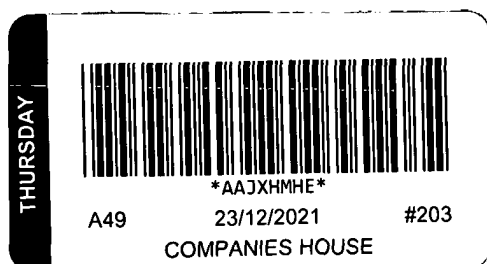


THE SILVERSTONE ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2021



Company Limited by Guarantee
Registration Number: 07649183
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS, TRUSTEES AND

Members	The University of Northampton Higher Education Corporation Silverstone Circuits Limited The Bedford College Group D Newman - Chair of Trustees (resigned 11/2/2021) I Pryce - Chair of Trustees (from 11/02/2021)	
Board of Trustees	D Newman - Chair appointed by Silverstone Circuits Ltd (resigned 11/02/2021) I Pryce - Chair elected and appointed by the Trustees from 11/02/2021, Elected and appointed by the Trustees to the Board on 8/12/2020). N Patterson - Principal and Accounting Officer S Banks - Appointed by Silverstone Circuits Ltd J Baxter - Appointed by Board of Directors until 11/02/2021 then appointed by The Bedford College Group S Bown - Parent Governor K Campbell - Appointed by Board of Directors until 11/02/2021 then appointed by The Bedford College Group J Dark - Parent Governor J Harte - Appointed by Silverstone Circuits R Jaina - Appointed by Silverstone Circuit Limited (from 23/03/2021) I Macaulay - Staff Governor A Murphy - Appointed by Board of Directors J Muscutt - Staff Governor C Robinson - Appointed by Board of Directors (resigned 06/07/2021) J Sinclair - The University of Northampton J Tearle - Appointed by Board of Directors (from 11/05/2021) M Webster - Appointed by Board of Directors P Williamson - Parent Governor (from 23/03/2021)	
Leadership Team	N Patterson V Stanley S Hollies J McAfee N Hopkins R Wheller	Principal Vice Principal Vice Principal Assistant Principal Business Manager (until 31/12/2020) Business Manager (from 01/01/2021)
Principal & Registered Office	The Clerk to the Governors Silverstone UTC Silverstone Circuit Silverstone Northants NN12 8TL	
Company Registration No	07649183	
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND	
Bankers	Barclays Bank plc 267 Wellingborough Road Northampton NN1 4EN	

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report together with the financial statements and auditor's report of the Silverstone Academy Trust for the year ended 31 August 2021.

The company was incorporated on 26 May 2011 and the school became an academy on 1 June 2012. The Silverstone University Technical College opened in September 2013. The Academy operates an academy for pupils aged 14 to 19 serving a catchment area in Central and South Northamptonshire, North Buckinghamshire and surrounding areas. The trust has a pupil capacity of 576 and had a roll of 506 (2020 : 472) in the school census on 7 October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no: 07649183) and is an exempt charity. The memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees for The Silverstone Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Silverstone University Technical College.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative details on page 3.

Members' Liability

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

Trustees' Indemnities

The Silverstone Academy Trust has in place directors and trustees liability insurance indemnity cover to a limit of £2,000,000.

Method of Recruitment and Appointment or Election of Directors and Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the Company's memorandum and articles of association. These include application, short listing and interviewing procedures. Consideration is given to the skills of directors and trustees which would enhance the effectiveness of the trust. Parent, Community and Staff Trustees have been nominated and elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the trustees held 6 full Board meetings and several sub-committee meetings. The training and induction provided for new trustees depends on their existing experience. Where necessary, induction will provide training on charity and educational, legal, and financial matters. All new trustees meet with the Chair of trustees and will be given a tour of the academy and the chance to meet with staff and students. 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.

Organisational Structure

The Academy Trust board for directors (the 'Board') is responsible for the overall strategic direction of the academy and for fulfilling statutory duties. The board is responsible for setting general policy, adopting and monitoring the financial plan and budget, monitoring capital expenditure, agreeing legal contracts and for making senior staff appointments.

The Principal is Accounting Officer and is responsible for the authorisation of spending within agreed budgets.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**Trade union facility time****Relevant union officials****Numbers****FTE's**

There were no employees who were union officials during the relevant period.

Nil

Nil

Arrangements for setting pay and remuneration of key management personnel

The appointment to the role of Principal is carried out by the governing body and led by the Chair of Governors. Appointments of members of the Senior Leadership Team should wherever possible include one or more members of the governing body in the selection process and at interview.

The Academy will, in its absolute discretion, review salaries and pay bonuses annually. There will be no review of the salary after notice has been given by either party to terminate the employment; this includes any bonus, award, gift or salary increment. This also applies to staff who are who are under a formal performance management process and to those still in their probationary period. In practice, this means that a member of staff may not receive a salary increment for a period in excess of a year if their employment starts part way through the academic year.

The executive team have their pay and remuneration reviewed by the Principal according to SMART targets agreed in advance annually in line with the Academy's Pay Policy. The Principal's performance is reviewed by the Finance and Remuneration Committee whose terms of reference include the statement that "To make arrangements for the appraisal and development of the Principal. To review the salary of the Principal for 1st November of each year, taking account of any targets set for the previous year, and taking advice from the School Improvement Partner according to Regulations."

Connected Organisations Including Related Party Relationships

The list of members are: The University of Northampton Higher Education Corporation, Silverstone Circuits Limited, Bedford College and Ian Pryce, Chair of Trustees.

Board of Trustees

I Pryce - Chair nominated by The University of Northampton

N Patterson - Principal and Accounting Officer

S Banks - Appointed by Silverstone Circuits Ltd

J Baxter - Appointed by Bedford College

K Campbell - Appointed by Bedford College

S Bown - Parent Governor

J Dark - Appointed by Board of Directors - elected on 11 February 2021

J Harte - Appointed by Silverstone Circuits

R Jaina - Appointed by Silverstone Circuit Limited – elected on 3 March 2021

I Macaulay - Staff Governor

A Murphy - Appointed by Board of Directors

J Muscutt - Staff Governor

J Sinclair - The University of Northampton

M Webster - Appointed by Board of Directors

P Williamson - Parent Governor – elected on 23 March 2021

J Tearle - Appointed by Board of Directors – elected on 11 May 2021

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The principal object and activity of the Academy Trust is "to advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on high performance engineering and technical events management".

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment areas from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on high performance engineering and technical events management.

The main objectives of the academy during the year ended 31 August 2021 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry, commerce and the local community; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Principle Activities

The Academy Trust's object in its Articles of Association is to advance for the public benefit in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, which includes provision for technical education. Under the Funding Agreement with the Department for Education, the curriculum is further defined to include an emphasis on high performance engineering and technical events management.

Objects, Strategies and Activities

The Silverstone University Technical College opened in September 2013 and focuses on high performance engineering and technical events management. It will cater for 576 students of 14-19 years primarily from Central and South Northamptonshire, North Buckinghamshire and surrounding areas. The Silverstone University Technical College aims to initiate and support the development of well-educated and work ready students who not only have the qualifications, but also the functional skills, knowledge and personal qualities to make an impact in the world of work and/or further and higher education.

Our unique status of working very closely with a range of employers in the region means that we are able to shape the curriculum to produce students with a professional ethos and culture that is in high demand in today's working world. The focus of the curriculum will be grounded in real business-focused, practical problems and challenges that reflect fully the world of work. We will give them an experience of real value, one that will lead to them being 'work ready'.

Recruitment of students was a key task and focused on open days and evenings, advertising, principal surgeries, PR, and by working through the networks available to us from the Local Authorities and from our employer partners.

Equal Opportunities Policy

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

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

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

The Trust Governors have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities contribute to the aims and objectives they have set. The Silverstone University Technical College provides a fully comprehensive education to all pupils in its care. It complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

STRATEGIC REPORT**Achievements and Performance**

Teacher Assessed Grades replaced exam grades this year. While this clearly led to grade inflation on a national scale, we acted with integrity and believe that the grades awarded to our students reflect the work they put in. There were minimal changes to the VTQs, so the grades awarded in those qualifications accurately reflected the students' abilities, grades showed improved progress for students in the key areas identified in our Ofsted report. Once again, student destinations were strong, despite a number of apprenticeships being cancelled.

Through lockdown in January and February, our teaching team moved very swiftly to remote teaching, made easier because using technology such as Google Classroom is the modus operandi for most subjects. Other subject areas were able to adapt quickly, and students did not have to learn new skills to make use of the platform. Our online delivery improved over the period of school closures, and we are now in a position where we can switch to remote learning seamlessly.

Key Financial Performance Indicators

The academy trust established a financial budget at the start of the year and a Finance & Remuneration Committee to monitor performance against budget during the period. Additional KPIs, both financial and non-financial, are reported to the Board at each meeting.

	2021	2020
Pupil numbers	506	472
Staff numbers	52	58
Staff costs (Including on-costs) as a percentage of total income	74%	80%
Pupil : teaching staff ratio	16.3	13.9
Total expenditure per pupil	£6,419	£6,379
Average salary	£43,903	£39,379

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**Overview**

The principal source of funding for the Academy Trust is the General Annual Grant. Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 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 ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), such grants 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 expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure was £3,248,000 (2020: £3,011,000). After adjusting for capital grant income and depreciation there is a surplus for the year of £73,000 (2020: £149,000 deficit).

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**Overview (cont'd)**

At 31 August 2021 the net book value of fixed assets was £4,379,000 (2020: £4,443,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. This includes the valuation of the land and buildings. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The academy was admitted to the Local Government Pension Scheme (LGPS) on a fully funded basis as at 1 June 2012, with there being no past service liabilities or assets.

The figures as at 31 August 2021 are based on projecting forward the estimated position at 1 September 2020 and assume that the experience over the year, apart from investment returns, has been in line with the assumptions made at the start of the year.

The estimated FRS102 liability at 31 August 2021 is £851,000 (2020: £529,000). The liability is due to the difference in fair value of the schemes assets against the fair value of the schemes liabilities.

It should be noted that the balance sheet, income and expenditure, and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS 102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The trust's financial and risk management objectives are documented in its:

- Official budgets;
- Finance Policy;
- Scheme of Delegation;

The finance policy and scheme of delegation are available on request, and particular items which warrant specific disclosure are noted within this annual report.

Reserves Policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves should be equivalent to 4 weeks expenditure, approximately £200,000. 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. The net reserve figure of £4,156,000 (2020 : £4,333,000) covers this.

Financial Position

The academy held fund balances at 31 August 2021 of £4,156,000 (2020 £4,333,000) comprising £4,044,000 (2020: £4,223,000) of restricted funds and £112,000 (2020: £110,000) unrestricted funds.

Investment Policy

All investments are made in accordance with the policy of the trust. The trust's policies on investments are one of minimum risk with all investments being held with the trust's bankers or other banking institutions regulated by the Financial Conduct Authority. The Academy Trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2021. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPLE RISKS AND UNCERTAINTIES

The Board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Board has built on this success by establishing a formal risk management policy, which will continue to be adapted and improved which will enable future risk management to be more systematic.

At the time of reporting, the trust's identified key risks are:

- the risk of progress in subjects being below expectations;
- the rate of expansion of the academy;
- being able to recruit staff of the right calibre;
- the impact of changes to funding regulations;
- Loss of personal and sensitive information.

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces. They have introduced operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- Silverstone UTC does not do any formal fundraising. We work closely with Silverstone Circuits to make best use of our building for events such as the British grand Prix and MotoGP. We also support local clubs, allowing hire of our astro turf pitch in the winter months for training.
- We do not work with any professional fundraisers. We reviewed the option of an external company to manage our external hire a number of years ago but the location of our site meant that they could not bring any positive benefits to the school.

Plans for Future Periods

A clear development strategy has been developed since the Ofsted visit in October 2019. This addresses the four pillars of improvement – progress in some subjects, consistent provision for students with SEN, progress of high prior attainers and personal development of students. It is a strategy that will take two to three years to embed, but with the journey having started, the team in step with the plan, and strong new appointments both to the staff body and the Board of Governors, we are confident that we will be positioned favourably when Ofsted return.

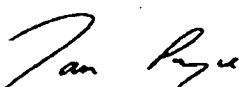
Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report incorporating a Strategic Report was approved by the Board of Trustees as the company Directors on 7 December 2021 and signed on their behalf by:

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I Pryce

Chair of Trustees

7 December 2021

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Silverstone 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.

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

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

Governance

The information on governance included here supplements that described in the trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a Possible
S Banks	7	7
J Baxter	5	7
S Bown	7	7
K Campbell	5	7
J Dark	7	7
J Harte	7	7
R Jaina	1	3
I Macaulay	6	7
A Murphy	6	7
J Muscutt	5	7
D Newman	3	4
N Patterson	7	7
I Pryce	6	6
C Robinson	4	7
J Sinclair	6	7
James Tearle	2	2
M Webster	5	7
P Williamson	3	3

Governance Review

A full external review of Governance was completed in 2018 by a National Leader of Governance (NLG) as defined by the National College for Teaching and Leadership. The review highlighted 4 areas for improvement and all of these have been implemented. The review covered the following areas

- the character of the trust;
- to confirm that the activities of the trust are being undertaken in accordance with the academy trust deed;
- to ensure that there is clarity of vision, ethos and strategic direction;
- to demonstrate that the principal is held to account for the education of performance of the school and its
- to check that the financial performance of the school is monitored and value for money obtained;
- to provide assurance that governance by the Board of Trustees is effective.

A governance review was due in Spring 2021 however due to the forced school closure, due to the COVID-19 pandemic, this is now postponed until 2022.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

The Finance & Remuneration Committee is a sub-committee of the main governing body. Its purpose is to develop the strategic direction and governance procedures on financial matters. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a Possible
D Newman	1	1
M Webster	2	3
I Pryce	2	2
K Campbell	2	3
A Murphy	2	3
N Patterson	3	3
J Sinclair	2	3

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- We managed vacancies and continued our flexible approach to staffing and work which enabled us to deliver savings on our staffing budget. Key areas that allowed us to do this were through SLT taking an active teaching load and use of flexible contracts for our cover supervisor roles.
- Continued to work with the local football and rugby teams which resulted continued high usage of our astro over the winter months, bringing in around £4K revenue.
- We have continued to review our contracts via a third party, Maxwell FM, to ensure we deliver best value.
- During the forced school closure, due to the COVID-19 pandemic, we worked closely with our Transport, Catering and Cleaning suppliers to ensure that our costs were managed. This was especially important as we were not receiving any income for Transport or Catering.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Silverstone Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 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.

The Risk and Control Framework

The Silverstone Academy Trust 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;
- regular reviews by the Finance and Audit Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**The Risk and Control Framework (cont'd)**

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

An internal audit review was carried out in July 2021 using a bought-in internal audit service from an individual who has extensive experience as a School Business Manager. The internal auditor carried out the audit in line with the program of work, as identified by the Audit Committee, to evaluate the suitability and level of compliance with financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently and also whether agreed procedures have been followed.

The internal audit took place in July 2021 and will be delivered, in person, at our Audit Committee meeting in November 2021.

The internal auditor has delivered the schedule of work as planned and no material control issues were identified however some areas on the program of work were beyond the auditors expertise.

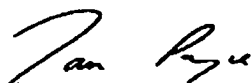
Review of Effectiveness

As Accounting Officer, the Principal 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;
- internal financial management and governance self assessment.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal controls 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 7 December 2021 and signed on its behalf by:



.....
I Pryce
Chair of Trustees



.....
N Patterson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of The Silverstone 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 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 there has been no instance 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 the ESFA.



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N Patterson
Principal & Accounting Officer

7 December 2021

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

The trustees (who act as governors of The Silverstone Academy Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

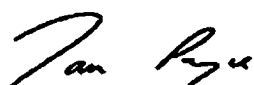
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7 December 2021 and signed on its behalf by:



.....
I Pryce

Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SILVERSTONE ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2021**Opinion**

We have audited the financial statements of The Silverstone Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), 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 The Silverstone Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including 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

Basis for opinion

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

Conclusions relating to going concern

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 statement 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 The Silverstone Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SILVERSTONE ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Opinions on other matters prescribed by the Companies Act 2006**

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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 set out on page 14, the trustees 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 The Silverstone Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the The Silverstone Academy Trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the The Silverstone Academy Trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2020 and 2021. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the The Silverstone Academy Trust's net income for the year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SILVERSTONE ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SILVERSTONE ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Use of our report**

This report is made solely to the The Silverstone 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 The Silverstone Academy Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Silverstone Academy Trust's and the The Silverstone Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Malcolm Winston****Senior Statutory Auditor****UHY Hacker Young (Birmingham) LLP, Statutory Auditor****9-11 Vittoria Street****Birmingham****B1 3ND****7 December 2021**

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE SILVERSTONE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 12 August 2021 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, in all material respects, the expenditure disbursed and income received by the academy trust during the period 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 The Silverstone Academy Trust and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Silverstone Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Silverstone Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Silverstone Academy Trust funding agreement with the Secretary of State for Education dated 8 November 2012, 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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and 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 Accountants issued by the 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.

Summary of the work undertaken was as follows:

- Analytical review of the academy trusts general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE SILVERSTONE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Approach (con't)**

- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/strategic business manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

In the course of our work, one material aspect of regularity has come to our attention, as detailed below. Nothing further has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.



Reporting Accountant

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

7 December 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021
(Including Income and Expenditure Account)

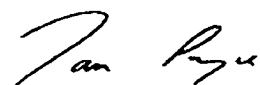
		Unrestricted	Restricted	Restricted	Total	Total
		Funds	General	Fixed	2021	2020
	Note	£'000	£'000	Asset Funds £'000	£'000	£'000
Income from:						
Donations and capital grants	3	-	-	51	51	13
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	3,212	-	3,212	2,800
Other trading activities	5	2	-	-	2	11
Investment income	6	-	-	-	-	-
Total		2	3,212	51	3,265	2,824
Expenditure on:						
Raising funds	7	-	-	-	-	-
Charitable activities:						
- Academy trust's educational operations	7	-	3,141	107	3,248	3,011
Other		-	-	-	-	-
Total		-	3,141	107	3,248	3,011
Net income/(expenditure)		2	71	(56)	17	(187)
Transfers between funds		-	-	-	-	-
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	26	-	(194)	-	(194)	(17)
Net movement in funds		2	(123)	(56)	(177)	(204)
Reconciliation of funds						
Total funds brought forward	15	110	(347)	4,570	4,333	4,537
Total funds carried forward	15	112	(470)	4,514	4,156	4,333

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	12	<u>4,379</u>	<u>4,443</u>
		<u>4,379</u>	<u>4,443</u>
Current assets			
Debtors	13	111	83
Cash at bank and in hand		<u>800</u>	<u>660</u>
		<u>911</u>	<u>743</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>(283)</u>	<u>(324)</u>
Net current assets		<u>628</u>	<u>419</u>
Total assets less current liabilities		<u>5,007</u>	<u>4,862</u>
Net assets excluding pension liability		<u>5,007</u>	<u>4,862</u>
Defined benefit pension scheme liability	26	(851)	(529)
Total Net Assets		<u><u>4,156</u></u>	<u><u>4,333</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	15	4,514	4,570
- Restricted income fund	15	381	182
- Pension reserve	15	<u>(851)</u>	<u>(529)</u>
Total Restricted Funds		<u>4,044</u>	<u>4,223</u>
Unrestricted income fund	15	<u>112</u>	<u>110</u>
Total Unrestricted Funds		<u>112</u>	<u>110</u>
Total Funds		<u><u>4,156</u></u>	<u><u>4,333</u></u>

The financial statements on pages 21 to 41 were approved by the trustees and authorised for issue on 7 December 2021 and signed on their behalf by:



.....
I Pryce
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by(used in) operating activities	19	132	(14)
Cash flows from investing activities	20	8	63
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		<u>140</u>	<u>49</u>
Cash and cash equivalents at 1 September		660	611
Cash and cash equivalents at 31 August	22	<u>800</u>	<u>660</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**1 Statement of Accounting Policies**

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

Basis of Preparation

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

The Silverstone Academy Trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

Income

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

- **Grants**

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

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

- **Donated goods, facilities and services (cont'd)**

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 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.

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Leasehold buildings	2%
Engineering and general equipment	20%
Furniture and equipment	25%
Computer equipment	33.33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Leased assets**

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 instrument, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pensions Benefits

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

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

Pensions Benefits (cont'd)

The LGPS is a multi funded employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency Arrangements

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

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020 (See note 15).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

3 DONATIONS AND CAPITAL GRANTS	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
ESFA capital grant	-	13	13	13
ESFA donated assets	-	4	4	-
Other capital grants	-	34	34	-
	-	51	51	13

The income from donations and capital grants was £51,000 (2020: £13,000) of which £Nil (2020: £Nil) was unrestricted and £51,000 (2020: £13,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	2,955	2,955	2,632
Pupil premium grant	-	40	40	38
Teachers pay grant	-	34	34	31
Teachers pension grant	-	96	96	89
Universal Infant Free School Meals	-	3	3	-
	-	3,128	3,128	2,790
Other Government grants				
Pupil premium grant - NCC	-	7	7	-
Other Grants	-	28	28	9
	-	35	35	9
COVID-19 DfE/ESFA additional funding				
Catch up premium	-	20	20	-
Other DfE/ESFA COVID-19 funding	-	25	25	-
COVID-19 exceptional costs funding	-	-	-	1
	-	45	45	1
Other income from the academy trust's educational operations	-	4	4	-
	-	3,212	3,212	2,800

COVID-19 DfE/ESFA additional funding

The academy received £20,080 of funding for catch up premium. Costs incurred in respect of this funding totalled £20,080.

Other DfE/ESFA COVID-19 funding has been received under "exceptional government funding". The funding received for mass testing covers £25,080 of costs to test staff and students for Covid-19 symptoms and in 2020 £1,140 for free school meal costs. These costs are included within notes 7 and 8.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

4 FUNDING FOR THE ACADEMY TRUST'S OPERATIONS (cont'd)

The income from the academy trusts' educational operations was restricted for both 2021 and 2020.

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 is no longer reported under the Other DfE/ESFA grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

5 OTHER TRADING ACTIVITIES	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Lettings income	1	-	1	5
Other income	1	-	1	6
	<u>2</u>	<u>-</u>	<u>2</u>	<u>11</u>

The income from other trading activities was £2,000 (2020 : £11,000) of which £2,000 (2020 : £11,000) was unrestricted, £Nil (2020 : £Nil) restricted and £Nil (2020 : £Nil) restricted fixed assets.

6 INVESTMENT INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the academy trusts' investment income was unrestricted for both 2021 and 2020.

7 EXPENDITURE	Non Pay Expenditure			Total 2021 £'000	Total 2020 £'000
	Staff Costs £'000	Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	-	-	-
Academy's educational operations					
- Direct costs	2,063	-	172	2,235	2,002
- Allocated support costs	345	367	301	1,013	1,009
	<u>2,408</u>	<u>367</u>	<u>473</u>	<u>3,248</u>	<u>3,011</u>
	<u>2,408</u>	<u>367</u>	<u>473</u>	<u>3,248</u>	<u>3,011</u>

The expenditure was £3,248,000 (2020 : £3,011,000) of which £Nil (2020 : £Nil) was unrestricted, £3,141,000 (2020 : £2,905,000) restricted and £107,000 (2020 : £106,000) restricted fixed assets.

	Total 2021 £'000	Total 2020 £'000
Net income/(expenditure) for the year includes:		
Operating leases rentals	10	10
Depreciation	107	106
Gain on disposal of fixed assets	-	(55)
Fees payable to auditor for:		
- audit	6	6
- other services	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

8 CHARITABLE ACTIVITIES

	Total 2021 £'000	Total 2020 £'000
Direct costs - educational operations	2,235	2,002
Support costs - educational operations	1,013	1,009
	<u>3,248</u>	<u>3,011</u>

Analysis of Support Costs

Support staff costs	345	473
Depreciation	107	106
Technology costs	48	54
Premises costs	260	224
Legal costs - other	34	18
Other support costs	196	174
Governance	23	15
Gain on disposal of fixed assets	-	(55)
	<u>1,013</u>	<u>1,009</u>

9 STAFF**a Staff costs**

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	1,732	1,700
Social security costs	176	163
Pension costs	489	421
	<u>2,397</u>	<u>2,284</u>

Agency staff costs

	11	-
	<u>2,408</u>	<u>2,284</u>

Staff restructuring costs comprise:

Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

b Staff severance payments

Included in staff restructuring costs are Nil (2020 : Nil) non statutory/non contractual severance payments. Individually the payments were £Nil (2020: £Nil).

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2021 expressed as whole persons was as follows:

	2021 No.	2020 No.
Charitable Activities		
Teachers	31	34
Administration and support	16	19
Management	5	5
	<u>52</u>	<u>58</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

9 STAFF (cont'd)**d Higher paid staff**

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

	No	No
£60,001 - £70,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

e Key management personnel

The key management of the academy trust comprise the trustees and the senior management team as listed on page 3. 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 £426,842 (2020 : £376,131).

10 RELATED PARTY TRANSACTIONS - 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 receive remuneration in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

	2021	2020
N Patterson		
Remuneration	£100,000 - £105,000	£100,000 - £105,000
Employers pension contributions	£15,000 - £20,000	£15,000 - £20,000
J Muscut		
Remuneration	£45,000 - £50,000	£45,000 - £50,000
Employers pension contributions	£10,000 - £15,000	£10,000 - £15,000
R Midgley		
Remuneration	£NIL - £NIL	£30,000 - £35,000
Employers pension contributions	£NIL - £NIL	£0 - £5,000
I Macaulay		
Remuneration	£20,000 - £25,000	£15,000 - £20,000
Employers pension contributions	£0 - £5,000	£0 - £5,000

During the year ended 31 August 2021 £Nil (2020: £379) of training, travel and subsistence expenses were reimbursed to trustees.

Other related party transactions including trustees are set out in note 27.

11 TRUSTEES' AND OFFICERS' INSURANCE

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £182 (2020: £111). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1 September 2020	5,042	405	322	-	5,769
Additions	-	-	31	12	43
Disposals	-	-	-	-	-
At 31 August 2021	<u>5,042</u>	<u>405</u>	<u>353</u>	<u>12</u>	<u>5,812</u>
Depreciation					
At 1 September 2020	607	401	318	-	1,326
Charged in year	101	2	4	-	107
Disposals	-	-	-	-	-
At 31 August 2021	<u>708</u>	<u>403</u>	<u>322</u>	<u>-</u>	<u>1,433</u>
Net book value					
At 31 August 2021	<u>4,334</u>	<u>2</u>	<u>31</u>	<u>12</u>	<u>4,379</u>
At 31 August 2020	<u>4,435</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>4,443</u>

On 1 September 2013 the academy's leasehold land and buildings were donated to the academy by Northamptonshire County Council (NCC) on a 50 year lease at a pepper corn rent. On 31 March 2014 an existing use valuation was prepared for the Education and Skills Funding Agency by a firm of Chartered Surveyors, Mouchel, that the leasehold land and buildings gifted had a fair open market value of £5,034,000.

13 DEBTORS

	2021 £'000	2020 £'000
Trade debtors	18	27
VAT recoverable	52	15
Prepayments & accrued income	41	41
	<u>111</u>	<u>83</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	48	29
Taxation and social security	43	42
Other creditors	159	152
Accruals	16	68
Deferred income	17	33
	<u>283</u>	<u>324</u>

Deferred Income

	2021 £'000	2020 £'000
Deferred income at 1 September	33	31
Resources deferred in the year	17	33
Amounts released from previous years	(33)	(31)
Deferred income at 31 August	<u>17</u>	<u>33</u>

At the balance sheet date the academy was holding funds received in advance for 2021/22 for rates relief £17,173 (2020: £17,173) and payments in respect of transport services for 2021/22 of £Nil (2020: £15,812).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

15 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2021
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General annual grant (GAG) (note i)	182	2,955	(2,756)	-	381
Pupil premium grant (note ii)	-	40	(40)	-	-
Teachers Pay Grant (note iii)	-	34	(34)	-	-
Teachers Pension Grant	-	96	(96)	-	-
Universal Infant Free School Meals	-	3	(3)	-	-
Catch up premium	-	20	(20)	-	-
Other DfE/ESFA COVID-19 funding	-	25	(25)	-	-
Pupil premium grant - NCC (note ii)	-	7	(7)	-	-
Other LA grants	-	28	(28)	-	-
Other grants (note v)	-	4	(4)	-	-
	182	3,212	(3,013)	-	381
Restricted fixed asset funds					
DfE capital grants (note vi)	-	-	-	-	-
Devolved formula capital (note vi)	87	13	(4)	-	96
NCC fixed assets donation (note vii)	4,483	-	(102)	-	4,381
ESFA donated assets	-	4	(1)	-	3
Other capital grants	-	34	-	-	34
	4,570	51	(107)	-	4,514
Restricted pension scheme liability					
Pension reserve (note viii)	(529)	-	(128)	(194)	(851)
	(529)	-	(128)	(194)	(851)
Total restricted funds	4,223	3,263	(3,248)	(194)	4,044
Unrestricted Funds					
Unrestricted Funds	110	2	-	-	112
Total unrestricted funds	110	2	-	-	112
Total Funds	4,333	3,265	(3,248)	(194)	4,156

Notes

- i) General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021 (note 2).
- ii) Pupil premium grant has been used to focus interventions at vulnerable children. Children who meet the pupil premium criteria are given priority, and these include Looked After Children, Free School Meal Children and children of Armed Services personnel.
- iii) The Teachers Pay Grant has been utilised to cover the increase in teaching staff salaries and on costs.
- iv) Other ESFA grants are utilised for the purposes intended. Grants include teachers pension grant and other grants.
- v) Other grants consists of funding received from Cambridge Partnership as a contribution towards the salary of staff training with the academy trust.
- vi) Restricted fixed assets were funded by government grants.
- vii) Northamptonshire County Council transferred on 1 September 2013 assets valued at £5,034,000 to the school under a 125 year lease arrangement, for which a pepper corn rent is charged (note 12).
- viii) The pension reserve represents the deficit on the Local Government Pension Scheme (note 26).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

15 FUNDS (cont'd)

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

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General annual grant (GAG) (note i)	246	2,632	(2,696)	-	182
Pupil premium grant (note ii)	-	38	(38)	-	-
Pupil premium grant - NCC (note ii)	-	31	(31)	-	-
Teachers Pay Grant (note iii)	-	90	(90)	-	-
Other Grants (note iv)	-	9	(9)	-	-
	<u>246</u>	<u>2,800</u>	<u>(2,864)</u>	<u>-</u>	<u>182</u>
Restricted fixed asset funds					
DfE capital grants (note v)	-	-	-	-	-
Devolved formula capital (note v)	79	13	(5)	-	87
NCC fixed assets donation (note vi)	4,529	-	(46)	-	4,483
	<u>4,608</u>	<u>13</u>	<u>(51)</u>	<u>-</u>	<u>4,570</u>
Restricted pension scheme liability					
Pension reserve (note vii)	(416)	-	(96)	(17)	(529)
	<u>(416)</u>	<u>-</u>	<u>(96)</u>	<u>(17)</u>	<u>(529)</u>
Total restricted funds	4,438	2,813	(3,011)	(17)	4,223
Unrestricted Funds					
Unrestricted Funds	99	11	-	-	110
Total unrestricted funds	<u>99</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>110</u>
Total Funds	<u>4,537</u>	<u>2,824</u>	<u>(3,011)</u>	<u>(17)</u>	<u>4,333</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	4,379	4,379
Current assets	112	-	664	135	911
Current liabilities	-	-	(283)	-	(283)
Pension scheme liability	-	(851)	-	-	(851)
	<u>112</u>	<u>(851)</u>	<u>381</u>	<u>4,514</u>	<u>4,156</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS (cont'd)

Fund balances at 31 August 2020 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restricted	Restricted	Assets	
	Funds	Funds	Funds	Restricted	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed	-	-	-	4,443	4,443
Current assets	110	-	506	127	743
Current liabilities	-	-	(324)	-	(324)
Pension scheme liability	-	(529)	-	-	(529)
	<u>110</u>	<u>(529)</u>	<u>182</u>	<u>4,570</u>	<u>4,333</u>

17 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

Authorised by governors, but not yet contracted

2021	2020
£'000	£'000
22	Nil
<u>Nil</u>	<u>Nil</u>

18 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	Other	Other
	£'000	£'000
Operating leases		
- Within one year	7	10
- Within two to five years	-	7
	<u>7</u>	<u>17</u>

19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	17	(187)
Adjusted for:		
Depreciation (note 12)	107	106
Proceeds from sales of tangible fixed assets	-	(55)
Capital grants from DfE and other capital income	(51)	(13)
Interest receivable (note 6)	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	118	88
Defined benefit pension scheme finance cost (note 26)	10	8
(Increase)/decrease in debtors	(28)	43
Decrease in creditors	(41)	(4)
Net cash provided by/(used in) operating activities	<u>132</u>	<u>(14)</u>

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£'000	£'000
Interest received	-	-
Purchase of tangible fixed assets	(43)	(5)
Proceeds from sales of tangible fixed assets	-	55
Capital grants from DfE/ESFA	51	13
Net cash provided by investing activities	<u>8</u>	<u>63</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

	2021	2020
	£'000	£'000
21 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash (used in)/provided by financing activities	-	-

	At 1 Aug 2021	At 1 Aug 2020
	£'000	£'000
22 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash in hand and at bank	800	660
Total cash and cash equivalents	800	660

	At 1 September 2020	Cash Flows	At 31 Aug 2021
	£'000	£'000	£'000
23 ANALYSIS OF CHANGES IN NET DEBT			
Cash at bank	660	140	800
Overdraft	-	-	-
	660	140	800
Loans within one year	-	-	-
Loans within more than one year	-	-	-
	660	140	800

24 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

25 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS

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

The total pension cost to the Academy during the year ended 31 August 2021 was £489,000 (2020: £421,000) of which £282,000 (2020:£261,000) relates to the TPS and £207,000 (2020: £160,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £42,590 were payable to the schemes at 31 August 2021 (2020: £40,118) and are included within other creditors.

Teachers' Pension Scheme**Introduction**

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

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

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 costs paid to TPS in the year amounted to £282,000 (2020: £261,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2021 was £238,000 (2020: £189,000) of which employer's contributions totalled £207,000 (2020: £160,000) and employees contributions totalled £31,000 (2020: £29,000). The agreed contributions for future years are 19.0% (2020: 14.7%) for employers and 5.5% to 12.5% (2020: 5.5% to 12.5%) for employees.

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

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2021 % per annum	At 31 August 2020 % per annum
Discount rate	1.7%	1.7%
Salary increases	3.4%	2.7%
Pension increases	2.9%	2.2%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2021 £'000	2020 £'000
Discount rate decreased by 0.5% per annum	260	189
Salary increased by 0.5%	10	9
Pension increased by 0.5%	245	178

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
Longevity at age 65 retiring today		
- Men	21.7	21.5
- Women	24.1	23.7
Longevity at age 65 retiring in 20 years		
- Men	22.8	22.3
- Women	25.8	25.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equity instruments	697	531
Debt instruments	208	123.04
Property	125	92.28
Cash/liquidity	10	23.07
Total market value of assets	1,040	769
Present value of scheme liabilities		
- Funded	1,040	769
- Unfunded	851	529
Total liabilities	1,891	1,298
Deficit in the scheme	851	529

The actual return on the scheme assets in the year was a surplus of £162,000 (2020: £3,000).

Amounts recognised in the Statement of Financial Activities

	2020 £'000	2020 £'000
Current service cost	197	152
Interest income	(14)	(14)
Interest cost	24	22
Total Operating Charge	207	160

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)	2021 £'000	2020 £'000
Movement in deficit during the year		
Balance brought forward at 1 September	529	416
Movement in year:		
Employer service cost (net of employee contributions)	197	152
Employer contributions	(79)	(64)
Expected return on scheme assets	(14)	(14)
Interest cost	24	22
Actuarial loss	194	17
Deficit in the scheme at 31 August	851	529

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

	2021 £'000	2020 £'000
Scheme liabilities at 1 September	1,298	1,089
Current service cost	197	152
Interest cost	24	22
Contributions by scheme participants	31	29
Benefits paid	(1)	-
Actuarial loss	342	6
Scheme liabilities at 31 August	1,891	1,298

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

	2021 £'000	2020 £'000
Fair value of scheme assets at 1 September	769	673
Expected return on scheme assets	14	14
Contributions by employer	79	64
Contributions by scheme participants	31	29
Benefits paid	(1)	-
Actuarial gains/(losses)	148	(11)
Fair value of scheme assets at 31 August	1,040	769

The estimated value of employer contributions for the year ended 31 August 2022 is £81,000 (2021: £59,000).

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the 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 ended 31 August 2021 the academy purchased services from Bedford College (Member and Co Sponsor) totalling £34,980 (2020: £37,800). The amount outstanding at 31 August 2021 was £Nil (2020: £40,950). The academy also purchased services from Silverstone Circuits Ltd (Member and Co Sponsor) totalling £105,179 (2020: £78,063), the amount outstanding at 31 August 2021 was £1,681 (2020: £4,460).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)**27 RELATED PARTY TRANSACTIONS (cont'd)**

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2020.

The element above £2,500 has been provided "at no more than cost" and both Bedford College and Silverstone Circuits Ltd have provided a statement of assurance confirming this.

28 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £16,691 (2020: £21,563) and disbursed £15,698 (2020: £6,530) from the fund. An amount of £112,795 (2020: £111,802) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

29 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.