

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2021**



***Company Limited by Guarantee***  
***Registration Number: 07685796***  
***(England & Wales)***

**CONTENTS**

	<b>Page</b>
Reference and Administrative Information	<b>3</b>
Trustees' Report	<b>4</b>
Governance Statement	<b>10</b>
Statement on Regularity, Propriety and Compliance	<b>14</b>
Statement of Trustees' Responsibilities	<b>15</b>
Independent Auditor's Report on the Financial Statements	<b>16</b>
Independent Reporting Accountant's Report on Regularity	<b>20</b>
Statement of Financial Activities	<b>22</b>
Balance Sheet	<b>23</b>
Statement of Cash Flows	<b>24</b>
Notes to the financial statements	<b>25</b>

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

<b>Members</b>	G Rees D Nelson E Turner C Marshall
<b>Board of Trustees</b>	D Loane, Partner Headteacher (resigned 1 April 2021) E Balan, Headteacher G Rees, Vice Chair to 16 September 2021 S Raju, Trustee C Marshall, Vice Chair from 16 September 2021 H Dhinju, Chair of Trustees to 16 September 2021 L Wild, Trustee S Nazran, Trustee (resigned 10 November 2021) D McMorrow, Trustee (resigned 1 October 2021) K Sehra, Chair of Trustees from 16 September 2021 I Campbell, Staff Trustee (resigned 11 November 2020) M Farah, Trustee (appointed 26 February 2020) C Loveridge (appointed 1 April 2021) E Whitehouse (appointed 1 April 2021) M Aujla (appointed 10 November 2021) O Chaudri (appointed 10 November 2021)
<b>Company secretary</b>	S Heath-Gardiner (resigned 21 April 2021) J McCormick (appointed 21 April 2021)
<b>Senior Management Team</b>	D Loane, Partner Headteacher (resigned 31 December 2020) E Balan, Headteacher S Samuel, Deputy Headteacher S Hannan, Assistant Headteacher
<b>Company Registration No</b>	07685796
<b>Company Name</b>	Rookery School
<b>Registered Office</b>	Rookery Road Birmingham West Midlands B21 9PY
<b>Independent Auditor</b>	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
<b>Bankers</b>	Lloyds TSB Great Hampton Street Birmingham West Midlands B18 6AH

**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 charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates a truly multi cultural inner city centre primary school for pupils age 3-11 situated in the heart of Handsworth, Birmingham, 3 miles from the city centre. The primary school has a pupil capacity of 472 (2020: 472) at the school. At the census in October 2021 there were 472 (2020:473) pupils on roll at the primary school.

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no: 07685796) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees for Rookery School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Rookery School.

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 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.

**Trustees' Indemnities**

Indemnity Insurance to cover the liability of the Trustees for an unlimited amount (2020: unlimited) has been purchased by the Trust. The cost of such insurance is bundled as part of the overall school insurance, which is included within the total overall insurance cost of £8,307.

**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 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**

New Trustees are invited to meet with the Clerk and the Chair of Governors prior to their first meeting. They are sent a 'new governor' information pack that outlines the expectation and commitment required to carry out the role effectively. To support all governors, training is organised for the whole group on an annual basis following an audit of skills and changing requirements of the ESFA, DfE and OFSTED. To facilitate this and to provide individual support the academy has subscribed to the following organisations; SSAT, NGA Ten Governor and the Birmingham Governors Support Network. These subscriptions are reviewed on an annual basis.

**Organisational Structure**

Rookery School has a unified leadership structure, which comprises of two elements - the Governors and the Leadership Team. The aim of the Leadership structure is to develop leadership capacity, devolve responsibility and encourage involvement in decision making at all levels.

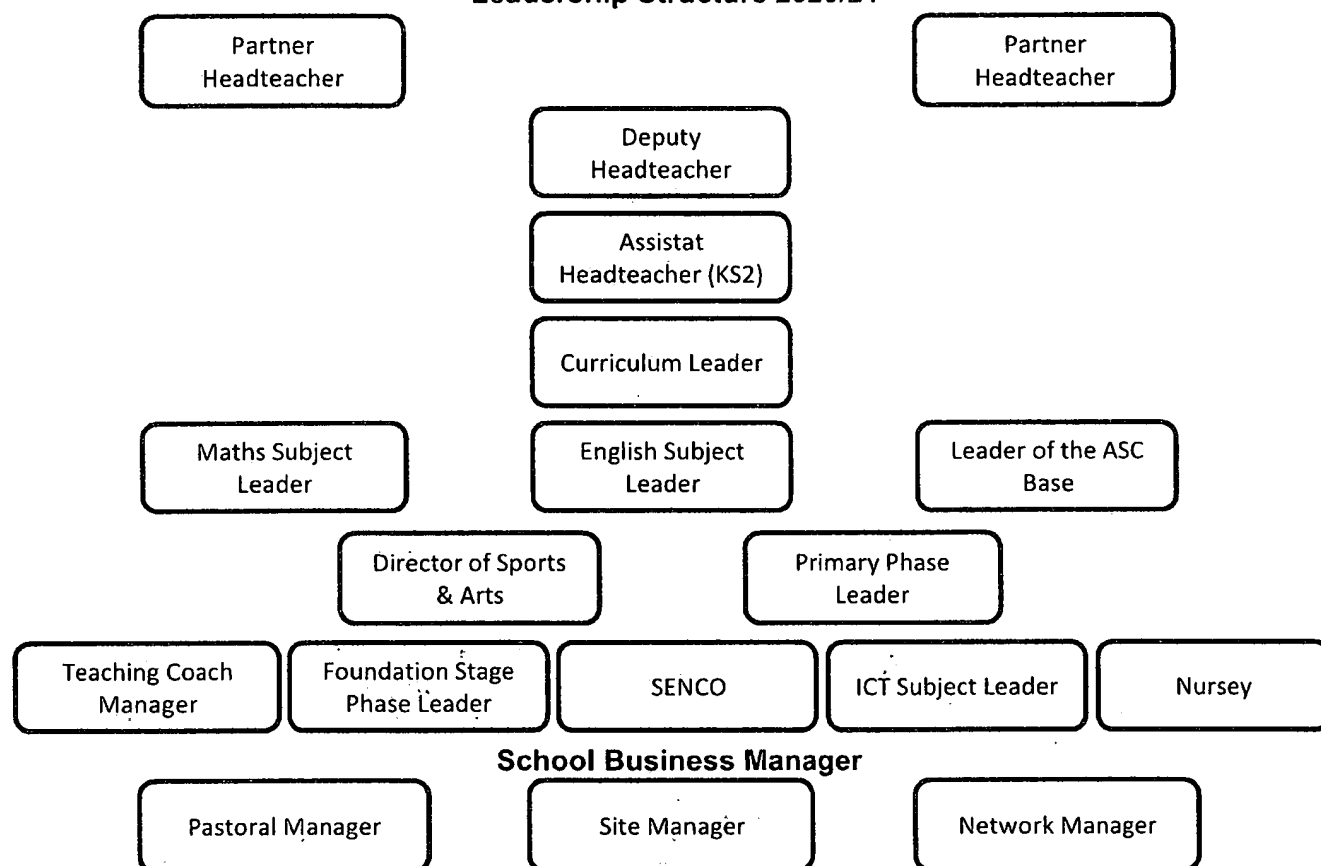
The governors are responsible for the strategic development of the Academy, capital expenditure and senior staff appointments. They are also responsible for approving the annual budget in line with school development priorities. They ensure value for money through monitoring the impact of budget decisions in relation to pupil outcomes via meetings and visits to school.

The leadership team at Rookery, (see structure below), are committed to the process of 'Learning Centred Leadership' which has at its heart, three key strategies that interrelate and overlap; modelling, monitoring and dialogue. The team comprises of teaching and non- teaching staff.

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

## Organisational Structure (cont'd)

## Leadership Structure 2020/21



- Please note: following the retirement of a Partner Headteacher in December 2020 the school structure returned to Headteacher and Deputy Headteacher.
- The structure will return to one Headteacher and two Deputy Headteachers from January 2022. This was the structure prior to the appointment of the Partner Headteachers.
- The new Deputy Headteacher has been appointed for January 2022.

A significant budget saving has been made with the retirement of the Partner Headteacher and the internal appointment of a Deputy Headteacher. This has been a contributing factor to the healthy reserves.

#### Arrangements for setting pay and remuneration of key management personnel

The Academy broadly follows the provisions of national pay arrangements, according to the School Teachers' Pay and Conditions and the NJC scales for support staff.

The Partner Head Teachers' salaries are set within the range for the appropriate sized School Group, and salary levels for Deputy Heads, Assistant Heads are scaled appropriately with each having a 5 point range on the Leadership scale, according to job weight.

An annual pay increment is awarded in line with successful performance until the top of the 5 point scale is reached.

None of the trustees are paid for their role as trustees.

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

<b>Trade union facility time</b>	<b>Employee Numbers</b>	<b>FTE's</b>
Number of employees who were relevant union officials during the year	-	-
<b>Percentage of time</b>		<b>%</b>
0%		-
1% - 50%		-
51% - 99%		-
100%		-
<b>Percentage of pay bill spent on facility time</b>		<b>£</b>
Total cost of facility time		-
Total pay bill		£2,521,000
Percentage of total pay bill spent on facility time		-%
<b>Paid trade union activities</b>		
Time spent on paid trade union activities as a percentage of total paid facility time hours		-%

**Connected Organisations Including Related Party Relationships**

Rookery School is a member of the Handsworth Association of Schools; we contribute to and access training through the Colmore Schools Partnership Teaching Schools Alliance. ITT partners include Schools Direct, BCU and Birmingham University.

The ASC base works closely with Hamilton special school on provision, CPD, assessment

The Leader of the ASC base supports other schools in assessment and provision and is part of the Autism Practitioners' Forum.

The ASC base works closely with Hamilton Special School on provision, CPD, assessment.

Rookery is part of a research project with The Universities of Birmingham, Tel- Aviv and Madrid into Computer Progressive Attention Training

The school's Arts Specialist has developed a range of workshops for parents and has devised new workshops with Soho House and the Thinktank – Birmingham's science museum. The Arts ' Specialist and Curriculum Leader have presented and shared work on Local History with English Heritage education. The school hosts the Birmingham Music Service's Handsworth Schools' Ensemble.

The academy is providing a hub for local schools to discuss the 'School Games'

The academy provides opportunities for ITT students to learn how to teach PE, Art and Music through observation of our expert staff.

**OBJECTIVES AND ACTIVITIES****Objects and Aims**

The principal objects of the Academy are to advance for the public benefit education in Birmingham, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of the children.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum. The main aims of the academy during the year ended 31 August 2021 are summarised below:

At Rookery we value our learning community where everyone is empowered to grow and develop in order to be the best that they can be.

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

The children at Rookery are at the heart of this community. We recognise that each and every one of them is unique with their own ideas, talents, needs and aspirations.

Consequently, we expect the children to:

- Take responsibility for shaping their own learning pathway.
- Value every learning opportunity.
- Take risks and develop resilience.

In order to be successful and empowered learners who are...

- Literate, numerate and confident users of ICT.
- Equipped to live in an increasingly diverse, complex and rapidly changing world.
- Confident communicators.
- Brimming with confidence and self-assurance.

We know that we can best fulfil our mission by:

- Working together in harmony with parents who share with us the responsibility of educating our children for a world beyond our school.
- Listening to, and valuing the contribution of the whole school community.

**Public benefit**

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing education. The information in the Charity Commission's general guidance has been referred to when reviewing the aims and objectives of the Trust and in planning for future activities. In particular, the Trustees consider how planned activities will contribute to the said aims and objectives.

**STRATEGIC REPORT****Achievements and Performance****Going concern**

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

**Review of activities**

- Rookery School continues to be a very popular school ; with waiting lists in some year group.
- Pupil achievement in 2019 (last official checking point)
- Spelling, grammar, mental maths and writing attainment at Key Stage 2 were all in line with National
- Pupil progress at the end of Key Stage 2 was average
- Progress in writing was good
- 44% of pupils achieved a high score in EGPS
- 27% of pupils achieved a high score in writing
- Progress of boys in maths was good
- Progress of Disadvantaged pupils was good
- Progress of SEN pupils with an EHCP was good
- Progress of EAL children in writing and maths was good
- The leadership structure continues to provide good value for money. It enables clear school improvement direction which is reflected in progress in all year groups and offers from community and City organisations enrich and enhance the curriculum
- Rookery has a well – established broad and balanced curriculum with significant and sustained curriculum enhancement opportunities. The curriculum is seen as a priority for Rookery this has been signalled by the appointment of the Curriculum Lead to the Deputy Headteacher position from January 22.
- Rookery achieved Gold Arts Mark Status in Summer 2020

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

- The school successfully bid and received funding for further renovations to the school roof from the Condition Improvement Fund. The £2.8 million was successfully spent on the roof renovations and the quality of the accommodation for learning has been significantly improved. The school is safe, warm and watertight.
- The school secured a SALIX loan to install cost-effective lighting which has been installed.
- The school has successfully bid and received further funding from the Condition Improvement Fund for :
  - Securities - £188,951 - to improve the general security of the school
  - Fire Security - £602,636 - to improve fire safety and compliance of the school

**FINANCIAL REVIEW**

Most of the Academy's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period 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 FRS102, 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 of £3,264,000 (2020: £5,220,136), was less than the recurrent grant funding from the ESFA together with other incoming resources. Total income for the year ended 31 August 2021 was £3,308,000 (2020: £5,154,287). Income received for the year which relates to core educational operations was £2,938,000 (2020: £2,674,576).

**Reserves Policy**

The Governors' policy is to review the reserve levels of the academy annually. The policy of the academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the ESFA.

**Investment Policy**

The trustees seek to ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade debtors. The trust is satisfied that systems and procedures are in place to mitigate the Academy's exposure to the major risks.

The academy has inherited the local government defined benefit pension scheme deficit for associate staff which increased during the year as advised by Barnett Waddingham, the pension actuarial experts.

The Academy has a risk register that is reviewed annually by the Trustees. The register records the risks that have been identified and the control measures it has implemented. The statement of internal control is considered annually.

**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**

There are no funds that are held by the Academy Trust but are not owned by them



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021****Plans for Future Periods**

- Raise attainment and progress in reading for all children (significant spending on reading books and classroom libraries has taken place this year)
- The Condition Improvement Fund securities bid will be managed to ensure value for money and the successful completion of the projects
- Continue to work towards Arts Award Platinum
- Ensure a broad balanced curriculum with an expertise in the arts where the 'retrieval effect' is the bedrock for learning
- Raise attendance to 96%- reduce persistent absence close to national.
- All KS2 children to learn a foreign language

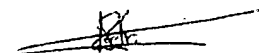
**Auditors**

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 16 December 2021 and signed on their behalf by:



**K Sehra**  
Chair of Trustees



**E Balan**  
Headteacher and Accounting Officer

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

As trustees, we acknowledge we have overall responsibility for ensuring that Rookery School 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 Partner 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 Rookery School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a Possible</b>
G Rees, Vice Chair to 16 September 2021	5	7
S Raju, Trustee	7	7
C Marshall, Vice Chair from 16 September 2021	7	7
H Dhinju, Chair of Trustees to 16 September 2021	7	7
L Wild, Trustee	6	7
S Nazran, Trustee (resigned 10 November 2021)	3	7
K Sehra, Chair of Trustees from 16 September 2021	7	7
I Campbell, Staff Trustee (resigned 11 November 2020)	4	4
M Farah, Trustee (appointed 26 February 2020)	5	7
C Loveridge (appointed 1 April 2021)	3	3
E Whitehouse (appointed 1 April 2021)	3	3
D McMorrow, Trustee (resigned 1 October 2021)	0	7

The Performance, Review & Development Committee is a sub committee of the main governing body. Its purpose is to discuss financial matters including preparation of draft budget, approving journals and transfers making contractual arrangements, approving write-offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports. Approval of the budget, Best Value Statement and virements over £10,000 has remained the responsibility of the Full Governors.

Attendance during the year at meetings was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a Possible</b>
G Rees, Vice Chair to 16 September 2021	3	6
S Raju, Trustee	4	6
C Marshall, Vice Chair from 16 September 2021	5	6
H Dhinju, Chair of Trustees to 16 September 2021	6	6
K Sehra, Chair of Trustees from 16 September 2021	1	3

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)****Review of Value for Money**

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

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

**Robust Governance & Oversight of Rookery School's Finances:**

Rookery School has appointed UHY Hacker Young (Birmingham) LLP, Accountants to prepare and audit the school's accounts. Schools Financial Services provide an independent oversight through regular reviews of the Trust's key financial policies, systems and procedures, including the use of tenders and presents this report to the Performance Review and Development (PRD). The Board of Trustees is responsible for approving the budget for the school within the Trust each year, and is aware of the need to balance expenditure against income, in order to ensure that the Trust remains a 'going concern'. UHY Hacker Young (Birmingham) LLP present the Annual Accounts and the External Auditor's Management Report to the Board of Trustees for discussion and approval.

**Ensuring the operation of Rookery School demonstrates good value for money and efficient and effective use of resources:**

The Academy uses a service to gain anonymised quotes for all purchases over £500 to ensure best value and is also part of the Crescent Purchasing Consortium. Staff are made aware of 'Best Value' with regards to any procurement and all purchasing is undertaken by the Finance Officer who benchmarks with various suppliers to ensure The Academy obtains the best price they can.

**Effective outsourcing of HR and Financial services resulting in an efficient, effective and value for money service:**

Use of External HR advisors to support and train the school's Senior Leadership team in: Appraisal and Capability procedures, Sickness Absence Management Procedures and Disciplinary procedures. This has resulted in effective and efficient management of staffing to ensure good quality provision for pupils and maintain sustainable costs of staffing.

**Use of External Financial Advisors:**

SIPS provides strategic oversight to the Finance Department which has resulted in increased capacity of the Finance Department leading to clarity for trustees and is a cost efficient solution to budget monitoring.

**Maximising income generation****Effective Partnership to maximise income generation**

- The Greggs Foundation has linked Rookery with Chiesi Pharmaceuticals firm's community team who have raised funds to refresh the school's forest schools facilities.
- The Deputy Head delivers training on the teaching of reading for Birmingham City University for which the school is reimbursed.
- The Deputy Headteacher is a Literacy Specialist for Little Sutton Literacy Hub.
- The school leads Early Years Foundation Stage Profile moderation for the Colmore Schools Partnership for which the school is reimbursed.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)****Effective Partnerships which improve educational outcomes for pupils and the wider community**

- Tesco Young Enterprise Scheme with year 6 supported improved outcomes in Maths.
- CBSO community choir meets at the school.
- The school's work with Secret City Arts has been evaluated and published as part of a Local History Toolkit for Schools.
- Greggs Foundation's support of curriculum and fundraising events
- Chiesi's support of school events
- Birmingham Children's Venture, "The Brighthouse" residential facility in Atherstone - securing affordable residential experiences for Rookery pupils
- School contributes to the Handsworth Young People's Parliament
- The school won the Handsworth Dennis Edwards' Citizenship Award for their work with Community partners
- The school was chosen by West Midlands Police to pilot the Junior PCSOs project
- Children from Rookery performed in the Birmingham Music Service's Central Ensemble Concert at King Edward's School Edgbaston
- SANA "Schools for Peace" scheme in collaboration with Coventry Cathedral which promotes practical peace education to influence harmony in communities as well as between schools in Bosnia and Herzegovina
- Children participate in a wide range of visits.

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

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

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

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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed a reviewer.

SIPS role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Payroll
- Procurement
- Budgeting and Cash
- Risk Register

On a termly basis, SIPS reports to the board of trustees, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.


**Review of Effectiveness**

As Accounting Officer, the Partner Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees 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 16 December 2021 and signed on its behalf by:



**K Sehra**  
Chair of Trustees



**E Balan**  
Headteacher and Accounting Officer

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

As Accounting Officer of Rookery School 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 Trust Handbook 2021.

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 Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the ESFA.



**E Balan**

**Headteacher and Accounting Officer**

**16 December 2021**

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

The trustees (who act as governors of Rookery School 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 FRS102 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 16 December 2021 and signed on its behalf by:



.....  
**K Sehra**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOKERY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021****Opinion**

We have audited the financial statements of Rookery School (the charitable company) 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 Rookery School'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 Rookery School'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 ROOKERY SCHOOL 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 15, 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 Rookery School'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 Rookery School 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 Rookery School, 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 to 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 Rookery School's net income for the year.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROOKERY SCHOOL 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.

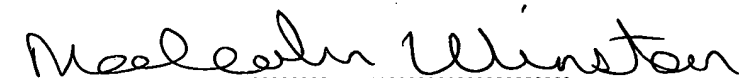
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement 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 ROOKERY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)****Use of our report**

This report is made solely to the Rookery School'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 Rookery School'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 Rookery School's and the Rookery School'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****16 December 2021**

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO ROOKERY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021**

In accordance with the terms of our engagement letter dated 22 September 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, 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 Rookery School 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 Rookery School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Rookery School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Rookery School funding agreement with the Secretary of State for Education dated 1 March 2015, and the Academies Trust Handbook extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 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.

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO ROOKERY SCHOOL  
AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021  
(cont'd)**

**Approach (cont'd)**

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 regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;
- 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, nothing 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.

*UHY Hacker Young (Birmingham) LLP*

Reporting Accountant  
UHY Hacker Young (Birmingham) LLP  
9-11 Vittoria Street  
Birmingham  
B1 3ND

16 December 2021

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

(Including Income and Expenditure Account)

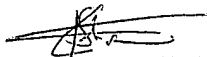
		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2021	2020
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
<b>Income from:</b>						
Donations and capital grants	3	-	1	353	354	2,426
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	2,938	-	2,938	2,675
Other trading activities	5	16	-	-	16	52
Investment income	6	-	-	-	-	1
<b>Total</b>		<b>16</b>	<b>2,939</b>	<b>353</b>	<b>3,308</b>	<b>5,154</b>
<b>Expenditure on:</b>						
Raising funds		9	-	-	9	16
Charitable activities:						
- Academy trust's educational operations	7 & 8	-	2,926	329	3,255	5,204
Other		-	-	-	-	-
<b>Total</b>		<b>9</b>	<b>2,926</b>	<b>329</b>	<b>3,264</b>	<b>5,220</b>
<b>Net income</b>		<b>7</b>	<b>13</b>	<b>24</b>	<b>44</b>	<b>(66)</b>
Transfers between funds		-	(177)	177	-	-
<b>Other recognised gains and losses</b>						
Actuarial loss on defined benefit pension schemes	26	-	(297)	-	(297)	(1,083)
<b>Net movement in funds</b>		<b>-</b>	<b>(461)</b>	<b>201</b>	<b>(253)</b>	<b>(1,149)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		317	(2,425)	2,381	273	1,422
<b>Total funds carried forward</b>	<b>15</b>	<b>324</b>	<b>(2,886)</b>	<b>2,582</b>	<b>20</b>	<b>273</b>

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
<b>Fixed assets</b>			
Tangible assets	12	<u>2,443</u>	<u>2,381</u>
		<u>2,443</u>	<u>2,381</u>
<b>Current assets</b>			
Debtors	13	85	105
Cash at bank and in hand		<u>1,086</u>	<u>1,012</u>
		<u>1,171</u>	<u>1,117</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(183)</u>	<u>(316)</u>
<b>Net current assets</b>		988	801
<b>Total assets less current liabilities</b>		3,431	3,182
Creditors: Amounts falling due after more than one year		(49)	(11)
<b>Net assets</b>		<u>3,382</u>	<u>3,171</u>
Defined benefit pension scheme liability	26	(3,362)	(2,898)
<b>Total Net Assets</b>		<u>20</u>	<u>273</u>
<b>Funds of the academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	15	2,582	2,381
- Restricted income fund	15	476	473
- Pension Reserve	15	<u>(3,362)</u>	<u>(2,898)</u>
<b>Total restricted funds</b>		<u>(304)</u>	<u>(44)</u>
Unrestricted income fund	15	<u>324</u>	<u>317</u>
<b>Total unrestricted funds</b>		<u>324</u>	<u>317</u>
<b>Total funds</b>		<u>20</u>	<u>273</u>

The financial statements on pages 22 to 44 were approved by the trustees and authorised for issue on 16 December 2021 and signed on their behalf by:

  
 .....  
**K Sehra**  
 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 used in operating activities	19	(162)	(2,365)
Cash flows provided by investing activities	20	191	2,406
Cash flows used in financing activities	21	45	(4)
Change in cash and cash equivalents in the reporting period		<u>74</u>	<u>37</u>
Cash and cash equivalents at 1 September	22	1,012	975
Cash and cash equivalents at 31 August	22	<u>1,086</u>	<u>1,012</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.

Rookery School 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.

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

**1 Statement of Accounting Policies (cont'd)****Income (cont'd)**

- **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'. 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.

**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.

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

**1 Statement of Accounting Policies (cont'd)****Tangible Fixed Assets (cont'd)**

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. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold property	2%
Furniture and fixtures	25%
Computer equipment and software	25%
Motor Vehicle	25%

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.

**Debtors**

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

**Cash at bank and in hand**

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

**Liabilities**

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd )****1 Statement of Accounting Policies (cont'd)****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 treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd )****1 Statement of Accounting Policies (cont'd)****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. Deprecation 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.

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

**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 2021 (See note 15).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	330	330	2,426
Donations	-	24	24	-
	<u>-</u>	<u>354</u>	<u>354</u>	<u>2,426</u>

The income from donations and capital grants was £354,000 (2020 : £2,426,059) of which £1,000 (2020: £Nil) were restricted and £353,000 (2020: £2,426,059) were restricted fixed assets.

**4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	2,085	2,085	2,045
<b>Other DfE/ESFA grants</b>				
Pupil premium	-	241	241	218
Infant free school meals	-	46	46	66
Free school meals supplementary grant	-	14	14	-
PE sports grant	-	20	20	20
Rates Relief	-	3	3	-
Digital Education Platform	-	2	2	-
Teachers pay grant	-	23	23	23
Teachers pension grant	-	64	64	63
	<u>-</u>	<u>2,498</u>	<u>2,498</u>	<u>2,435</u>
<b>Other Government grants</b>				
SEN grant - Local authority	-	231	231	104
Early years funding - Local authority	-	122	122	117
Other grants - Local authority	-	1	1	-
	<u>-</u>	<u>354</u>	<u>354</u>	<u>221</u>
<b>COVID-19 DfE/ESFA additional funding</b>				
Catch up premium	-	37	37	-
Coronavirus Exceptional Support	-	27	27	-
	<u>-</u>	<u>64</u>	<u>64</u>	<u>-</u>
Other income from the academy trust's educational operations	-	22	22	19
	<u>-</u>	<u>22</u>	<u>22</u>	<u>19</u>
	<u>-</u>	<u>2,938</u>	<u>2,938</u>	<u>2,675</u>

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

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

**COVID-19 DfE/ESFA additional funding**

The academy received £36,560 (2020: £Nil) of funding for catch up premium. Costs incurred in respect of this funding totalled £36,560 (2020: £Nil).

Other DfE/ESFA COVID-19 funding has been received under "exceptional government funding". The funding received for Coronavirus exceptional support covers £27,387 (2020: £Nil) of premises, free school meals and additional cleaning costs. These costs are included within notes 7 and 8.

The income from funding for the academy trust's educational operations was £2,938,000 (2020: £2,674,577) of which £Nil (2020: £18,752) was unrestricted, and £2,938,000 (2020: £2,655,825) restricted.

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
Hire of facilities	6	-	6	1
Educational visits	-	-	-	11
Sundry income	10	-	10	40
	<u>16</u>	<u>-</u>	<u>16</u>	<u>52</u>

The income from the academy trusts's other trading activities was £16,000 (2020: 52,147) of which £16,000 (2020: £1,440) was unrestricted and £Nil (2020: £50,707) restricted.

## 6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Bank interest received	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

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

## 7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2021 £'000	Total 2020 £'000
		Premises £'000	Other Costs £'000		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	-	-	15
Allocated support costs	-	-	9	9	1
<b>Academy's educational operations</b>					
Direct costs	1,453	-	144	1,597	1,861
Allocated support costs	1,068	469	121	1,658	3,343
	<u>2,521</u>	<u>469</u>	<u>265</u>	<u>3,255</u>	<u>5,204</u>
	<u>2,521</u>	<u>469</u>	<u>265</u>	<u>3,264</u>	<u>5,220</u>

The expenditure was £3,264,000 (2020: £5,220,136) of which £9,000 (2020: £20,192) was unrestricted, £2,926,000 (2020: £2,748,302) restricted and £329,000 (2020: £2,451,642) restricted fixed assets.

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

## 7 EXPENDITURE (cont'd)

	Total 2021 £'000	Total 2020 £'000
Net income for the year includes:		
Operating leases rentals:	4	4
Depreciation	101	49
Fees payable to auditor for:		
Audit	8	8
Other services	1	4

## 8 CHARITABLE ACTIVITIES

	Total 2021 £'000	Total 2020 £'000
Direct costs - educational operations	1,597	1,861
Support costs - educational operations	1,658	3,343
	<u>3,255</u>	<u>5,204</u>
<b>Analysis of Support Costs</b>		
Support staff costs	1,068	585
Depreciation	101	49
Technology costs	43	10
Premises costs	140	129
Roof repair project	228	2,403
Other support costs	69	151
Governance	9	16
	<u>1,658</u>	<u>3,343</u>

## 9 STAFF

## a Staff costs

	Total 2021 £'000	Total 2020 £'000
Staff costs during the year were:		
Wages and salaries	1,707	1,596
Social security costs	131	152
Pension costs	531	440
	<u>2,369</u>	<u>2,188</u>
Agency staff costs	151	161
Staff restructuring costs	1	-
	<u>2,521</u>	<u>2,349</u>
Staff restructuring costs comprise:		
Redundancy payments	1	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

## b Staff severance payments

Included in staff restructuring costs is £1,259 (2020: £Nil) statutory/contractual severance payments and £Nil (2020: £Nil) non-statutory/non-contractual severance payments totalling £1,259 (2020: £Nil). Individually the payments were £1,259 (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.
<b>Charitable Activities</b>		
Teachers	21	22
Administration and support	42	42
Management	3	4
	<u>66</u>	<u>68</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	-
£70,001 - £80,000	1	2

## 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 £292,335 (2020: £340,438).

## 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 Executive Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff under their contracts of employment and not in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

	2021	2020
D Loane, Partner Headteacher		
Remuneration	£20,000 - £25,000	£70,000 - £75,000
Employers pension contributions	£5,000 - £10,000	£15,000 - £20,000
E Balan, Partner Headteacher		
Remuneration	£75,000 - £80,000	£70,000 - £75,000
Employers pension contributions	£15,000 - £20,000	£15,000 - £20,000
I Campbell		
Remuneration	£20,000 - £25,000	£20,000 - £25,000
Employers pension contributions	£5,000 - £10,000	£0,000 - £5,000

During the year ended 31 August 2021; travel and subsistence expenses totalling £Nil (2020: £Nil) 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 unlimited cover (2020: unlimited cover) on any one claim and the cost for the year ended 31 August 2021 was £8,307 (2020 : £8,307). 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 and Buildings £'000	Motor Vehicles £'000	Computer Equipment £'000	Furniture and Equipment £'000	Assets Under Construction £'000	Total £'000
<b>Cost</b>	<b>£'000</b>					
At 1 September 2020	2,699	11	198	93	-	3,001
Additions	89	-	60	-	14	163
Transfers	-	-	-	-	-	-
At 31 August 2021	2,788	11	258	93	14	3,164
<b>Depreciation</b>						
At 1 September 2020	340	11	183	86	-	620
Charged in year	84	-	15	2	-	101
At 31 August 2021	424	11	198	88	-	721
<b>Net book value</b>						
At 31 August 2020	2,359	-	15	7	-	2,381
At 31 August 2021	2,364	-	60	5	14	2,443

## 13 DEBTORS

	2021 £'000	2020 £'000
Trade debtors	-	-
VAT recoverable	21	41
Other debtors	-	-
Prepayments and accrued income	64	64
	<u>85</u>	<u>105</u>

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Salix loans (note 15)	11	4
Other taxation and social security	38	37
Other creditors	37	35
Accruals and deferred income	97	240
	<u>183</u>	<u>316</u>
<b>Deferred Income</b>	<b>£'000</b>	<b>£'000</b>
Deferred income at 1 September	42	32
Resources deferred in the year	32	42
Amounts released from previous years	(42)	(32)
Deferred income at 31 August	<u>32</u>	<u>42</u>

The above deferred income consists £28,140 (2020 : £30,840) of infant free school meals grant monies, £3,703 (2020: £Nil) rates relief grant monies and £Nil (2020: £10,795) local authority SEN grant monies received in advance for the 2021/22 academic year.

## 15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Salix loans	<u>49</u>	<u>11</u>

Included within creditors: amounts falling due within one year and creditors: amounts falling due after more than one year are 2 salix loans of £49,268 and £11,250 (2020 : £15,000) which are interest free, repayable bi-annually over 8 years at £7,580 and £3,750 a year respectively.

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

## 16 FUNDS

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

	Balance at 1 September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
GAG (note i)	469	2,085	(1,906)	(177)	471
Pupil premium - ESFA (note ii)	-	241	(241)	-	-
Infant free school meals (note iii)	-	46	(46)	-	-
Free school meals supplementary grant (note iv)	-	14	(14)	-	-
PE sports grant (note v)	-	20	(20)	-	-
Rates Relief (note vi)	-	3	(3)	-	-
Digital Education Platform (note vii)	-	2	(2)	-	-
Teachers pay grant (note viii)	-	23	(23)	-	-
Teachers pension grant (note ix)	-	64	(64)	-	-
Student catering income	-	22	(22)	-	-
Catch up premium (note x)	-	37	(37)	-	-
Coronavirus Exceptional Support (note xi)	-	27	(27)	-	-
SEN grant - Local authority (note xii)	-	231	(231)	-	-
Early years funding - Local authority (note xii)	-	122	(122)	-	-
Other grants - Local authority (xiv)	-	1	(1)	-	-
School fund (note xv)	4	1	-	-	5
	<b>473</b>	<b>2,939</b>	<b>(2,759)</b>	<b>(177)</b>	<b>476</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion (note xvi)	1,443	-	(62)	-	1,381
CIF Grant (note xvii)	12	321	(228)	95	200
Devolved Formula Capital Grant (note xviii)	-	9	-	-	9
Salix Loan (note xix)	-	-	(1)	4	3
DFE / ESFA Capital grants (note xx)	401	-	(12)	-	389
Capital expenditure from GAG (note xxi)	525	-	(22)	78	581
DfE fixed asset lap tops donation (note xxii)	-	23	(4)	-	19
	<b>2,381</b>	<b>353</b>	<b>(329)</b>	<b>177</b>	<b>2,582</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xxiii)	(2,898)	-	(167)	(297)	(3,362)
	<b>(44)</b>	<b>-</b>	<b>(167)</b>	<b>(297)</b>	<b>(3,362)</b>
<b>Total restricted funds</b>	<b>(44)</b>	<b>3,292</b>	<b>(3,255)</b>	<b>(297)</b>	<b>(304)</b>
<b>Unrestricted Funds</b>					
Unrestricted funds (note xxiv)	317	16	(9)	-	324
<b>Total unrestricted funds</b>	<b>317</b>	<b>16</b>	<b>(9)</b>	<b>-</b>	<b>324</b>
<b>Total Funds</b>	<b>273</b>	<b>3,308</b>	<b>(3,264)</b>	<b>(297)</b>	<b>20</b>

## Notes

- i) General Annual Grant (GAG) 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 would carry forward at 31 August 2021. (see note 2)
- ii) Pupil premium grant has been used to support children from low income families placed at the Academy.
- iii) The Universal Infant Free School Meals grant represents funding received from the ESFA to provide free school meals to pupils from reception to year 2.

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

## 16 FUNDS (cont'd)

- iv) The Free School Meals Supplementary grant represents funding received from the ESFA to provide free school meals to pupils from low income households.
- v) The PE and Sports Grant represents funding received from the ESFA to fund additional and sustainable improvements to the provision of PE and sport, and to encourage the development of healthy, active lifestyles.
- vi) The Rates Relief grant represents funding received from the ESFA to assist the academy in meeting the costs of their National Non-Domestic Rates (NNDR).
- vii) The Digital Learning Platform grant represents funding received from the ESFA to assist with the set up of online classrooms to assist with virtual learning for students.
- viii) The Teachers Pay Grant represents funding from the ESFA to support the academy with the costs of teachers' pay awards.
- ix) The Teachers Pension Grant represents funding from the ESFA to support the academy with the cost of increased teachers' pension contributions.
- x) Covid Catch Up Premium is funding received from the ESFA to support children and young people to catch up on missed learning caused by the Coronavirus pandemic.
- xi) The Covid Exceptional Support grant is funding received from the ESFA to assist the academy with meeting their costs during the Coronavirus pandemic.
- xii) Special Educational Needs is funding received by the Local Authority to fund further support for students with additional needs. £231,000 was received during the period, all of which has been spent.
- xiii) Early years funding has been used to provide teaching support for younger children.
- xiv) Other Local Authority grants have been used for direct staff and educational resources within the purpose intended for the grants.
- xv) The school fund account is run with the purpose of collecting and paying on charitable donations.
- xvi) Restricted fixed assets were funded by Birmingham City Council donating academy land and buildings on a 125 year lease at a pepper corn rent.
- xvii) The Condition Improvement Fund grant represents funding from the ESFA for major capital projects, to address significant condition need, keeping buildings safe and in good working order.
- xviii) The Devolved Formula Capital grant represents funding from the ESFA to be used for capital purchases or projects which meet the academy's own priorities.
- xix) The Salix Loan represents condition improvement and energy efficiency capital projects which have been funded via a Salix Loan, to be repaid over 8 years at no interest.
- xx) DFE/ESFA Capital Grants represents funding from the ESFA which has been used for capital projects and purchases in line with the terms of the grants.
- xxi) Capital Expenditure from GAG represents capital projects or purchases which have been funded from the Academy's restricted reserves, where appropriate capital funding was not available.
- xxii) Fixed Asset Donation represents laptops which have been donated to the academy by the ESFA to assist with the delivery of education to disadvantaged pupils who are otherwise unable to access remote education.
- xxiii) The defined benefit pension scheme fund relates to the valuation of the Local Government Pension Scheme transferred on conversion. The deficit was revalued at the year end to £3,362,000 (2020: £2,898,000) and this is included as a liability on the balance sheet (see note 26).
- xxiv) Unrestricted Funds represents funds which have been accumulated from trading activities, and may be used entirely at the discretion of the academy.

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

## 16 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
<b>Restricted general funds</b>					
GAG (note i)	355	2,094	(2,147)	167	469
Pupil premium - ESFA (note ii)	-	218	(218)	-	-
Infant free school meals (note iii)	-	66	(66)	-	-
FSM supplementary grant (note iv)	-	-	-	-	-
PE sports grant (note v)	-	20	(20)	-	-
Rates Relief (note vi)	-	-	-	-	-
Digital Education Platform (note vii)	-	-	-	-	-
Teachers pay grant (note viii)	-	23	(23)	-	-
Teachers pension grant (note ix)	-	63	(63)	-	-
SEN grant - Local authority (note xii)	-	104	(104)	-	-
Early years funding - LA (note xiii)	-	117	(117)	-	-
School fund (note ii)	4	2	(2)	-	4
	<u>359</u>	<u>2,707</u>	<u>(2,760)</u>	<u>167</u>	<u>473</u>
<b>Restricted fixed asset funds</b>					
DFE / ESFA Capital grants (note xx)	401	9	(9)	-	401
Transfer on conversion (note xvi)	1,466	-	(23)	-	1,443
Capital expenditure from GAG (note xxi)	542	-	(17)	-	525
CIF Grant (note xvii)	46	2,417	(2,284)	(167)	12
	<u>2,455</u>	<u>2,426</u>	<u>(2,333)</u>	<u>(167)</u>	<u>2,381</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (note vii)	(1,707)	-	(108)	(1,083)	(2,898)
	<u>(1,707)</u>	<u>-</u>	<u>(108)</u>	<u>(1,083)</u>	<u>(2,898)</u>
<b>Total restricted funds</b>	<u>1,107</u>	<u>5,133</u>	<u>(5,201)</u>	<u>(1,083)</u>	<u>(44)</u>
<b>Unrestricted Funds</b>					
Unrestricted funds	316	21	(20)	-	317
<b>Total unrestricted funds</b>	<u>316</u>	<u>21</u>	<u>(20)</u>	<u>-</u>	<u>317</u>
<b>Total Funds</b>	<u>1,423</u>	<u>5,154</u>	<u>(5,221)</u>	<u>(1,083)</u>	<u>273</u>

## 17 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	-	-	-	2,443	2,443
Current assets	324	-	648	199	1,171
Creditors due within one year	-	-	(172)	(11)	(183)
Non current liabilities	-	-	-	(49)	(49)
Defined Benefit Pension Scheme Liability	-	(3,362)	-	-	(3,362)
	<u>324</u>	<u>(3,362)</u>	<u>476</u>	<u>2,582</u>	<u>20</u>

Comparative information in respect of the previous period is as follows

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	2,381	2,381
Current assets	317	-	800	-	1,117
Creditors due within one year	-	-	(316)	-	(316)
Non current liabilities	-	-	(11)	-	(11)
Defined Benefit Pension Scheme Liability	-	(2,898)	-	-	(2,898)
	<u>317</u>	<u>(2,898)</u>	<u>473</u>	<u>2,381</u>	<u>273</u>

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

## 18 CAPITAL COMMITMENTS

	2021 £'000	2020 £'000
Contracted for, but not provided in the financial statements	797	135
Authorised by trustees but not yet contracted	-	-

## 19 COMMITMENTS UNDER OPERATING LEASES

*Operating*

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

	2021 Other £'000	2020 Other £'000
Operating leases		
- Within one year	4	4
- After five years	2	6
	6	10

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

	2021 £'000	2020 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	44	(66)
Adjusted for:		
Depreciation (note 12)	101	49
Capital grants from DfE and other capital income	(354)	(2,426)
Interest receivable (note 6)	-	(1)
Defined benefit pension scheme cost less contributions payable (note 26)	122	77
Defined benefit pension scheme finance cost (note 26)	45	31
Decrease/(increase) in debtors	20	(12)
Decrease in creditors	(140)	(17)
<b>Net cash used in operating activities</b>	<b>(162)</b>	<b>(2,365)</b>

## 20 CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £'000	2020 £'000
Interest received	-	1
Purchase of tangible fixed assets	(163)	(21)
Capital grants from DfE/ESFA	354	2,426
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
<b>Net cash provided by investing activities</b>	<b>191</b>	<b>2,406</b>

## 21 CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £'000	2020 £'000
Repayments of borrowing	(8)	(4)
Cash inflows from new borrowing	53	-
<b>Net cash provided by/(used in) financing activities</b>	<b>45</b>	<b>(4)</b>

## 22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2021 £'000	At 31 Aug 2020 £'000
Cash in hand and at bank	1,086	1,012
<b>Total cash and cash equivalents</b>	<b>1,086</b>	<b>1,012</b>

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

## 23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £'000	Cash Flows £'000	At 31 Aug 2021 £'000
Cash at bank	1,012	74	1,086
Overdraft	-	-	-
	<u>1,012</u>	<u>74</u>	<u>1,086</u>
Loans within one year	(4)	(7)	(11)
Loans within more than one year	<u>(11)</u>	<u>(38)</u>	<u>(49)</u>
	<u>997</u>	<u>29</u>	<u>1,026</u>

## 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 reference to:

- 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) and Local Government Pension Scheme (LGPS). The total pension cost to the Academy during the year ended 31 August 2021 was £531,000 (2020 : £439,623) of which £204,000 (2020 : £211,623) relates to the TPS and £327,000 (2020 : £228,000) relates to the 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 £36,731 (2020 : £34,650) were payable to the schemes at 31 August 2021 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's costs paid to TPS in the period amounted to £204,000 (2020: £211,623).

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 £191,000 (2020: £147,000) of which employers contributions totalled £160,000 (2020: £120,000) and employees contributions totalled £31,000 (2020: £27,000). The agreed contributions for future years are 21.2% (2020 : 23.2%) for employers and 5.5% to 6.8% (2020 : 5.5% to 6.5%) 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	At 31 August 2020
	% per annum	% per annum
Discount rate	1.65	1.6
Salary increases	3.9	3.2
Pension increase	2.9	2.2

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

	At 31 August 2021		At 31 August 2020	
	Approx % Increase to employers liability	Approx £'000	Approx % Increase to employers liability	Approx £'000
Discount rate reduced by 0.5% per annum	13	830	13	690
Assumed pension increased by 0.5% per annum	12	735	12	615
Salary growth increased by 0.5% per annum	0	80	1	70

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	21.6	21.9
- Women	24.0	24.1
Longevity at age 65 retiring in 20 years		
- Men	23.4	23.8
- Women	25.8	26.0

## 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 Trust'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	1,839	1,360
Gifts	250	263
Other bonds	185	94
Property	212	183
Cash and other liquid assets	111	161
Other	423	361
<b>Total market value of assets</b>	<b>3,020</b>	<b>2,422</b>
<b>Present value of scheme liabilities</b>		
- Funded	(3,020)	(2,422)
- Unfunded	(3,362)	(2,898)
<b>Total liabilities</b>	<b>(6,382)</b>	<b>(5,320)</b>
<b>Deficit in the scheme</b>	<b>(3,362)</b>	<b>(2,898)</b>

The actual return on the scheme assets in the year was £442,000 (2020: £42,000).

## Amounts recognised in the Statement of Financial Activities

	2021 £'000	2020 £'000
Current service cost	277	197
Past service cost	5	-
Interest income	(40)	(42)
Interest cost	85	72
Administrative expenses	-	1
<b>Total operating charge</b>	<b>327</b>	<b>228</b>

## 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)

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

	2021	2020
	£'000	£'000
<b>Movement in deficit during the period</b>		
<b>Changes in the scheme at 1 September 2020</b>	<b>2,898</b>	<b>1,707</b>
Movement in year:		
- Employer service cost (net of employee contributions)	282	197
- Employer contributions	(160)	(120)
- Expected return on scheme assets	(40)	(42)
- Interest cost	85	72
- Administration expenses	-	1
- Actuarial losses	297	1,083
<b>Deficit in the scheme at 31 August 2021</b>	<b>3,362</b>	<b>2,898</b>

	2021	2020
	£'000	£'000
<b>Scheme liabilities at 1 September 2020</b>	<b>5,320</b>	<b>3,904</b>
Current service cost	277	197
Past service cost	5	-
Interest cost	85	72
Contributions by scheme participants	31	27
Benefits paid	(35)	(33)
Actuarial losses	699	1,153
<b>Scheme liabilities at 31 August 2021</b>	<b>6,382</b>	<b>5,320</b>

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

	2021	2020
	£'000	£'000
<b>Fair value of scheme assets at 1 September 2020</b>	<b>2,422</b>	<b>2,197</b>
Interest income	40	42
Actuarial gains	402	70
Contributions by employee	31	27
Benefits paid	(35)	(33)
Administration expenses	-	(1)
Employer contributions	160	120
<b>Fair value of scheme assets at 31 August 2021</b>	<b>3,020</b>	<b>2,422</b>

The estimated value of employer contributions for the year ended 31 August 2022 is £167,000 (2021: £120,000)

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**28 POST BALANCE SHEET EVENTS**

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