trust is about to embark on two whole-school rebuilding projects:

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- Laureate Academy has been selected by DfE as part of its school rebuilding project. That will be managed and funded directly by DfE, with an expected opening date of [];
- Phoenix Academy. The Trust is negotiating the sale of part of the site to fund rebuilding of the school. Subject to planning permission, the expectation is a new school for September 2025.

Future Academies

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

The Board has set the following priorities for capital investment:

- Replenishment of plant and machinery at end of life. The Trust's buildings range from virtually new to Victorian in age, and the Trust has an investment plan to replace such assets on a rolling basis;
- Decarbonisation and energy efficiency will be incorporated within all building work, and the Trust intends to meet the Government's targets on decarbonisation over time;
- IT infrastructure. Lockdowns during the pandemic have identified a need to streamline our IT infrastructure to fit an approach of being a single entity with flexible IT that can support the evolution of teaching over the coming period;
- Growth. In addition to the ongoing works at Laureate Academy, which will deliver a new teaching block in February 2022, we will invest in schools to support student growth and to replace or refurbish archaic facilities that are no longer fit for purpose; and
- School condition. The fund will also support the maintenance of good working spaces for students and staff. This will include health and safety compliance.

Overall, therefore, the Trust remains in a healthy financial position, and has the reserves to support its schools recover from the pandemic and implement its plans for school improvement and development over the course of the coming periods.

Financial and risk management objectives and policies

Reserves policy

The Trust aims to:

- Hold sufficient revenue reserves to meet immediate commitments and cash flow. The Board has determined that this should be at least 5 per cent of overall annual government revenue. This equates to approximately £2.5million; and
- Build capital reserves to replenish plant and equipment at the end of their lifecycle, and to fund capital projects that meet other objectives.

Individual Academies are expected to break even each year, taking account of the need to retain sufficient reserves to invest in the replenishment and replacement of the equipment and plant over a suitable lifecycle.

The fixed asset reserve represents the value of tangible fixed assets held by the Trust that can only be realised by disposing of those assets, together with any unspent capital grants.

Restricted reserves represent the balance of government funds and any other grants or donations received. Unrestricted funds represent any other source of revenue together with any unspent vital grants.

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FINANCIAL REVIEW (continued)

Financial and risk management objectives and policies (continued)

Reserves policy (continued)

All staff within the Trust are automatically enrolled in either the Teachers' Pension Scheme or the Local Government Pension Scheme, depending on their role. The former is an unfunded pension scheme administered centrally by Government, and the Trust pays employer contributions on a monthly basis per the scheme rules. There is no asset or liability within the balance sheet. For the Local Government Pension Scheme, there are separate administrators within each local authority area. These are funded pension schemes, and the Trust recognises an asset or liability in respect of each sub-scheme in accordance with the triennial valuations, which are updated annually by actuaries to the balance sheet date. The Trust aggregates the valuations for the four local authority schemes staff belong to.

The aggregated pension deficit has decreased to £1.1 million at 31 August 2022 (2020: £15.6m). The scheme deficit is underwritten by Government. The administrators are entirely independent of the Trust and individual Academies, and the Trust has no control over contribution levels or investment decisions.

Financial position

The Trust held total fund balances at 31 August 2022 of £199.1 million (2021: £186.1 million - 2020). The funds comprise £191.5 million restricted fixed assets reserve (2021: £193.9 million), a pension deficit of £11.1 million (2021: £15.6 million), and revenue reserves of £8.8 million (2021: £7.8 million). The balance of revenue reserves exceeds the minimum Board expectations for both revenue and capital investment reserves, reflecting in large part to the time difference between receipt of grant and investment of expenditure. Trustees have reviewed the reserves of the Trust, and developed plans for investment in the schools.

The Trust held net current assets of £12.1 million at 31 August 2022 (2020: £10.3m), an increase of £5.1 million. Cash balances stood at £14.9 million (2021: £12.4 million).

ENGAGEMENT WITH SUPPLIERS

The Trust has a number of cross-Trust contracts, and supplier engagement occurs at both Trust and school level to ensure delivery of contractual terms, working with those suppliers to meet both parties' interests. Schools also have local contracts, reflecting a desire for delegated decision making and obtaining value for money from opening the market to local providers.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have considered the risks and uncertainties faced by the Trust. These are summarised below.

Future Academies

Risk	Impact	Mitigation
Funding levels fall relative to student numbers as Government recovers from the pandemic.	Reduced income available to operate the schools	Development of long term financial forecasts and plans, coupled with investment of reserves to achieve systems and structures that are financially viable in the long term.
Falling number of pupils at school level in light of a drop in birthrate nationally	Reduced income available for the Trust to operate	Development of long term financial forecasts and plans, plus parent and community engagement to optimise student numbers
Student performance below expectations and/or adverse Ofsted inspection rating	Failure to support students meet their aspirations and targets, with impact beyond school, and reputational damage to the academies.	Investment in school improvement to provide equality and consistency for all students. This will see an upward trend in outcomes as students experience a full, post pandemic education in our schools.
Staff recruitment and retention risk, in light of current difficult employment market	Reduced continuity of teaching and ability to deliver consistently high quality teaching and support services	Investment in retaining and training and developing staff. This includes training more new teachers through the SCITT. The Trust is also developing staff engagement and retention policies.
Cyber security – attacks on educational institutions have grown rapidly in recent years	The impact could be financial and / or reputational	The Trust has strengthened controls, and is investing significantly to keep ahead of this risk, including refresh of hardware and seeking Cyber Essentials accreditation.

FUNDRAISING

The Trust did not undertake any direct fundraising activities in the year. Non government funding comes primarily from letting school facilities, grants or other donations, including donations to support education enrichment from our sponsors.

Future Academies

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2020/21*	2021/22
Mandatory requirements:		
Gas	9,529,238	8,520,094
Purchased electricity from the grid	4,608,119	4,921,681
Transport fuel	3,135	14,586
Total energy (mandatory)	14,140,492	13,456,361
Voluntary requirements:		
District heating	840,293	865,978
Total energy (voluntary)	840,293	865,978
Total energy (mandatory & voluntary)	14,980,785	14,322,339

*Changes made to the electricity value and total values following in previous year column due to a double counting occurring at Future Academies Watford MPAN: 1030075256467 as well as double counting district heating.

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

For each new project, the Trust incorporates energy efficiency as a priority. For example, the Trust have started a programme of installing LED lights throughout the estate, with substantial progress in five schools, and have replaced a boiler for a more efficient model at one school as part of a systematic schedule of replacing end of life or inefficient plant. At Laureate Academy, the Trust has built a new teaching block, which features a heat pump and sensor-operated LED lights, in line with the latest DfE building guidelines.

Future Academies

- there is no relevant audit information of which the Trust'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.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees on [] and signed on its behalf by:



Trustee

John Nash

15 December 2022

Future Academies

Governance Statement

Scope of responsibility

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

The Trustees have delegated the day-to-day responsibility to the Accounting Officer and Trust executive 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 Future Academies in its funding agreement with the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities.

The Board of Trustees has overall responsibility for the management of the Trust. The Board has established a Finance, Audit and Risk Committee, along with a local governing body for each academy (LGB). The role of the LGB is to provide focused governance for the Academy at a local level. It monitors the Academy's key performance indicators and acts as a critical friend to the Principal, providing challenge where appropriate. The LGB has no legal status, but carries out certain actions delegated by the Board, per the Trust's Scheme of Governance.

The Principal Sponsor acts as Chair of the Board in accordance with the Articles of Association. Mike Parish chaired the Finance, Audit and Risk Committee throughout the year, and has been succeeded by David Cannon on his resignation in November 2022. The Trust continues to strengthen its governance capacity, with three new Trustees joining the Board since the end of the reporting year. There have also been a number of additional appointments to LGBs, with a programme of installing independent chairs in all but two schools. To reflect the joined-up leadership across the primary phase, the Board has established a joint local governing body for the primaries.

The Trust Board has formally met three times during the year. As we exited the restrictions of Covid 1, some meetings were held either partially or fully on-line. This allowed for full debate and participation throughout each meeting. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Number of meetings attended	Out of a possible
Lord John Nash	3	3
Lady Caroline Nash	3	3
Sir David Carter	2	3
Lara Newman	3	3
Mike Parish	3	3
Paul Smith	3	3

Future Academies

Governance (continued)

Matters relating to the operation of the Trust are considered at Trustees' meetings, including a review of the Trust's financial position and those of the Academies. Whilst the Trust's Board of Trustees has met fewer than six times during the course of the financial year, the Trustees are of the opinion that they have been able to maintain sufficient oversight of the Trust's activities through the operation of the Finance, Audit and Risk Committee, communication between the LGBs and the Board, and weekly accountability meetings between the Chair of the Board and the Chief Executive Officer.

The Finance Audit and Risk Committee is a sub-committee of the main Board of Trustees. This Committee reviews the financial affairs of the Trust including annual accounts, budgets, internal controls and the appointment of auditors. It also reviews the Trust's management of, and approach to, risk.

Committee member	Number of meetings attended	Out of a possible
Lord John Nash	3	3
Lady Caroline Nash	3	3
Mike Parish	3	3

In addition, the Committee members have regular meetings with the Chief Financial Officer, where the latest monthly management accounts and financial affairs are reviewed, and actions agreed and followed up. This has ensured that the Trustees have maintained the necessary level of oversight.

The Trust is expanding the size of the Board, appointing new Trustees who bring a varied experience that complement the existing Board. The appointments in year have been appointed following a recruitment process managed by external experts in this field. All Trustees are required to declare business interests annually, and at each meeting. The Trust does not contract with related parties. Where this was unavoidable, or commercially advantageous, then the Trust's financial procedures require full market testing and for the Trustee(s) or senior managers with the business interest to take no part in evaluation or appointment.

Governance reviews

The Trust Board reviews governance regularly, at all levels. This has resulted in the recruitment of additional, independent governors and Trustees, and the formation of a revised Scheme of Governance.

Review of value for money

Future Academies' central principles of "Knowledge, Aspiration and Respect" have been embedded throughout the organisation and at every level. The Academies place students at the centre of everything they do, with a focus on maintaining a culture of success, a positive climate for learning and student attainment, achievement and social and emotional development. In raising standards for its own students, the Trust contributes to the raising of educational standards and achievement generally across the communities we serve through the mutual sharing of knowledge, expertise and resources.

Future Academies

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's 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. This system of internal control continued to operate at this Trust during the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. In particular, the Trust and its staff continued to respond well to the challenges of the pandemic, supporting our students and staff, and also in ensuring a swift and effective return to more normal school operating conditions.

This process is regularly reviewed by the Trustees.

The risk and control framework

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

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

The Trustees appointed an internal audit function in year and have agreed a multi-year programme of reviews against general financial controls and key risks., providing an annual statement of assurance.

The risk and control framework (continued)

The key financial controls in operation during the year were reviewed including internal audit checks on:

Future Academies

- risk management;
- budget processes.

Review of effectiveness

The Accounting 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 and external auditors;
- the financial management and governance self-assessment process;
- the work of Future Academies' senior management team within each Academy who have responsibility for the development and maintenance of the internal control framework.

The head of internal audit concluded in the annual assurance statement that the Trust has adequate and effective management, control and governance processes across the areas they covered, namely risk management and budgetary control. The external auditors have provided a clean audit opinion on the statutory accounts, but have drawn attention to some control issues around the preparation of the financial statements in their management letter. This includes issues relating to the configuration and functionality of the finance system. The Trust has developed a plan to address each of these points, including engagement with the system provider and external expertise. Actions have either been actioned, or will be resolved by January 2023.

Paul Smith acted as Accounting Officer until his departure on 22 July 2022. The Board appointed David Hughes in succession, pending the appointment of a new CEO. Mr Smith provided assurances to Mr Hughes regarding his role. As a result of the review, the Accounting Officer is satisfied that an adequate system of internal control is in place.

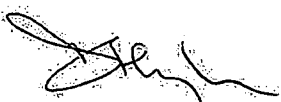
Approved by order of the Trustees and signed on their behalf by:

Chair of Trustees



John Nash

Accounting Officer



David Hughes

Approved on:

15 December 2022

Future Academies

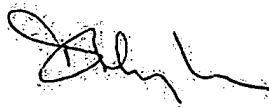
Statement on Regularity, propriety and compliance

As Accounting Officer of Future Academies, I have considered my responsibility to notify the Trust's Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between Future Academies and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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

In reaching this conclusion, I have obtained assurances from my predecessor as Accounting Officer, who was in post for the period to 22 July 2022. Mr Paul Smith provided an interim statement on regularity, propriety and compliance confirming that the responsibilities and duties of the Accounting Officer were duly and diligently completed during his tenure, and that no irregularity, impropriety, or funding non-compliance came to light in the period.



David Hughes

Accounting Officer

Date: 15 December 2022

Future Academies

Statement of Trustees' Responsibilities Year to 31 August 2022

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP FRS102 and the Academies Accounts Direction 2021 to 2022;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

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



Chair of the Trustees

John Nash

Date: 15 December 2022

Future Academies

Independent auditor's report to the members of Future Academies

Opinion

We have audited the financial statements of Future Academies (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2022, and of the group's income and expenditure for the period 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 FRS 102 and 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 financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Future Academies

Conclusions relating to going concern (continued)

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 group or charitable parent company'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. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the Directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the Directors' report for the purposes of company law and includes the 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

Future Academies

Matters on which we are required to report by exception (continued)

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the Trust sector;

Future Academies

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Trust Handbook 2021 and the Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and the subsidiary company Directors' meetings and papers provided to the Trustees and Directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.
- ◆ We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.
- ◆ In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - ◆ agreeing financial statement disclosures to underlying supporting documentation;

Future Academies

Auditor's responsibilities for the audit of the financial statements (continued)

- ♦ reviewing the minutes of Trustees' meetings and subsidiary company Directors' meetings;
- ♦ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ♦ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ♦ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the 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.



22 December 2022

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Future Academies

Independent Accountant's Report

Independent reporting accountant's assurance report on regularity to Future Academies and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 June 2016 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 Academies during the period from 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 Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Future Academies and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Future Academies and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Future Academies' Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Future Academies' funding agreement with the Secretary of State for Education dated 10 April 2008 and the Trust Handbook 2021, 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 from 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 Trusts issued by ESFA.

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.

Future Academies

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 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.



22 December 2022

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Future Academies

Consolidated statement of financial activities: Year ended 31 August 2022 (Including Income and Expenditure Account)

	Notes	Unrestricted general fund £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2022 Total funds £'000	2021 Total funds £'000
Income from:						
Donations and capital grants	1	552	—	1,836	2,388	3,580
Transfers on existing Academies joining the Trust	24	—	—	—	—	38,546
Charitable activities						
· Funding for the Trust's educational operations	4	1	50,679	—	50,680	47,662
· Teaching Schools	4	—	—	—	—	—
Other trading activities	2	1,624	—	—	1,624	1,257
Investments	3	—	—	—	—	—
Total income		2,177	50,679	1,836	54,692	91,045
Expenditure on:						
Charitable activities:						
· Trust's educational operations	6	—	54,925	4,251	59,176	52,898
Total	5	—	54,925	4,251	59,176	52,898
Net income / (expenditure) before transfers		2,177	(4,246)	(2,415)	(4,484)	38,147
Transfers between funds	15	—	—	—	—	—
Net income / (expenditure) for the year		2,177	(4,246)	(2,415)	(4,484)	38,147
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	20	—	17,478	—	17,478	(3,289)
Net movement in funds		2,177	13,232	(2,415)	12,994	34,858
Reconciliation of funds						
Total fund balances brought forward at 1 September 2021		6,008	(13,827)	193,945	186,126	151,268
Total fund balances carried forward at 31 August 2022		8,185	(595)	191,530	199,120	186,126

All activities are derived from continuing operations.

All recognised gains and losses are included in the Statement of Financial Activities.

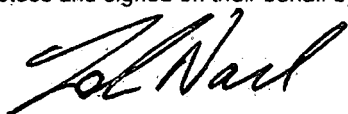
Future Academies

Future Academies Consolidated Balance Sheet

As at 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible fixed assets	12		44		6
Tangible fixed assets	12		188,165		191,402
			188,209		191,408
Current assets					
Stock					
Debtors	13	2,661		3,288	
Cash at bank and in hand		14,930		12,441	
		17,591		15,729	
Liabilities					
Creditors: Amounts falling due within one year	14	(5,489)		(5,411)	
Net current assets			12,102		10,318
Total assets less current liabilities			200,311		201,726
Net assets excluding pension scheme liability			200,311		201,726
Defined benefit pension scheme liability	20		(1,191)		(15,600)
Total net assets			199,120		186,126
Restricted funds:					
Fixed assets fund	15		191,530		193,945
Restricted income fund	15		596		1,773
Pension reserve	15		(1,191)		(15,600)
Total restricted funds			190,935		180,118
Unrestricted income funds					
General fund	15		7,780		5,929
Funds retained within subsidiary	15		405		79
Total funds			199,120		186,126

Approved by the Trustees and signed on their behalf by:



John Nash

Chair of Trustees

Future Academies

Company Limited by Guarantee

Registration Number 06543442

(England and Wales)

Approved on: 15 December 2022

Future Academies

Trust Balance Sheet

As at 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible fixed assets	12		44		6
Tangible fixed assets	12		188,165		191,402
			188,209		191,408
Current assets					
Stock					
Debtors	13	2,658		3,288	
Cash at bank and in hand		14,479		12,317	
		17,137		15,605	
Liabilities					
Creditors: Amounts falling due within one year	14	(5,524)		(5,366)	
Net current assets			11,613		10,239
Total assets less current liabilities			199,822		201,647
Net assets excluding pension scheme liability			199,822		201,647
Defined benefit pension scheme liability	20		(1,191)		(15,600)
Total net assets			198,631		186,047
Restricted funds					
Fixed assets fund	15		191,530		193,945
Restricted income fund	15		596		1,773
Pension reserve	15		(1,191)		(15,600)
Total restricted funds			190,935		180,118
Unrestricted income funds					
General fund	15		7,696		5,929
Total funds			198,631		186,047

Approved by the Trustees and signed on their behalf by:



John Nash

Chair of Trustees

Future Academies

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Future Academies

Consolidated statement of cash flows

For year ended 31 August 2022

		2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	1,706	327
Cash flows from investing activities	B	783	2,049
		2,489	2,376
Cash transferred from existing Trusts		—	859
		2,489	3,235
Change in cash and cash equivalents in the year			
Cash and cash equivalents at 1 September 2021		12,441	9,206
Cash and cash equivalents at 31 August 2022		14,930	12,441

A Reconciliation of net income to net cash flows from operating activities

	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)	(4,484)	38,147
Adjusted for:		
Amortisation charges	—	22
Depreciation charges	4,250	4,013
Transfer in from existing Trusts	—	(39,046)
Capital grants from DfE and other capital income	(1,836)	(2,977)
Donated fixed assets	—	(181)
Other (gains) losses	2	—
Defined benefit pension scheme obligation inherited	—	500
Defined benefit pension scheme cost less contributions payable	2,784	1,778
Defined benefit pension scheme finance (income) / cost	285	182
(Increase) in debtors	627	(297)
(Decrease) increase in creditors	78	(1,814)
Net cash provided by operating activities	1,706	327

B Cash flows from investing activities

	2022 £'000	2021 £'000
Purchase of intangible fixed assets	(47)	(7)
Purchase of tangible fixed assets	(1,006)	(921)
Capital grants from DfE/ESFA	1,836	2,977
Net cash provided by investing activities	783	2,049

C Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash in hand and at bank	14,930	12,441
Total cash and cash equivalents	14,930	12,441

Future Academies

D Analysis of changes in net debt

Group	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash at bank	12,441	2,489	14,930
Total	12,441	2,489	14,930

Future Academies

Principal accounting policies

31 August 2022

Statement of 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.

Basis of Preparation

The financial statements of Future Academies, 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.

Future Academies meets the definition of a public benefit entity under FRS 102.

The consolidated financial statements consolidate the financial statements of Future Academies and its subsidiary undertaking, Future Academies Trading Limited, drawn up to the 31 August 2022.

Future Academies has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of financial activities in these financial statements. The parent Trust's net income for the year was £54,200,000 (2021 – £91,000,000).

Going Concern

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

The Trustees consider that the Trust has sufficient cash resources to continue operating and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the Trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Future Academies

Grants

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

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

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

Sponsorship Income

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

Donations

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

Other trading income

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

Transfer of existing Academies into the Trust

Where assets and liabilities are received on the transfer of an existing Trust into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing Academy into the Trust within donations and capital grant income to the net assets acquired.

Future Academies

Expenditure

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

Charitable activities

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

All expenditure is stated exclusive of recoverable VAT.

Agency agreements

The 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 funds received and paid, and any balances held are disclosed in note 22.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the cost less any residual value over the expected useful lives, using the straight-line method. Expenditure, other than own staff costs and training, incurred by Future Academies relating to the licences and implementation of the finance computer software, which is deemed to have a future economic benefit of more than a year, is capitalised at cost. The amortisation of such expenditure is charged on a straight-line basis over the estimated useful life of the asset up to a maximum of three years. Amortisation is charged on a straight-line basis from the month in which the asset was brought into use at the following annual rate:

- | | |
|-----------------------------|------------|
| ◆ Finance computer software | 33.3% p.a. |
|-----------------------------|------------|

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

Future Academies

Tangible fixed assets

All assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provisions for impairment. Single purchases of less than £5,000 may be capitalised where they are part of a more comprehensive scheme where the total is more than £5,000.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or the private sector, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

♦ Buildings	2.0%	p.a.
♦ Motor vehicles	12.5%	p.a.
♦ Furniture, fittings and equipment	25.0%	p.a.
♦ Computer equipment	25.0%	p.a.

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.

Donated Assets

Assets donated to the Trust for use within the Academies are recognised at fair value, by reference to current market price. They are depreciated over the remaining useful economic in accordance with the depreciation rates for purchased assets.

For Trinity Academy, the Trust inherited the lease to the whole Brixton Hill site in 2020, but only has beneficial interest to the part of the site occupied by Trinity Academy. Discussions continue with the landlord and other occupants regarding the split of the lease. As a result, the land and buildings have been recognised at cost and immediately revalued to fair value. Land has been revalued to open market value (£12million), and the buildings have been valued at depreciated replacement cost (£21.1million). The buildings are being depreciated over the remaining estimated useful economic lives (50 years from the point of acquisition).

Assets under construction

Building works ongoing at the balance sheet date are recorded as assets under construction until such point as they are brought into use. Assets under construction are not depreciated.

Future Academies

Liabilities

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

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Leased assets

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

Financial instruments

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

- ◆ Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due from the Trust's wholly owned subsidiary are held at face value less any impairment;
- ◆ Cash at bank – is classified as a basic financial instrument and is measured at face value;
- ◆ Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to Trust's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

Future Academies

Taxation

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

Pensions benefits

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

If the present value of the defined benefit pension scheme obligations at the balance sheet date is less than the fair value of the schemes assets at that date, the scheme is in surplus. The Trust only recognises a scheme surplus as a defined benefit pension scheme asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

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

Fund accounting

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

Future Academies

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, and other funders where the fixed asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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

Under the funding agreement with the Secretary of State, only Pimlico Academy 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.

Pimlico Academy did not exceed the limits during the year ended 31 August 2022.

Future Academies

Notes to the financial statements

Year ended 31 August 2022

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	—	—	1,836	1,836	2,977
Donated fixed assets	—	—	—	—	181
Other donations (note 21)	552	—	—	552	422
	552	—	1,836	2,388	3,580

	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	2,977	2,977
Donated fixed assets	—	181	181
Other donations (note 21)	422	—	422
	422	3,158	3,580

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Hire of facilities	564	—	564	454
Income from other charitable activities	959	—	959	803
Income from ancillary trading activities	101	—	101	—
	1,624	—	1,624	1,257

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Hire of facilities	454	—	454
Catering income	178	—	178
Special music contributions	19	—	19
Uniform sales	11	—	11
Other income	595	—	595
	1,257	—	1,257

Future Academies

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Interest receivable	—	—	—	—
	—	—	—	—

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Interest receivable	—	—	—
	—	—	—

4 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
DfE / ESFA grants				
· General Annual Grant (GAG)	—	43,712	43,712	40,314
· Start Up / Pre-opening grants	—	43	43	98
· UIFSM	—	78	78	109
· Pupil Premium	—	2,415	2,415	2,386
· Other grants	—	1,087	1,087	2,037
Teaching School grants	—	—	—	—
	—	47,335	47,335	44,944
Other government grants				
· Local authority grants	—	3,082	3,082	2,240
· Special educational projects	—	53	53	72
	—	3,135	3,135	2,312
Exceptional government funding COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	—	—	63
Other DfE/ESFA COVID-19 funding	—	297	297	335
COVID-19 additional funding (non-DfE /ESFA)				
Coronavirus Job Retention Scheme grant	—	—	—	—
	—	297	297	398
Other income from the Trust's educational operations				
	1	209	210	8
	1	50,679	50,680	47,662

The Trust received £296,826 of funding for catch-up premium, to add to the £371,000 brought forward. £396,000 was spent in year, with £272,000 deferred at August 2022.

Future Academies

4 Funding for the Trust's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	40,314	40,314
. Start Up / Pre-opening grants	—	98	98
. UIFSM	—	109	109
. Pupil Premium	—	2,386	2,386
. Other grants	—	2,037	2,037
<i>Teaching School grants</i>	—	—	—
	—	44,944	44,944
<i>Other government grants</i>			
. Local authority grants	—	2,240	2,240
. Special educational projects	—	72	72
	—	2,312	2,312
<i>Exceptional government funding</i>			
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	—	63	63
Other DfE/ESFA COVID-19 funding	—	335	335
COVID-19 additional funding (non-DfE /ESFA)			
Coronavirus Job Retention Scheme grant	—	—	—
	—	398	398
<i>Other income from the Trust's educational operations</i>	8	—	8
	8	47,654	47,662

5 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2022 Total funds £'000	2021 Total funds £'000
<i>Trust's educational operations</i>					
. Direct costs	34,071	4,251	3,911	42,233	35,858
. Support costs	7,305	4,579	5,059	16,943	17,040
	41,376	8,830	8,970	59,176	52,898

5 Expenditure (continued)

	Staff costs £'000	Premises £'000	Other costs £'000	2021 Total funds £'000
<i>Trust's educational operations</i>				

Future Academies

Direct costs	28,955	4,035	2,868	35,858
Support costs	8,508	4,382	4,150	17,040
	<u>37,463</u>	<u>8,417</u>	<u>7,018</u>	<u>52,898</u>

Net income for the year includes:	2022 £'000	2021 £'000
Operating lease rentals	261	250
(Gain) loss on disposal of fixed assets	2	—
Depreciation	4,242	4,013
Amortisation of intangible fixed assets	8	22
Fees payable to auditor for		
-Audit	42	42
-Other services	13	3

6 Charitable activities – Trust's educational operations

	2022 Total funds £'000	2021 Total funds £'000
Direct costs	42,233	35,858
Support costs	16,943	17,040
	<u>59,176</u>	<u>52,898</u>

	2022 Total funds £'000	2021 Total funds £'000
Support staff costs	7,305	8,508
Technology costs	1,441	772
Premises costs	4,579	4,382
Legal costs - other	—	235
Other support costs	3,307	2,788
Governance costs	311	355
	<u>16,943</u>	<u>17,040</u>

Future Academies

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2021 Total funds £'000
<i>Income from:</i>					
Donations and capital grants	1	—	422	3,158	3,580
Transfers on existing Academies joining the Trust	24	—	98	38,448	38,546
<i>Charitable activities</i>					
· Funding for the Trust's educational operations	4	8	47,654	—	47,662
· Teaching Schools	4	—	—	—	—
Other trading activities	2	1,257	—	—	1,257
Investments	3	—	—	—	—
Total income		1,265	48,174	41,606	91,045
<i>Expenditure on:</i>					
<i>Charitable activities:</i>					
· Trust's educational operations	6	—	48,861	4,035	52,896
Teaching Schools	6	—	—	—	—
Other		2	—	—	2
Total	5	2	48,861	4,035	52,898
Net income / (expenditure) before transfers		1,263	(687)	37,571	38,147
Transfers between funds	15	—	—	—	—
Net income / (expenditure) for the year		1,263	(687)	37,571	38,147
<i>Other recognised gains and losses</i>					
Actuarial losses on defined benefit pension scheme	20	—	(3,289)	—	(3,289)
Net movement in funds		1,263	(3,976)	37,571	34,858
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2020		4,745	(9,851)	156,374	151,268
Total fund balances carried forward at 31 August 2021		6,008	(13,827)	193,945	186,126

Future Academies

8 Staff

(a) Staff costs

Staff costs during the year were as follows:

	2022 Total funds £'000	2021 Total funds £'000
Wages and salaries	27,062	25,203
Social security costs	2,970	2,620
Pension costs	8,418	6,962
Apprenticeship levy	121	112
	38,571	34,897
Supply staff costs	2,636	2,340
Staff restructuring costs	169	226
	41,376	37,463
Staff restructuring costs comprise:		
Redundancy payments	28	64
Severance payments	105	162
Other restructuring costs	36	—
	169	226

(b) Severance payments

The Trust paid 6 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	3
£25,001 - £50,000	3

(c) Staff severance payments

Included in staff restructuring costs above are non-statutory / non-contractual severance payments totalling £54,000 (2021 - £136,837) that was paid to 6 employees (2021 - seven employees). Individually the payments were: £13,000, £12,000, £6,000, £7,000, £10,000, £6,000.

(d) Staff numbers

The average number of persons (including the senior management team) employed during the year ended 31 August 2022 was as follows:

Headcount	2022 Total No.	2021 Total No.
Teachers	425	375
Administration and support	301	298
Management	57	57
	783	730

Future Academies

9 Staff (continued)

FTE	2022 Total FTE.	2021 Total FTE.
Teachers	407	349
Administration and support	239	240
Management	55	57
	700	646

(a) Higher paid staff

The number of employees during the period who earned over £60,000 pro rata (including taxable benefits but excluding employers' contributions) was as follows:

	2022 No.	2021 No.
£60,001 - £70,000	31	33
£70,001 - £80,000	12	11
£80,001 - £90,000	5	4
£90,001 - £100,000	6	5
£100,001 - £110,000	3	3
£110,001 - £120,000	2	3
£120,001 - £130,000	1	—
£170,001 - £180,000	1	—
£180,001 - £190,000	—	1
	61	60

The above employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or Local Government Pension Scheme. During the year ended 31 August 2022, pension contributions for these staff amounted to £1.1 million (2021 - £1.0 million).

(b) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £2,039,207 (2021 - £1,774,084).

10 Trustees' remuneration and expenses

Employees who are also Trustees only receive remuneration in respect of services they provide in undertaking their role as employees of the Trust and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in respect of their role as Trustees.

The Chief Executive was an employee and a Trustee. The value of the Chief Executive's remuneration and other benefits is set out below:

	2022 £'000	2021 £'000
Paul Smith		
. Remuneration	175-180	180 - 185
. Employer's pension contribution	40-45	40 - 45

Future Academies

9 Trustees' remuneration and expenses (continued)

During the year ended 31 August 2022, travel and subsistence expenses of £311 were reimbursed (2021 - £1,740).

Other related party transactions involving the Trustees and connected parties are set out in note 21.

10 Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased a general insurance policy which also protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on the Trust's business. The insurance provides cover up to £10 million on any one claim. The cost directly attributable to Trustee and officer insurance cannot be isolated.

11 Commercial trading operations

The Trust holds 100% of the issued ordinary share capital of Future Academies Trading Limited. The subsidiary is incorporated in the United Kingdom and its principal business activity is the hire of facilities. Summarised financial information is given below:

	2022 Total funds £'000	2021 Total funds £'000
Turnover	405	81
Gross profit	405	81
Administrative expenses	(4)	(2)
Profit on ordinary activities before taxation	401	79
Profit on ordinary activities before and after taxation	401	79

The assets and liabilities of the subsidiary were:

	2022 Total funds £'000	2021 Total funds £'000
Current assets	452	124
Creditors: amounts falling due within one year	(51)	(45)
Net assets	401	79

Future Academies

12 Tangible and intangible fixed assets

Intangible fixed assets

Group and Trust	Computer software £'000	Total 2022 £'000
Cost		
At 1 September 2021	85	85
Additions	47	47
At 31 August 2022	132	132
Amortisation		
At 1 September 2021	80	80
Charges for the year	8	8
At 31 August 2022	88	88
At 31 August 2022	44	44
At 31 August 2021	5	5

Tangible Fixed Assets - Group and Trust

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation						
At 1 September 2021	41,864	163,014	2,743	1,920	40	209,581
Additions	—	259	417	331	—	1,003
At 31 August 2022	41,864	163,269	3,160	2,251	40	210,584
Depreciation						
At 1 September 2021	2,514	12,386	1,925	1,314	40	18,179
Charge in period	503	3,184	299	256	—	4,240
At 31 August 2022	3,017	15,570	2,223	1,569	40	22,419
Net book value						
At 31 August 2022	38,847	147,699	937	682	—	188,165
At 31 August 2021	39,350	150,628	818	606	—	191,402

Future Academies

13 Debtors

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	381	768	381	768
VAT recoverable	1,613	930	1,613	930
Other debtors	57	33	54	33
Prepayments and accrued income	610	1,557	610	1,557
	2,661	3,288	2,658	3,288

14 Creditors: amounts falling due within one year

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	802	799	799	796
Taxation and social security	690	629	690	629
Other creditors	739	1,141	780	1,103
Accruals and deferred income	3,258	2,842	3,255	2,838
	5,489	5,411	5,524	5,366
Deferred income (included above)				
Deferred income at 1 September 2021	849	403	—	403
Amounts released from previous years	(849)	(403)	—	(403)
Resources deferred in the year	1,639	849	—	849
Deferred income at 31 August 2022	1,639	849	—	849

Deferred income comprises grants received in advance for rates relief, universal free school meals, tailored support programmes, early years support and tuition fees, all received in advance of the 2022/23 academic year.

Future Academies

15 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)	1,773	43,712	(44,889)	—	596
<i>Other DfE / ESFA grants</i>					
UIFSM	—	78	(78)	—	—
Pupil Premium	—	2,415	(2,415)	—	—
Other grants	—	4,474	(4,474)	—	—
Pension reserve	(15,600)	—	(3,069)	17,478	(1,191)
	<u>(13,827)</u>	<u>50,679</u>	<u>(54,925)</u>	<u>17,478</u>	<u>(595)</u>
Restricted fixed asset funds					
Fixed Assets Retained	191,408	—	(4,251)	1,052	188,209
Capital grants	2,537	1,836	—	(1,052)	3,321
Capital expenditure from reserves	—	—	—	—	—
	<u>193,945</u>	<u>1,836</u>	<u>(4,251)</u>	<u>—</u>	<u>191,530</u>
Total restricted funds	<u>180,118</u>	<u>52,515</u>	<u>(59,176)</u>	<u>17,478</u>	<u>190,935</u>
Unrestricted funds					
General funds	5,929	1,772	—	79	7,780
Funds retained with subsidiary	79	405	—	(79)	405
Total unrestricted funds	<u>6,008</u>	<u>2,177</u>	<u>—</u>	<u>—</u>	<u>8,185</u>
Total funds	<u>186,126</u>	<u>54,692</u>	<u>(59,176)</u>	<u>17,478</u>	<u>199,120</u>

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

Restricted income funds

These funds relate to the Trust's development and operational activities.

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, only Pimlico Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. Pimlico Academy did not exceed the limits during the year ended 31 August 2022.

Pension reserve

The pension reserve relates to the Trust's share of the deficits of the City of Westminster, Lambeth, Hammersmith Council and Hertfordshire County Council Local Government Pension Schemes.

Restricted fixed asset fund

These grants relate to funding received from the ESFA which have been used to purchase fixed assets. Where capital items have been purchased from other funds, these costs have been reflected in the fixed asset fund by way of a transfer between funds.

Future Academies

15 Funds (continued)

Analysis of fund balances by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 Total funds £'000	2021 Total funds £'000
Barclay Academy	(823)	(291)
Churchill Gardens	711	718
Future Academies Watford	1,216	1,319
Laureate	(341)	(147)
Millbank	170	326
Pimlico Academy	4,418	3,908
Phoenix Academy	(423)	(633)
Pimlico Primary	798	661
The Grange	1,946	1,716
Trinity Academy	1,100	773
Central trust	10	(569)
Total before fixed assets and pension reserve	8,781	7,781
Restricted fixed asset fund	191,530	189,868
Pension liability	(1,191)	(15,600)
TOTAL	199,120	182,049

The Trust is in overall surplus. Within this, we have three school with historic deficits, and a number of other schools with low reserves. The Trust implemented plans to ensure that all schools balanced their budgets on an annual basis from September 2021, subject to agreed growth or transition funding from reserves. Over time, the Trust will set budgets to ensure that each school contributes to overall reserves in order to fund future investment and maintain individual positive school balances. The central services deficit reflects historic set up costs, cross-trust activities that have not been allocated to schools, and on certain on-boarding and related costs that have not been re-allocated.

Analysis of costs by Academy (excluding depreciation)

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2022 £'000
Barclay Academy	2,687	934	469	984	5,074
Churchill Gardens	1,120	376	118	429	2,043
Future academies Watford	3,756	1,084	454	2,006	7,300
Laureate Academy	2,827	689	496	896	4,908
Millbank Primary Academy	1,478	512	140	564	2,694
Pimlico Academy	5,881	1,548	623	1,906	9,958
Phoenix Academy	2,364	793	247	1,199	4,603
Pimlico Primary	1,294	428	136	465	2,323
The Grange Academy	3,574	1,211	584	1,507	6,876
Trinity Academy	2,897	1,038	391	1,179	5,505
Central Services	772	1,326	252	(1,782)	568
Total	28,650	9,939	3,910	9,353	51,852

Future Academies

15 Funds (continued)

Analysis of costs by Academy (excluding depreciation) (continued)

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2021 £'000
<i>Pimlico Academy</i>	5,791	1,335	577	2,116	9,819
<i>Pimlico Primary</i>	1,266	245	106	416	2,033
<i>Millbank Academy</i>	1,540	331	93	531	2,495
<i>Churchill Gardens Primary Academy</i>	919	316	77	441	1,753
<i>Phoenix Academy</i>	2,135	757	319	1,168	4,379
<i>Laureate Academy</i>	2,590	973	248	862	4,673
<i>Barclay Academy</i>	2,397	754	281	801	4,233
<i>Future Academies Watford (was Francis Combe)</i>	3,455	1,308	323	1,435	6,521
<i>The Grange Academy (was Bushey Academy)</i>	3,648	1,184	376	1,262	6,470
<i>Trinity Academy</i>	2,114	453	328	1,007	3,902
<i>Central Services</i>	762	1,413	141	640	2,956
Total	26,617	9,069	2,869	10,679	49,234

Future Academies

15 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)	—	40,314	(38,541)	—	1,773
Start Up Grant	—	98	(98)	—	—
UIFSM	—	109	(109)	—	—
Pupil Premium	—	2,386	(2,386)	—	—
Catch-up premium	—	63	(63)	—	—
Other DfE/ESFA COVID-19 funding	—	335	(335)	—	—
Other DfE/ESFA grants	—	2,037	(2,037)	—	—
Other grants	—	2,910	(2,910)	—	—
Donations	—	422	(422)	—	—
Pension reserve	(9,851)	(500)	(1,960)	(3,289)	(15,600)
	<u>(9,851)</u>	<u>48,174</u>	<u>(48,861)</u>	<u>(3,289)</u>	<u>(13,827)</u>
Restricted fixed asset funds					
Transfer on conversion	127,661	38,448	—	—	166,109
DfE/ESFA capital grants	2,000	3,158	(4,035)	—	1,123
Construction of Pimlico Primary	3,812	—	—	—	3,812
Capital expenditure from GAG	265	—	—	—	265
Capital expenditure from reserves	1,321	—	—	—	1,321
Other fixed assets	21,315	—	—	—	21,315
	<u>156,374</u>	<u>41,606</u>	<u>(4,035)</u>	<u>—</u>	<u>193,945</u>
Total restricted funds	<u>146,523</u>	<u>89,780</u>	<u>(52,896)</u>	<u>(3,289)</u>	<u>180,118</u>
Unrestricted funds					
General funds	4,745	1,184	—	—	5,929
Funds retained with subsidiary	—	81	(2)	—	79
Total unrestricted funds	<u>4,745</u>	<u>1,265</u>	<u>(2)</u>	<u>—</u>	<u>6,008</u>
Total funds	<u>151,268</u>	<u>91,045</u>	<u>(52,898)</u>	<u>(3,289)</u>	<u>186,126</u>

16 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2022 £'000	Total 2021 £'000
Intangible fixed assets	—	44	—	44	6
Tangible fixed assets	—	—	188,165	188,165	191,402
Current assets	8,185	6,041	3,365	17,591	15,729
Current liabilities	—	(5,489)	—	(5,489)	(5,411)
Pension scheme liability	—	(1,191)	—	(1,191)	(15,600)
Total net assets	<u>8,185</u>	<u>(595)</u>	<u>191,530</u>	<u>199,120</u>	<u>186,126</u>

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16 Analysis of net assets between funds (continued)

<i>Group</i>	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset funds £'000</i>	<i>Total 2021 £'000</i>
<i>Intangible fixed assets</i>	—	—	6	6
<i>Tangible fixed assets</i>	—	—	191,402	191,402
<i>Current assets</i>	6,008	7,184	2,537	15,729
<i>Current liabilities</i>	—	(5,411)	—	(5,411)
<i>Pension scheme liability</i>	—	(15,600)	—	(15,600)
<i>Total net assets</i>	6,008	(13,827)	193,945	186,126

<i>Trust</i>	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset funds £'000</i>	<i>Total 2022 £'000</i>	<i>Total 2021 £'000</i>
<i>Intangible fixed assets</i>	—	44	—	44	6
<i>Tangible fixed assets</i>	—	—	188,165	188,165	191,402
<i>Current assets</i>	7,696	5,587	3,365	16,648	15,605
<i>Current liabilities</i>	—	(5,524)	—	(5,524)	(5,366)
<i>Pension scheme liability</i>	—	(1,191)	—	(1,191)	(15,600)
<i>Total net assets</i>	7,696	(1,084)	191,530	198,142	186,047

<i>Trust</i>	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset funds £'000</i>	<i>Total 2021 £'000</i>
<i>Intangible fixed assets</i>	—	—	6	6
<i>Tangible fixed assets</i>	—	—	191,402	191,402
<i>Current assets</i>	5,929	7,139	2,537	15,605
<i>Current liabilities</i>	—	(5,366)	—	(5,366)
<i>Pension scheme liability</i>	—	(15,600)	—	(15,600)
<i>Total net assets</i>	5,929	(13,827)	193,945	186,047

17 Capital commitments

The Trust had no unrecognised financial obligations at the balance sheet date.

The Trust is seeking to rebuild Phoenix school, subject to appointment of a developer and receipt of planning permission. At 31 August 2022, the Trust had incurred costs for professional fees, but no contracts had been signed for development.

The Trust is committed to spending the full value of the School Condition Allocation grant that was unspent at the balance sheet date (£1.6 million. 2021: £2.6m). This grant has to be spent by March 2023 or returned to the DfE. Plans are in place, but no other contracts signed, for investment of this fund.

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18 Commitments under operating leases

Operating leases

At 31 August 2022, the total of the Trust's future minimum lease payments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Amounts due within one year	58	234
Amounts due between one and five years	90	389
	148	623

19 Members' liability

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

20 Pension commitments

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

Contributions are also made to the NEST workplace pension scheme. This is a defined contribution scheme and contributions are recognised as they are paid each year.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £124,857 were payable to the schemes at 31 August 2022 (2021 - £491,857) and are included within creditors.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

20 Pension commitments (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Trust is unable to identify its share of the underlying assets and liabilities of the plan.

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Accordingly, the Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Trust has set out below the information available on the plan and the implications for the Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets.

Valuation of the Teachers' Pension Scheme

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

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

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

20 Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

The employer's pension costs paid to TPS in the period amounted to £4.094m (2021 - £3.855m).

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

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Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1.758m (2021 - £1.681m), of which employer's contributions totalled £1.292m (2021 - £1.262m) and employees' contributions totalled £0.466m (2021 - £0.419m). The agreed contribution rates for future years are 9.3% of employers and between 5.5% and 7.5% for employees.

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

Principal Actuarial Assumptions	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	3.8%	3.6%
Rate of increase for pensions in payment	3.1%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	3.1%	2.9%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.2	24.3
<i>Retiring in 20 years</i>		
Males	22.9	23.0
Females	26.0	25.9

Future Academies

20 Pension commitments (continued)

Local Government Pension Scheme (LGPS) (continued)

Sensitivity analysis: impact of a change in assumptions on the net pension liability	At 31 August 2022 £'000	At 31 August 2021 £'000
Discount rate -0.1%	815	1,446
Mortality assumption – 1 year increase	1,306	2,222
CPI rate +0.1%	735	1,332

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

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	22,919	25,376
Other bonds	7,719	8,627
Property	5,515	3,569
Cash	2,905	2,405
Total market value of assets	39,058	39,977

The return on scheme assets including interest was £36,000 (2021 - £5,178,000).

Amounts recognised in statement of financial activities	2022 £'000	2021 £'000
Current service cost	4,076	3,040
Net interest (income)	36	182
Total amount recognised in the SOFA	4,112	3,222

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September 2021	55,577	43,003
Transfer in of Trust joining the Trust	—	941
Current service cost	4,076	3,040
Interest cost	642	738
Employee contributions	446	419
Actuarial loss	(28,036)	7,899
Benefits paid	(346)	(463)
Expected return on scheme assets	321	—
At 31 August 2022	32,680	55,577

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20 Pension commitments (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Trust's share of scheme assets:	2022 £'000	2021 £'000
At 1 September 2021	39,977	33,152
Transfer in of Trust joining the Trust	—	441
Interest income	678	556
Actuarial gain	(2,989)	4,610
Employer contributions	1,292	1,262
Employee contributions	446	419
Benefits paid	(346)	(463)
At 31 August 2022	39,058	39,977

21 Related party transactions

Future

Future is a registered charity (Charity Registration No. 1114396) and sponsor of Future Academies. Three of the Trustees of Future Academies are also Trustees of Future.

In the year ended 31 August 2010, Lord John Nash, Joint Chair of Trustees of Future Academies, gifted £2m to Future. Under the Deed of Gift, Future will ring-fence the money in a separate fund and it will be used to support the work of Pimlico Academy and any further Academies of which Future becomes the Principal Sponsor. This fund is called 'The Future Academies Fund'. Monies will be disbursed from the fund at the discretion of the Trustees of Future. The gift has been paid in full to Future.

Included in note 1 are donations received in the year ended 31 August 2022 of £552,000 (2021 - £313,944) from Future.

22 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA.

In the year ended 31 August 2022, the Trust received £68,000 and disbursed £70,000 of 16-19 bursary funds. These amounts have been excluded from income and expenditure. An amount of £13,000 (2021 - £15,000) is included in other creditors relating to undistributed funds.

Future Academies

23 Central services

Central services provided to the Trust's Academies include leadership, commercial direction, high-level finance, HR, and operational support. The central services function is funded by a contribution from each Academy equivalent to 5% of total income. The actual contributions charged during the year were as follows:

	2022 £'000	2021 £'000
Pimlico Academy	501	490
Millbank Academy	115	127
Churchill Gardens Primary Academy	89	89
Pimlico Primary	105	105
Phoenix Academy	218	212
Laureate Academy	218	222
Barclay Academy	208	209
The Grange Academy (was Bushey Academy)	332	335
Future Academies Watford (was Francis Combe)	346	348
Trinity Academy	273	195
	2,405	2,332

24 Transfer in on Academies joining the Trust

On 1 December 2020, under the terms of a Transfer Agreement, Future Academies received all assets, liabilities and operation of Trinity London Trust for no consideration. The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings within a corresponding net amount recognised as net income in the statement of financial activities as voluntary income. The Trust recognised the land and buildings at valuation on acquisition. This valuation was conducted by a qualified, independent valuer in accordance with the Charities SORP and FRS102. Land was valued using a market based approach, whilst buildings have been valued using a depreciated replacement cost basis. The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
. Leasehold land and buildings	41,362	(3,022)	38,340
. Other tangible fixed assets	108	—	108
	41,470	(3,022)	38,448
Current assets			
Debtors	769	—	769
Bank and cash	859	—	859
	1,628	—	1,628
Current liabilities			
Creditors	(1,030)	—	(1,030)
LGPS pension deficit	(500)	—	(500)
Net assets on transfer	41,568	(3,022)	38,546