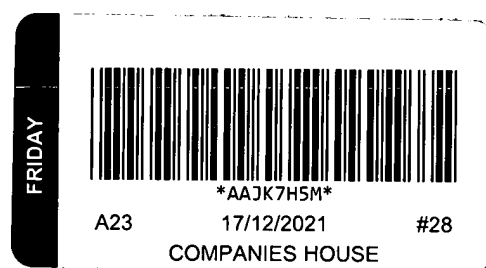


PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Bond W den Breejen (appointed 1 August 2021) G Chilcott P Dimech E Griffiths D Perry (appointed 1 August 2021)
Trustees	R Ward, Chair ¹ G Clark, Vice Chair ² J Passmore, Chief Executive ^{1,2} R Alderman (appointed 1 August 2021) ² A Hall ¹ R Hayday ¹ S Khimji (appointed 9 December 2020) ¹ D Powell ² L Townsend (appointed 1 August 2021) ² P Vincent ² D Willis ² ¹ Finance Focussed Committee ² School Improvement Committee
Company registered number	07557894
Company name	Pickwick Academy Trust
Principal and registered office	Corsham Primary School Pound Pill Corsham Wiltshire SN13 9YW
Accounting Officer	J Passmore
Senior management team	J Passmore, Chief Executive Officer K Hillman, Finance Director E Preater, Business Director G Cooke, Executive Headteacher J Fountain, Executive Headteacher A Tapscott, Professional Development Director
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Bankers	Lloyds Bank Plc 29 High Street Chippenham Wiltshire SN15 3HA
Solicitors	Browne Jacobson 3 Piccadilly Place Manchester M1 3BN

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Until August 2021, the Trust operated five primary academies for pupils aged 4 to 11 in Corsham, Chippenham, Melksham and Ludwell based in Wiltshire. They have a combined pupil capacity of 2085 and had a roll of 1943 in the school census in October 2021.

From August 2021, the Trust has welcomed three new primary schools based near Salisbury, who have a combined number on roll of 680 in the school census in October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 1 August 2017 and has been in operation for four academic years. The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Pickwick Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Pickwick Academy Trust.

Details of the Trustees who served throughout the year and to the date the accounts are approved are included in the Reference and Administration Details.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

On 1 August 2017 the Members appointed Trustees selecting from governors previously serving on each school's local governing board. Trustees are appointed for a four-year term of office. Subject to a skills and contributions audit, any Trustee can be re-elected or re-appointed.

When appointing new Trustees, the Board has given careful consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

The Academy Trust has the following Trustees as set out in its Articles of Association, funding agreement and scheme of delegation: 11 Trustees, one being the Chief Executive Officer.

Policies and Procedures adopted for the Induction and Training of Trustees

There are job descriptions written and agreed for a Trustee, Chair of the Board, Chief Executive Officer, Executive Head-teachers and Finance/Business Directors which ensures all persons who participate in Board meetings are aware of their roles and responsibilities. The Scheme of Delegation and Trust Constitution outlines the method for recruiting, inducting and training new Trustees.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet Executive Headteachers, Heads of School, staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees through the online software system Governor Hub. Due to the infrequency of Trustee appointments, induction tends to be done informally and is tailored specifically to the individual, but it based on the Trust's Induction Policy and induction checklist.

Strategic training events are provided annually by regionally recognised governance trainers, as well as regular scheduled governance training at all levels, which keeps the Trustees updated on relevant developments impacting on their roles and responsibilities whilst also giving time to consider the future developments for the Trust.

Organisational Structure

As a minimum The Board of Trustees meets at least once each term. The Board has established an overall framework for the governance of the academies and determines membership and terms of reference for Governors. The Scheme of Delegation, and 'roles and responsibilities' summary set out in an appendix, defines clearly the organisational structure and roles/responsibilities of each layer of governance. Additionally, the Board has agreed a Code of Practice and a Local Governance Committee Handbook which gives Local Governance Committees detailed information regarding working practices. The Academy Trust now comprises eight primary schools. Trustees receive reports and minutes from its Local Governance Committees and a detailed Headteacher Report which outlines important information appertaining to the performance of each Academy. In addition, reports from the Chief Executive Officer, Finance and Business Directors and other members of the Executive Team are brought to the Board and its committees.

There are two committees as follows:

- Finance Committee – this meets 6 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It incorporates the role of an audit committee
- School Improvement Committee – this meets 6 times a year to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The Board may from time to time establish additional Working Groups/Panels to perform specific tasks over a limited timescale. In previous years a 'Schools in Challenging Circumstances' Committee was established to provide additional support and challenge to a school with particular needs which did not have local governance provision, but as the school in question has re-established its Local Governance Committee, the SiCC Committee no longer operates.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the CEO/Executive Headteacher/Headteacher/Head of School and Clerk to the Trustees, and to approve the Annual Trust Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academies by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Board of Trustees have devolved responsibility for day to day management of the Trust's Academies to the Trust's Executive team, the Local Governance Committees, and Executive Headteacher / Headteacher / Head of School / Senior Leadership Team (SLT) at each school. Each school's SLT comprises the Executive Headteacher/Headteacher/Head of School, Deputy Headteacher and or Assistant Head-teachers, and the Business/ Finance Manager. The SLT implement the policies laid down by the Trustees and report back to them and the Executive Team on performance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The CEO is the Accounting Officer of the Trust.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider that the Board of Trustees and the executive leadership team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

An externally facilitated appraisal process takes place annually with the CEO, Executive Team and Heads across the Trust. Appraisal targets are set and reviewed with the external facilitator, and pay recommendations are taken to the Trust's Remuneration Panel for approval.

Trade union facility time

There were no relevant union officials for the year/period ended 31 August 2021.

Related Parties and other Connected Charities and Organisations

The Trust has enjoyed strong collaborative links with Pickwick Learning Teaching School Alliance (PLTSA) which is part of Corsham Primary School (this ended in August 2021 in line with national Teaching School Alliance policy), and has become the lead strategic partner of the new Teaching School Hub for Swindon and Wiltshire.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Consulting on key policy changes and seeking feedback
- Regular meetings with senior leaders (weekly executive meetings, fortnightly Heads meetings and termly cluster groups)
- Whole teaching team professional development training
- Executive team attend key cluster and development groups, as well as Local Governance Committees
- Ensuring there is a staff representative on every Local Governance Committee
- Regular updates to all staff members, via email and website news, and face-to-face through conferences, including covering both financial and non-financial performance
- Trust-wide external staff satisfaction survey (online, forums and 1:1s) which will inform the development of our People Strategy
- Whole staff training days; including sharing the vision and Trust Development Plan (Trust priorities shared with leaders during appraisal process)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

Objects and Aims

Pickwick Academy Trust aims to achieve the best for, and from, each child. We intend to enable each child to realise their full academic, creative and physical potential and to develop positive social and moral values.

Our principles for the Trust are:

- We join as equal partners, and recognise the expertise & skills that each school brings to the MAT;
- We find common-sense solutions to the issues that we all face, while keeping what is best for the children at the heart of our decision-making processes;
- We work openly with each other and are 'outward-facing' in our approach, offering support to other schools in challenging circumstances;
- We all share the responsibility to ensure all pupils within the MAT realise their potential;
- We openly support each other in all aspects of school improvement – sharing expertise & best practice;
- We ensure that conditions of work for our staff are in the best interests of the school and well-being;
- We believe that each school should retain its unique identity and reflect the needs and aspirations of its local community;
- We are committed to expanding to enable other schools to share expertise and gain from ours;
- We encourage diversity of approach and recognise that Local Governance Committees need the freedom to manage in the best interest of their own school;
- Making efficiency savings to ensure investment remains in quality teaching and learning.

Our vision: To work together to provide the best schools and outcomes for our children

Our Strategy:

- Harness our collective expertise to drive school improvement and realise the best for all children and adults working and learning in our schools
- Celebrate and communicate the successes in our schools to encourage aspiration and innovation
- Provide support and challenge for each school so that every child meets their full potential
- Recognise and celebrate each school's uniqueness, and the enduring Christian distinctiveness of our church schools, valuing all members of our Trust family

Our Mission:

- **Team:** We work together as an inclusive family so that each school is supported and held to account for the attainment and progress of every child to enable them to meet their full potential and to ensure the highest quality teaching and leadership for our children.
- **Approach:** We provide robust support and challenge for each school on its individual journey of improvement, seeking common-sense solutions from within and outside our Trust.
- **Celebrate:** We celebrate the successes and unique characteristics of each school, valuing and encouraging aspiration and innovation for all, providing systems that support opportunities for those working and learning in our schools.
- **Together:** We share responsibility and harness our collective expertise, experience and spirituality to drive school improvement and achieve the best possible outcomes for all by sharing ideas and best practice to ensure all schools within our Trust are successful.
- **Future:** We are committed to sustainable growth, to provide the best outcomes for the communities we serve now and in the future by aligning and resourcing central services and succession planning to ensure investment remains in quality teaching, learning and leadership.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Our values:

Our vision, strategy and mission is underpinned by our moral purpose to provide the best education and curriculum for the children we serve, and is based on the values of: aspiration; collaboration; inclusion; enjoyment and nurturing relationships, with the intention of empowering children to become life-long learners.

We provide a strong ethical framework that enables children to make thoughtful, positive choices, and we are committed to providing a high quality and educationally stimulating learning environment, led by exceptional and dedicated staff.

Objectives, Strategies and Activities

The Trust Board has a detailed Strategic Business Plan which drives the focus of our work, and is available to view from the Trust offices. In addition, the Trust has developed an annual Trust Development Plan with clearly defined objectives and key performance indicators:

Trust Development 9 Key Improvement foci identified and evaluated for this year:

Trust Development Plan – 2020-2021 - Evaluation	
1. Improve outcomes and progress data across the Trust	<input type="checkbox"/>
2. Embed the high quality, enquiry-led curriculum in all schools	<input type="checkbox"/>
3. Develop links schools have with their families and communities	<input type="checkbox"/>
4. Provide high quality CPD, especially in leadership	<input type="checkbox"/>
5. Review to what extent the Trust is an 'employer of choice'; develop the retention and experience of all staff	<input type="checkbox"/>
6. Embed consistent and efficient governance arrangements to meet regulatory requirements and support oversight	<input type="checkbox"/>
7. Grow the Trust	<input type="checkbox"/>
8. Deliver financial performance which supports the sustainability of the Trust	<input type="checkbox"/>
9. Improve the provision of premises and resources across the Trust	<input type="checkbox"/>

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy object, as stated in the Company Articles, is to:
advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include Church of England Academies and may include other Academies whether with or without a designated religious character.

The admissions policy of each school is fair and equitable and can be found on the website of each individual school.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust has completed its fourth full year of operation. It has grown in pupil numbers and classes, and it has continued to develop its school improvement offer and services. The Trust has audited activity and provision across its academies and has identified key successes and areas for further development.

Academic KPI's were set at the start of the academic year and have been regularly monitored and reviewed internally by the Board. Due to COVID-19 there were no national SATs tests which has meant we have not been able to externally evaluate our progress against our performance KPIs.

The executive team, school leaders and staff across all our schools have once again stepped up brilliantly to continue to manage the Covid situation; changing government guidance; staffing and pupil attendance; managing anxiety and workload; learning a new way of delivering education/training remotely; increased expectations around parental involvement, engagement and communication; managing parent/carer expectations and the increased requirements around risk mitigation routines that our teams have had to deal with this year. In addition to leading our schools through a global pandemic we have also successfully managed the following:

- Construction of a £1.3million (CIF funded) new build and classrooms at Ivy Lane Primary School on time and in budget (including managing classes in temporary classrooms)
- Successful conversion of three schools in the Salisbury area (due to convert on 1 August), setting up a south hub of schools and recruiting two new executive leaders; as well as converting to a mixed MAT
- Introduction of enhanced due diligence procedures, including Teaching & Learning and Curriculum Reviews; Premises Surveys; IT and GDPR audits
- Central team capacity resourced to build further growth in line with Secretary of State's announcement that all schools should be in a strong family of schools
- Closing down the Teaching School Alliance in its current form; becoming the strategic partner of the new Swindon & Wiltshire Teaching School Hub and leading the Early Career Framework for all primary schools across Swindon and Wiltshire; developed the role of, and retained Professional Development Director for the Trust
- Developed innovative new ways of providing continuing professional development to all staff across the Trust remotely
- Development of 3-year premises development plans across all schools, which inform budget planning
- Brought the finance teams into one central place, significantly improving the support and oversight of this group
- Launched the new model of Local Governance Committees using updated Scheme of Delegation and other paperwork; embedded governor development training across the Trust and enabled governors to attend School Improvement and Finance Committees
- Reviewed, updated and in many cases carried out a ground-up rewrite of the majority of Trust-wide policies into a uniform format; enhanced the provision in several of our policies in line with our commitment to be an employer of choice
- Developed ways of communicating with new families wanting to join our schools, through external visits, telephone and virtual meetings and professional videos in all schools; this has led to the majority of our schools being over-subscribed in September
- Developing a new 5-year vision and business plan for the Trust
- Carrying out a Trust-wide staff satisfaction survey to help shape our thinking around developing a People Strategy over the next couple of years
- Launching and embedding a new curriculum across all our schools; supporting subject leaders to develop their skills and knowledge through Trust-wide clusters
- Successfully applied for CIF bids for our schools (achieving 1/5 of all the Wiltshire bids) to improve premises in three schools; planning to use our Investment Fund to support the other two schools
- Alignment of our IT support services so all schools now use one provider
- Introduction of a new online finance package, with clearer reporting; online order and invoicing now in place; all bank accounts have moved to one central Trust account

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

- Improved risk analysis and mitigation planning; introduced this approach at school level
- Further developed the Trust as an 'employer of choice'; a primary-focussed organisation; a Trust committed to strong, on-going professional development at all levels
- Supported school improvement activity in six 'Requires Improvement' schools outside the Trust through the DfE School Improvement Programme

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. The forecast for this shows reserves inline with the Trust reserves policy over the next three years.

As funding is based on pupil numbers this is also a key indicator of Trust financial success. Pupil numbers have risen from 1909 in October 2020 to 1943 in October 2021. In addition to this we have an additional 680 pupils from the three schools that joined in August 2021, taking our total pupil number across the trust to 2623.

During the year KPI's remained the same as the previous year and were set as follows:

1. Staffing costs to be 75% or less of total costs.
2. A minimum of £85 per pupil is spent on building maintenance.
3. A minimum of 2% of total costs is spent on technology (IT).
4. Each academy to work towards reaching 5% reserve plus a contribution of 2% to central reserve based on the total GAG income.

The table below shows the KPIs which were set and the position for each school at 31 August 2021.

KPI	Aloeric	CPS	Ivy Lane	Ludwell	Queen's Crescent
Staffing Costs as % total costs	72.8%	69.7%	70.83%	68.55%	68.25
Spend per pupil on Building Maintenance	£39.81	£86.61	£28.77	£100.96	£34.98
IT spend as % of total cost	3.5%	2%	3.3%	3.3%	3.8%
Unrestricted Reserves as a % of GAG	-4.3%	12.6%	9.1%	-6.0%	9.8%

In order to have a like for like comparison across schools staffing costs exclude cleaning and catering staff. The Trust has moved to one contract for catering, cleaning, IT support and grounds maintenance across the majority of its schools.

All schools met the KPI's for staffing and IT spend. This may be due in part to the effect of school closures required by the presence of COVID and to the additional grant for IT equipment that was received from the Local Authority in 2020/2021.

Spend on building maintenance varies in each school, in part due to the age and condition of the buildings, however premises surveys have been commissioned by the trust and work highlighted as a requirement has been mapped in a 3-year maintenance plan to ensure that it is completed.

Ludwell Primary school number of roll has grown from 57 in October 2019 to 94 in October 2021 and the 3-year budget forecast shows an overall surplus position at the end of 2022/2023.

Aloeric Primary school has almost halved an historic deficit position and the 3-year budget forecast also shows an overall surplus position at the end of 2022/2023.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees have reviewed options for KPI's during the year and have set new ones for the year 2021/2022. Trustees are also keen to ensure that decisions are made with the requirement to work towards Net Zero in mind at all available opportunities and this will be reflected in future paperwork and decision making.

Going Concern

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

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy received total income (excluding fixed asset funds) of £9,759,213 and incurred total expenditure (excluding fixed asset funds) of £9,810,934. The excess of expenditure over income for the year was £51,721.

At 31 August 2021 the net book value of fixed assets was £23,285,937 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

On conversion of the three new schools, land and buildings were transferred to the Academy and were valued at £5,579,284.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including the financial responsibilities of the Board, Executive Team, Senior Leadership teams at each school, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Gifts and Hospitality, Pay and the Business Continuity Plan.

Reserves Policy

The Trust reviews the reserve levels of the academies regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of each academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately 5% of total income. This equated to approximately £456,000 when the trust was formed of five schools, rising to £693,000 with the addition of the 3 new schools. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or a fall in pupil numbers resulting in losing a class but not wanting

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

to lose a teacher. Total reserves of the academy amount to £19,701,772, although £18,645,450 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,056,322 is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.3 months of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and have designated 1% of reserves to be an investment reserve to enable additional school and trust wide projects to be undertaken each year.

Following the successful conversion of the new schools into the Trust, Trustees will review the latest reserves position to enable contributions to be provided towards the 2022/2023 Condition Improvement Fund bids. They are also reviewing the structure of the Business Services Team to ensure that sufficient capacity is in place to support all schools in the trust.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

- Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 92% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. To support us further we have sought support from a SRMA advisor and have undertaken an internally commissioned audit and review of our practice to support our next stage of development.
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil's success and achievement are closely monitored and reviewed, through the School Improvement Committee, the work of the Executive team and school leaders, and Local Governance Committees.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline across Trust schools.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

- Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has appointed an Internal audit firm to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has benefitted from further strengthening its risk management process last year and has again improved and evolved the process, raising its profile across all levels of governance in the Trust. A risk register is maintained, reviewed and updated on a regular basis and is a standing item on Finance and School Improvement Committee meeting agendas, as well as at each Board and LGC meeting.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust and its Trustees do not undertake any fundraising activities. However, each academy within the Trust engages in fundraising activities through their Parent Teacher Associations.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021 (includes 3 new schools)	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	2,082,052	1,645,372
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	240.518	180.814
Kerosene consumption	23.578	21.022
Gas Oil consumption	6.896	7.525
Owned transport – mini-buses	0.14	0.18
<u>Total scope 1</u>	271.13	209.54
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	135.810	125.276
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	1.53	2.28
Total gross emissions in metric tonnes CO2e	408.47	337.10
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.154	0.134

Quantification and Reporting Methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

All Board meetings and Trustee committee meetings are held using video conferencing technology. This is also in place for all Executive Team meetings, Head of School meetings, Cluster meetings, meetings with suppliers and training, where possible. This significantly reduces the need to travel between sites.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The following measures have been taken in individual schools this year:

Aloeric Primary School	96 replacement glass panes KS2, new Year 3/4 Boiler
Corsham Primary School (Broadwood & Pound Pill)	LED light replacement in several classrooms, atrium, kitchen, ICT suite & corridors at Broadwood
Greentrees Primary School	Infant site hall has had LED lights installed
Greentrees Primary School (Junior)	Junior site has motion activated lights
Ivy Lane Primary School	Classrooms and upstairs office have automatic sensors, LED lights 9 classes New Building constructed in 2020/21: Heating Ventilation Air conditioning system is low watt consumption with Auto management system Low watt extractor fans throughout All stud/cavity walls and exterior walls are insulated All lights are LCD with motion sensors Ariston NUOS hot water heater is A+ efficient rating. Buildings overall energy efficiency rating is A
Ludwell Community Primary School	Exec Meetings, Head of School Meetings Trustee Board and Committee meetings have moved to zoom and teams to reduce the need for travel across sites. Vast majority of training received by staff and provided as part of the Teaching School work is now delivered via Zoom or Teams to reduce the need for travel across sites.
Pitton Church of England (VA) Primary School	LED lights in 2 classrooms
Queens Crescent Primary School	LED replacement in 4 classes, Toilets in main building have automatic sensors
Winterslow CE Aided Primary School	LED Light Replacement

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels across its academies. Each academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Each Trust academy will continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

The Trust is committed to a growth programme with its strategic ambition of expanding to 18-22 schools within 3-4 geographically proximate 'hubs' over a five-year period (2021-2026).

Three schools joined our Trust (on 1 August 2021) and we look forward to working with them (Greentrees Primary School, Winterslow CE Primary School and Pitton CE Primary School) through the development of our North and South Wiltshire hubs over the coming years. We also converted to become a mixed MAT of church and non-church schools.

Discussions have taken place with various schools over the course of the year which has led Trustees to feel confident that growth targets will be achieved over the next few years. Due to our success in working with other schools, Pickwick Academy Trust is having evolving conversations with further schools about joining and setting up a three-school hub of the Trust.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Following three successful CIF bid applications, premises development work is underway in three of our schools.

We are working with the newly appointed Swindon and Wiltshire Teaching School Hub and have become their lead strategic partner, taking a leading role in overseeing the Early Career Framework for primary across Swindon and Wiltshire.

Our Trust Development Plan Priorities for 2021-2022:

Trust Development Plan – 2021-2022 - Priorities

1. Improve outcomes and progress data across the Trust
2. Ensure all schools are active, supportive and positive centres of their communities
3. Celebrate and communicate successes in our schools, and encourage innovation
4. Develop People Strategy; utilise expertise across the Trust to drive improvement
5. Integrate new schools; develop strong local, national and international links
6. Integrate new LGCs; develop the impact of link governance; understanding of SIAMS
7. Trust-wide IT infrastructure to enable all staff to communicate and connect with each other easily, and access resources from anywhere
8. Financial management systems and KPI bands become part of school culture
9. Analyse energy usage/costs; evidence strategies for promoting eco-friendly practices
10. Growth/NOR in existing schools; two further schools to join by Autumn 2022
11. Three-year costed premises improvement plans, based on surveys, in place

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 7th December 2021 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'R Ward', is positioned above the printed name.

R Ward
Chair of Trustees

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the chief executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Pickwick Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
James Passmore	10	10
Rob Ward	9	10
Gill Clark	10	10
Andrew Hall	10	10
Paul Vincent	8	10
David Powell	7	10
David Willis	7	10
Sonal Khimji	7	8
Rob Hayday	8	10
Rachel Alderman	0*	0*
Liz Townsend	0*	0*

*Joined the Trust as Trustees on 1 August 2021

Pickwick Academy Trust is designated by the DfE as an Academy sponsor and it is the Board's ambition to grow the Trust to an organisation of 18-22 schools over the next five years. Following discussions an appropriate governance structure has been put into place in readiness for the growth, this includes the involvement of Local Governance Committees and a geographically organised hub model where schools in different areas can work together.

The Trustees have overall responsibility and ultimate decision-making authority for all the work of the schools, Teaching School and Trust.

The day to day management and responsibility for the running of the Trust and Teaching School has been delegated to the Chief Executive Officer (CEO), who is supported by a Finance Director, Business Director and Professional Development Director. Two Executive Headteachers have led on school improvement and are directly accountable to the CEO. The CEO has held weekly Executive Team meetings with senior staff to ensure communication lines are strengthened across the Trust.

The Board is further supported by Local Governance Committees made up of governors who are appointed at local level. The Local Governance Committees focus on the day to day life of the school and are there to ensure the staff working in each academy are supported and challenged when necessary, and the needs of the pupils are met ensuring every pupil receives the best possible education. The Local Governance Committees represent the community and are responsible for engagement with parents and the wider community. Whilst the Trustees have overall responsibility and ultimate decision-making authority for all the work of the schools, and the standards achieved by the pupils, Local Governance Committees ensure the vision of the Trust is realised.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees fulfil their responsibilities through strategic planning and by the setting of policies and standards as well as taking responsibility for the oversight and management of risk. The Trustees have the power to direct change where required. The Trustees act independently and in the best interests of the Trust; they are accountable to the Regional Schools Commissioner's Office, the Secretary of State for Education and to the communities that they serve. Irrespective of a person's role or method of appointment Trustees are responsible individually and collectively for the academies and use their skills and experience in undertaking a role on the Board.

After running with only eight Trustees for a period of time, in December 2020 we appointed Sonal Khimji to the Board who brought a wealth of HR and legal experience.

With the conversion of three new schools to the trust in August 2021, we have appointed two new trustees, Rachel Alderman and Liz Townsend, both of whom have extensive experience in Education settings.

Governance Review

As part of our process to bring three more schools into Pickwick Academy Trust, we have converted to mixed MAT status (1 August 2021). In line with this process, we have reviewed all our Trust paperwork and processes, and have updated our Scheme of Delegation, roles and responsibilities, Articles of Association and Constitution.

We have reviewed the skillsets and experiences of our Trustees through the NGA skills audit, and have carried out a review of the Trust using the MAT Assurance Framework.

Using our scheme of delegation summary of roles and responsibilities we have created a Local Governance Committee self-evaluation framework which all LGCs have completed. Collated results will be presented to the Board, and actions identified in each school's Governor Development Plans.

The Board will carry out an internal self-evaluation of its Board of Trustees in 2021-2022 using its Scheme of Delegation, and would welcome an external review of the effectiveness of the Board towards the end of the next academic year, or year after.

Finance Committee

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the finance, risk, health & safety, premises areas of trust business. It also operates as the Audit Committee. During the year Sonal Khimji joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
James Passmore	8	8
Andrew Hall	8	8
Rob Ward	7	8
Rob Hayday	6	8
Sonal Khimji	4*	4*

*Joined part way through the year

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The School Improvement Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the school improvement, safeguarding and staffing areas of trust business. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
James Passmore	6	6
Gill Clark	6	6
David Powell	6	6
Paul Vincent	5	6
David Willis	1	6
Liz Townend*	0	0
Rachel Alderman*	0	0

*Joined on 1 August 2021

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management
- Value for money purchasing
- Reviewing controls and managing risk
- Challenging proposals and examining their effectiveness and efficiency
- Reviewing quality of curriculum provision and quality of teaching
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote

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 the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pickwick Academy Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has 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 Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance Committee and Board 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 (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks
- The Board of Trustees has considered the need for a specific internal audit function and has decided:
- To appoint MHA Monahans, Chartered Accountants and Business Advisors as internal auditor.

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

- The Academies Financial Handbook 'Musts'
- A review of the Purchase System in place at the trust
- A strategic review of the HR procedures and structure currently in place

The auditors have submitted reports to the Board of Trustees, through the Finance, Resource and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. All work was delivered within the necessary timescales and from the checks undertaken three low priority recommendations were received which will be actioned from 2021/2022.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 7th December 2021 and signed on their behalf by:



R Ward
Chair of Trustees



J Passmore
Accounting Officer

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Pickwick Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.



J Passmore

Accounting Officer

Date: 7th December 2021

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



R Ward
Chair of Trustees
Date: 7th December 2021

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Pickwick Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Academy Trust in relation to these areas;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' report.

USE OF OUR REPORT

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



David Butler FCA DChA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17 December 2021

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 17 January 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pickwick Academy Trust during the year 1 September 2020 to 31 August 2021 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 Pickwick Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pickwick Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pickwick Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PICKWICK ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Pickwick Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

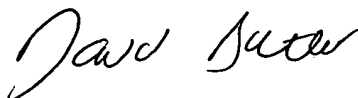
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Butler FCA DChA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17 December 2021

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	469,649	(514,124)	5,773,345	5,728,870	4,613,541
Other trading activities	4	107,870	-	-	107,870	75,172
Investments	5	185	-	-	185	1,122
Charitable activities:	6					
Education		114,584	9,405,188	-	9,519,772	8,177,613
Teaching school		135,861	40,000	-	175,861	139,213
Total income		828,149	8,931,064	5,773,345	15,532,558	13,006,661
Expenditure on:						
Charitable activities:						
Education		76,559	9,494,758	488,398	10,059,715	8,815,590
Teaching school		199,617	40,000	-	239,617	188,948
Total expenditure		276,176	9,534,758	488,398	10,299,332	9,004,538
Net income/(expenditure)		551,973	(603,694)	5,284,947	5,233,226	4,002,123
Transfers between funds	19	-	(209,870)	209,870	-	-
Net movement in funds before other recognised gains/(losses)		551,973	(813,564)	5,494,817	5,233,226	4,002,123
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(1,353,000)	-	(1,353,000)	62,000
Net movement in funds		551,973	(2,166,564)	5,494,817	3,880,226	4,064,123

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	504,349	(2,562,049)	17,879,246	15,821,546	11,757,423
Net movement in funds	551,973	(2,166,564)	5,494,817	3,880,226	4,064,123
Total funds carried forward	1,056,322	(4,728,613)	23,374,063	19,701,772	15,821,546

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

The notes on pages 33 to 63 form part of these financial statements.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07557894

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	23,285,937	16,604,916
		<u>23,285,937</u>	<u>16,604,916</u>
Current assets			
Stocks	16	1,723	5,070
Debtors	17	729,139	1,599,874
Cash at bank and in hand		2,063,949	1,151,879
		<u>2,794,811</u>	<u>2,756,823</u>
Creditors: amounts falling due within one year	18	(1,284,976)	(748,193)
Net current assets		<u>1,509,835</u>	<u>2,008,630</u>
Total assets less current liabilities		<u>24,795,772</u>	<u>18,613,546</u>
Net assets excluding pension liability		<u>24,795,772</u>	<u>18,613,546</u>
Defined benefit pension scheme liability	26	(5,094,000)	(2,792,000)
Total net assets		<u>19,701,772</u>	<u>15,821,546</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	23,374,063	17,879,246
Restricted income funds	19	365,387	229,951
		<u>23,739,450</u>	<u>18,109,197</u>
Restricted funds excluding pension asset	19	23,739,450	18,109,197
Pension reserve	19	(5,094,000)	(2,792,000)
Total restricted funds	19	<u>18,645,450</u>	<u>15,317,197</u>
Unrestricted income funds	19	<u>1,056,322</u>	<u>504,349</u>
Total funds		<u>19,701,772</u>	<u>15,821,546</u>

The financial statements on pages 29 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



R Ward

Chair of Trustees

Date: 7th December 2021

The notes on pages 33 to 63 form part of these financial statements.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	1,185,843	233,846
Cash flows from investing activities	22	(273,773)	(121,046)
Change in cash and cash equivalents in the year		912,070	112,800
Cash and cash equivalents at the beginning of the year		1,151,879	1,039,079
Cash and cash equivalents at the end of the year	23, 24	<u>2,063,949</u>	<u>1,151,879</u>

The notes on pages 33 to 63 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

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

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

1.7 TANGIBLE FIXED ASSETS

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Long-term leasehold land	- Straight line over 125 years
Long-term leasehold buildings	- Straight line over 50 year
Furniture and equipment	- 10% Straight line
Computer equipment	- 20% Straight line

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

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

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES

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

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.14 PENSIONS

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

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

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

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

1.15 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Winterslow C of E Primary Schools, Greentrees Primary School and Pitton C of E Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.16 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
Amounts transferred on conversion	459,128	(532,000)	5,593,895	5,521,023	801,672
Educational trips & visits	-	17,876	-	17,876	46,226
Other donations	10,521	-	7,109	17,630	29,011
Donated asset	-	-	-	-	2,417,236
SUBTOTAL DETAILED DISCLOSURE	469,649	(514,124)	5,601,004	5,556,529	3,294,145
Capital Grants	-	-	172,341	172,341	1,319,396
SUBTOTAL	-	-	172,341	172,341	1,319,396
	469,649	(514,124)	5,773,345	5,728,870	4,613,541
TOTAL 2020	29,301	2,993	4,581,247	4,613,541	

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	39,693	39,693	47,610
Consultancy	-	-	80
Breakfast club	41,675	41,675	27,482
Supply insurance	26,502	26,502	-
	107,870	107,870	75,172
TOTAL 2020	75,172	75,172	

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	185	185	1,122
	<u>185</u>	<u>185</u>	
TOTAL 2020	1,122	1,122	
	<u>1,122</u>	<u>1,122</u>	

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	114,584	9,405,188	9,519,772	8,177,613
Teaching school	135,861	40,000	175,861	139,213
	<u>250,445</u>	<u>9,445,188</u>	<u>9,695,633</u>	<u>8,316,826</u>
TOTAL 2020	213,661	8,103,165	8,316,826	
	<u>213,661</u>	<u>8,103,165</u>	<u>8,316,826</u>	

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General annual grant	-	7,444,053	7,444,053	6,547,590
OTHER DFE/ESFA GRANTS				
Pupil premium	-	437,394	437,394	423,857
Universal infant free school meals	-	288,105	288,105	281,402
Teachers Pension & Pay Grant	-	347,830	347,830	339,142
Others	-	247,583	247,583	128,415
	-	8,764,965	8,764,965	7,720,406
OTHER GOVERNMENT GRANTS				
Local Authority Grants	-	480,514	480,514	340,632
Other government grants	-	-	-	18,794
	-	480,514	480,514	359,426
Other income from the Academy Trust's education	114,584	6,989	121,573	97,781
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	152,720	152,720	-
	-	152,720	152,720	-
	114,584	9,405,188	9,519,772	8,177,613
TOTAL 2020	97,781	8,079,832	8,177,613	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil premium, Universal Infant Free School Meals and Teachers pay and pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £152,720 relating to catch up premium of which £80,212 was spent during the year, leaving £72,508 to be spent in the 21/22 financial year.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	6,298,175	491,698	273,373	7,063,246	6,311,403
Allocated support costs	1,348,590	565,135	1,082,744	2,996,469	2,504,187
TEACHING SCHOOL:					
Direct costs	182,834	-	-	182,834	94,183
Allocated support costs	-	-	56,783	56,783	94,765
	<u>7,829,599</u>	<u>1,056,833</u>	<u>1,412,900</u>	<u>10,299,332</u>	<u>9,004,538</u>
TOTAL 2020	<u>6,832,750</u>	<u>928,979</u>	<u>1,242,809</u>	<u>9,004,538</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	7,063,246	2,996,469	10,059,715	8,815,590
Teaching school	182,834	56,783	239,617	188,948
	<u>7,246,080</u>	<u>3,053,252</u>	<u>10,299,332</u>	<u>9,004,538</u>
TOTAL 2020	<u>6,405,586</u>	<u>2,598,952</u>	<u>9,004,538</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Education 2021 £	Teaching School 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	22,000	-	22,000	23,000
Staff costs	6,248,208	182,834	6,431,042	5,540,456
Depreciation	354,466	-	354,466	342,648
Educational supplies	176,439	-	176,439	218,947
Examination fees	9,364	-	9,364	5,163
Staff development	38,512	-	38,512	34,274
Other costs	42,643	-	42,643	149,553
Supply teachers	49,967	-	49,967	22,804
Technology costs	4,983	-	4,983	68,741
Educational consultancy	116,664	-	116,664	-
	<u>7,063,246</u>	<u>182,834</u>	<u>7,246,080</u>	<u>6,405,586</u>
TOTAL 2020	<u>6,311,403</u>	<u>94,183</u>	<u>6,405,586</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2021 £	Teaching School 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	29,000	-	29,000	28,000
Staff costs	1,348,590	-	1,348,590	1,256,370
Depreciation	133,932	-	133,932	69,194
Other costs	9,257	-	9,257	2,194
Recruitment and support	8,675	-	8,675	7,566
Maintenance of premises and equipment	183,005	-	183,005	144,720
Cleaning	247,071	-	247,071	165,661
Rent and rates	79,779	-	79,779	87,752
Energy costs	89,208	-	89,208	81,844
Insurance	100,801	-	100,801	35,983
Security and transport	4,302	43	4,345	12,773
Catering	366,242	176	366,418	287,308
Technology costs	167,863	1,026	168,889	77,286
Office overheads	55,511	5,423	60,934	112,251
Legal and professional	141,869	50,115	191,984	190,512
Bank interest and charges	(11)	-	(11)	249
Governance costs	31,375	-	31,375	39,289
	<u>2,996,469</u>	<u>56,783</u>	<u>3,053,252</u>	<u>2,598,952</u>
TOTAL 2020	<u>2,504,187</u>	<u>94,765</u>	<u>2,598,952</u>	

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	9,382	18,946
Depreciation of tangible fixed assets	486,715	411,842
Fees paid to auditors for:		
- audit	19,750	15,000
- other services	3,500	11,495

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,551,562	4,911,062
Social security costs	489,782	411,219
Pension costs	1,738,288	1,474,545
	<u>7,779,632</u>	<u>6,796,826</u>
Agency staff costs	49,967	35,924
	<u>7,829,599</u>	<u>6,832,750</u>

Staff restructuring costs comprise:

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	135	93
Administration and Support	228	179
Management	20	15
	<u>383</u>	<u>287</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	108	74
Administration & Support	108	77
Managmeent	19	14
	<u>235</u>	<u>165</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	-

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,184,758 (2020 - £859,748).

**PICKWICK ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. CENTRAL SERVICES

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

- Strategic governance services
- School improvement
- Financial planning and management
- HR & Payroll
- Financial and administrative system
- Legal services
- Audit and internal assurance

The Academy Trust charges for these services on the following basis:

A contribution is charged to schools based on 6% of the Academies General Annual Grant.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Corsham Primary School	177,356	104,639
Aloeric Primary School	87,300	66,326
Ivy Lane Primary School	105,709	65,542
Queen's Crescent School	108,976	61,595
Ludwell Community Primary School	9,672	10,000
Winterslow CofE Primary School	3,361	-
Greentrees Primary School	6,443	-
Pitton CofE Primary School	1,513	-
TOTAL	500,330	308,102

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: J Passmore: Remuneration £85,000 - £90,000 (2020: £65,000 - 70,000), Employer's Pension Contributions £20,000 - £25,000 (2020: £15,000 - £20,000).

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £225).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. TRUSTEES' AND OFFICERS' INSURANCE

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

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2020	17,687,646	447,967	485,021	18,620,634
Additions	1,246,733	168,999	174,403	1,590,135
Acquired on conversion	5,579,284	-	-	5,579,284
At 31 August 2021	24,513,663	616,966	659,424	25,790,053
DEPRECIATION				
At 1 September 2020	1,468,991	182,494	364,233	2,015,718
Charge for the year	354,466	56,401	77,531	488,398
At 31 August 2021	1,823,457	238,895	441,764	2,504,116
NET BOOK VALUE				
At 31 August 2021	22,690,206	378,071	217,660	23,285,937
At 31 August 2020	16,218,655	265,473	120,788	16,604,916

16. STOCKS

	2021 £	2020 £
Finished goods and goods for resale	1,723	5,070

PICKWICK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	94,987	5,620
Prepayments and accrued income	576,328	1,561,093
Tax recoverable	57,824	33,161
	<u>729,139</u>	<u>1,599,874</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	414,649	269,636
Other taxation and social security	157,019	98,147
Accruals and deferred income	713,308	380,410
	<u>1,284,976</u>	<u>748,193</u>

	2021 £	2020 £
Deferred income at 1 September 2020	236,573	256,948
Resources deferred during the year	326,869	236,573
Amounts released from previous periods	(236,573)	(256,948)
	<u>326,869</u>	<u>236,573</u>

PICKWICK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	504,349	828,149	(276,176)	-	-	1,056,322
RESTRICTED GENERAL FUNDS						
General Annual Grant	-	7,444,053	(7,234,183)	(209,870)	-	-
Pupil premium	102,964	437,394	(377,873)	-	-	162,485
UIFSM	-	288,105	(288,105)	-	-	-
Teachers pay & pension grant	-	347,830	(347,830)	-	-	-
Other ESFA	117,504	247,583	(263,369)	-	-	101,718
Local authority grants	-	480,514	(461,200)	-	-	19,314
Catch up premium	-	152,720	(80,212)	-	-	72,508
Donations	9,483	17,876	(18,292)	-	-	9,067
Teaching school	-	40,000	(40,000)	-	-	-
Other restricted funds	-	6,989	(6,694)	-	-	295
Pension reserve	(2,792,000)	(532,000)	(417,000)	-	(1,353,000)	(5,094,000)
	<u>(2,562,049)</u>	<u>8,931,064</u>	<u>(9,534,758)</u>	<u>(209,870)</u>	<u>(1,353,000)</u>	<u>(4,728,613)</u>
RESTRICTED FIXED ASSET FUNDS						
Assets transferred on conversion	12,270,967	5,579,284	(209,066)	-	-	17,641,185
Fixed assets purchases from GAG and other restricted funds	1,511,735	21,720	(182,643)	1,973,393	-	3,324,205
DfE/ESFA Capital grants	1,679,308	172,341	-	(1,763,523)	-	88,126
Government donated assets	2,417,236	-	(96,689)	-	-	2,320,547
	<u>17,879,246</u>	<u>5,773,345</u>	<u>(488,398)</u>	<u>209,870</u>	<u>-</u>	<u>23,374,063</u>
TOTAL RESTRICTED FUNDS	<u>15,317,197</u>	<u>14,704,409</u>	<u>(10,023,156)</u>	<u>-</u>	<u>(1,353,000)</u>	<u>18,645,450</u>
TOTAL FUNDS	<u>15,821,546</u>	<u>15,532,558</u>	<u>(10,299,332)</u>	<u>-</u>	<u>(1,353,000)</u>	<u>19,701,772</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the ESFA during the period in order to fund the continuing activities of the Academy Trust. During the year, £57,660 (2018 - £95,421) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meal (UIFSM) represents funding from the ESFA to cover the cost of providing free school meals to all pupils in reception, year 1 and year 2.

Teachers pay & pension grant - represents funding from the ESFA to fund increases in teachers pay and pension contributions.

Other DfE/ESFA grants represents amounts received for PE and sports grant, rates relief, MDIF and setup grants provided by the ESFA to cover the cost of non-domestic rates for the period, teachers pay increases, MAT development and setup costs.

Local authority grants - represents funding received by the Local Authority to fund further support for students with additional needs.

Catch-up premium - represents funding from the ESFA to help children and young people catch up on missed education caused by Covid-19.

Donations - represents amounts gifted to the Trust for a specific purpose and contributions for school trips

Teaching Schools grant received from the National College for Teaching and Leadership represents funding towards the training and development of other schools.

Other restricted funds represents all other funded which is restricted in nature.

Pension reserve represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS (CONTINUED)

FIXED ASSET FUNDS

Fixed assets transferred in represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy and amounts transferred in existing Academies in to the Trust.

Capital Expenditure from GAG and other donations represents capital purchases made from the General Annual Grant and other donations received for fixed assets.

DfE/ESFA Capital grants represents Conditional Improvement Funding (CIF) and Devolved Formula Capital funding from the ESFA to cover specific building projects, as well as the maintenance and purchase of the Academy Trust's assets.

Government donated assets - represents assets donated to the Trust from the Local Authority.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS					
General Funds	321,248	319,256	(136,155)	-	504,349
RESTRICTED GENERAL FUNDS					
General Annual Grant	-	6,547,590	(6,425,156)	(122,434)	-
Pupil premium	19,946	423,857	(340,839)	-	102,964
UIFSM	-	281,402	(281,402)	-	-
Teachers pay & pension grant	-	339,142	(339,142)	-	-
Other ESFA grants	150,001	128,415	(160,912)	-	117,504
Local authority grants	-	340,632	(340,632)	-	-
Donations	4,143	59,993	(54,653)	-	9,483
Teaching school	113,678	23,333	(137,011)	-	-
Other restricted funds	-	18,794	(18,794)	-	-
Pension reserve	(2,439,000)	(57,000)	(358,000)	62,000	(2,792,000)
	<u>(2,151,232)</u>	<u>8,106,158</u>	<u>(8,456,541)</u>	<u>(60,434)</u>	<u>(2,562,049)</u>
RESTRICTED FIXED ASSET FUNDS					
Assets transferred on conversion	11,734,760	835,344	(299,137)	-	12,270,967
Fixed assets purchases from GAG and other restricted funds	1,467,196	9,271	(87,166)	122,434	1,511,735
DfE/ESFA Capital grants	385,451	1,319,396	(25,539)	-	1,679,308
Government donated assets	-	2,417,236	-	-	2,417,236
	<u>13,587,407</u>	<u>4,581,247</u>	<u>(411,842)</u>	<u>122,434</u>	<u>17,879,246</u>
TOTAL RESTRICTED FUNDS	<u>11,436,175</u>	<u>12,687,405</u>	<u>(8,868,383)</u>	<u>62,000</u>	<u>15,317,197</u>
TOTAL FUNDS	<u><u>11,757,423</u></u>	<u><u>13,006,661</u></u>	<u><u>(9,004,538)</u></u>	<u><u>62,000</u></u>	<u><u>15,821,546</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Corsham Primary School	470,931	435,867
Queen's Crescent Primary School	221,327	108,614
Aloeric Primary School	(30,980)	(81,014)
Ivy Lane Primary School	208,353	173,271
Ludwell Community Primary School	7,125	13,902
Winterslow C of E Primary School	136,324	-
Greentrees Primary School	247,791	-
Pitton C of E Primary School	51,828	-
Pickwick Academy Trust	109,010	83,660
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,421,709	734,300
Restricted fixed asset fund	23,374,063	17,879,246
Pension reserve	(5,094,000)	(2,792,000)
	<hr/>	<hr/>
TOTAL	19,701,772	15,821,546
	<hr/>	<hr/>
		Deficit
		£
Aloeric Primary School		(30,980)
		<hr/>

The financial position at Aloeric continues to be closely managed. In 2020-21 a surplus of £50,034 was achieved which reduced the cumulative deficit to £30,980. Future Financial projections show Aloeric will return to a cumulative surplus by August 2023.

PICKWICK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Corsham Primary School	2,038,814	408,736	64,728	543,489	3,055,767	3,000,418
Queen's Crescent Primary School	1,222,041	167,816	23,291	309,509	1,722,657	1,567,782
Aloeric Primary School	1,214,157	176,747	24,977	288,654	1,704,535	1,515,603
Ivy Lane Primary School	1,236,989	259,559	37,720	290,426	1,824,694	1,650,491
Ludwell Community Primary School	273,869	84,947	15,555	97,811	472,182	334,182
Winterslow C of E Primary School	55,706	5,518	402	13,709	75,335	-
Greentrees Primary School	135,413	15,168	607	20,122	171,310	-
Pitton C of E Primary School	24,806	5,554	260	11,208	41,828	-
Pickwick Academy Trust	228,147	224,542	32,158	257,779	742,626	524,220
ACADEMY TRUST	6,429,942	1,348,587	199,698	1,832,707	9,810,934	8,592,696

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	23,285,937	23,285,937
Current assets	1,056,322	1,650,363	88,126	2,794,811
Creditors due within one year	-	(1,284,976)	-	(1,284,976)
Provisions for liabilities and charges	-	(5,094,000)	-	(5,094,000)
TOTAL	1,056,322	(4,728,613)	23,374,063	19,701,772

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	16,604,916	16,604,916
Current assets	504,349	978,144	1,274,330	2,756,823
Creditors due within one year	-	(748,193)	-	(748,193)
Provisions for liabilities and charges	-	(2,792,000)	-	(2,792,000)
TOTAL	504,349	(2,562,049)	17,879,246	15,821,546

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NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	5,233,226	4,002,123
ADJUSTMENTS FOR:		
Depreciation	488,398	411,842
Capital grants from DfE and other capital income	(172,341)	(59,116)
Interest receivable	(185)	(1,077)
Defined benefit pension scheme obligation inherited	532,000	57,000
Defined benefit pension scheme cost less contributions payable	366,000	307,000
Defined benefit pension scheme finance cost	51,000	51,000
Decrease/(increase) in stocks	3,347	(5,070)
Increase in debtors	(273,101)	(1,285,139)
Increase in creditors	536,783	31,191
Net assets received on conversion	(5,579,284)	(858,672)
Donated asset from Local Authority	-	(2,417,236)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,185,843	233,846

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Dividends, interest and rents from investments	185	1,077
Purchase of tangible fixed assets	(1,590,135)	(204,567)
Capital grants from DfE Group	1,316,177	59,116
Cash transferred on conversion to the Trust	-	23,328
NET CASH USED IN INVESTING ACTIVITIES	(273,773)	(121,046)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	2,063,949	1,151,879
TOTAL CASH AND CASH EQUIVALENTS	2,063,949	1,151,879

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,151,879	912,070	2,063,949
	<u>1,151,879</u>	<u>912,070</u>	<u>2,063,949</u>

25. CONVERSION TO AN ACADEMY TRUST

During the year 3 schools converted from the local authority to join Pickwick Academy Trust. The fair value of identifiable assets and liabilities for each school has been listed below. In addition LGPS Pension deficits for all three schools totalling £532,000 were transferred to Pickwick Academy Trust.

On 1 August 2021 Winterslow C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pickwick Academy Trust from Wiltshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
CURRENT ASSETS			
Cash - representing budget surplus on LA funds	171,675	1,700	173,375
NET ASSETS	<u>171,675</u>	<u>1,700</u>	<u>173,375</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. CONVERSION TO AN ACADEMY TRUST (CONTINUED)

On 1 August 2021 Greentrees Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pickwick Academy Trust from Wiltshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS			
Leasehold land and buildings	-	5,579,284	5,579,284
CURRENT ASSETS			
Cash - representing budget surplus on LA funds	235,497	12,911	248,408
NET ASSETS	<u>235,497</u>	<u>5,592,195</u>	<u>5,827,692</u>

On 1 August 2021 Pitton C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pickwick Academy Trust from Wiltshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Total funds £
CURRENT ASSETS		
Cash - representing budget surplus on LA funds	51,956	51,956
NET ASSETS	<u>51,956</u>	<u>51,956</u>

NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS

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

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

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

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £845,327 (2020 - £785,726).

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £609,000 (2020 - £483,000), of which employer's contributions totalled £504,000 (2020 - £398,000) and employees' contributions totalled £ 105,000 (2020 - £85,000). The agreed contribution rates for future years are 23.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021 %	2020 %
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
RETIRING TODAY		
Males	21.9	21.7
Females	24.4	24.0
RETIRING IN 20 YEARS		
Males	22.9	22.5
Females	26.2	25.5

SENSITIVITY ANALYSIS

	2021 £000	2020 £000
Discount rate -0.1%	309	204
Mortality assumption - 1 year increase	500	-
CPI rate +0.1%	279	182
Salary increase + 0.1%	26	19

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	4,149,000	2,894,000
Bonds	2,371,000	1,653,000
Property	889,000	620,000
TOTAL MARKET VALUE OF ASSETS	7,409,000	5,167,000

The actual return on scheme assets was £971,000 (2020 - £109,000).

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

	2021 £	2020 £
Current service cost	(870,000)	(705,000)
Interest income	93,000	92,000
Interest cost	(144,000)	(143,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(921,000)	(756,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	7,959,000	7,005,000
Conversion of academy trusts	1,554,000	132,000
Current service cost	870,000	705,000
Interest cost	144,000	143,000
Employee contributions	105,000	85,000
Actuarial losses/(gains)	2,088,000	(78,000)
Benefits paid	(217,000)	(33,000)
AT 31 AUGUST	12,503,000	7,959,000

PICKWICK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	5,167,000	4,566,000
Conversion of academy trusts	1,022,000	75,000
Interest income	93,000	92,000
Actuarial gains/(losses)	735,000	(16,000)
Employer contributions	504,000	398,000
Employee contributions	105,000	85,000
Benefits paid	(217,000)	(33,000)
AT 31 AUGUST	7,409,000	5,167,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	4,679	9,382
Later than 1 year and not later than 5 years	2,471	3,698
	7,150	13,080

28. MEMBERS' LIABILITY

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

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. RELATED PARTY TRANSACTIONS

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

During the year the Trust paid £1,361 (2020: £587) to Digital Wonderlab Limited which the brother of James Passmore, CEO and Trustee, is a director. At the year end the amount owed to Digital Wonderlab Limited was £900 (2020: £nil).

All transactions were on normal commercial terms.

30. TEACHING SCHOOL TRADING ACCOUNT

	2021 £	2021 £	2020 £	2020 £
Income				
Income	175,861		139,213	
Investment income	-		45	
TOTAL DIRECT INCOME	175,861		139,258	
TOTAL INCOME		175,861		139,258
Expenditure				
Direct staff costs	143,221		51,937	
Other staff costs	39,613		42,246	
Security and transport	43		1,170	
Catering costs	176		1,663	
Technology costs	1,026		340	
Office overheads	5,423		5,260	
Professional fees	50,115		86,375	
Bank charges	-		(43)	
TOTAL OTHER EXPENDITURE	96,396		137,011	
TOTAL EXPENDITURE		239,617		188,948
Deficit from all sources		(63,756)		(49,690)
Teaching school balances at 1 September 2020		63,756		113,446
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		-		63,756