

Company Registration No. 08107711 (England and Wales)

**AURORA ACADEMIES TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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# AURORA ACADEMIES TRUST

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# AURORA ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Aurora Education Trust (represented by Ron Packard)  
Geoff Palmer  
Julie Kapsalis (appointed 11 December 2019)

### Trustees

A Blaker (Chair)  
R Packard (Vice Chair)  
C Bayliss (Chair of Educational Standards and School Performance Committee)  
M Brunet (Chair of Finance, Audit, Human Resources and Risk Committee)  
D Wootton  
S Dawson  
B North  
M Szalay  
A Nichols (Appointed 30 September 2020)  
S Calladine-Evans (Appointed 1 June 2021)  
M Burnige (Resigned 30 September 2020)

### Senior management team

- Chief Executive Officer	Tim McCarthy (Accounting Officer)
- Director of Education	Paul Reilly
- Executive Head Teacher	James Freeston
- Financial Director	Alexandra Graham

### Company secretary

M Burnige

### Company registration number

08107711 (England and Wales)

### Principal and registered office

Glenleigh Park Academy  
Gunters Lane  
Bexhill On Sea  
East Sussex  
TN39 4ED

### Academies operated

Glenleigh Park Primary Academy  
King Offa Primary Academy  
Oakwood Primary Academy  
Heron Park Primary Academy  
The Gatwick School  
City Academy Whitehawk  
Westvale Park Primary Academy

### Location

Bexhill on Sea  
Bexhill on Sea  
Eastbourne  
Eastbourne  
Crawley  
Brighton  
Horley

### Head Teacher

Laylee Pocock  
Natasha Baker  
Ryan Laker  
Helen Emmett  
Bianca Greenhalgh  
Thomas McMorris  
Susan Kelly

### Independent auditor

Alliotts LLP  
Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

# AURORA ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

### Solicitors

VWV  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees of Aurora Academies Trust (the **Trust**), present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates seven schools in Sussex and Surrey: Oakwood Primary Academy and Heron Park Primary Academy in Eastbourne; King Offa Primary Academy and Glenleigh Park Primary Academy in Bexhill on Sea; City Academy Whitehawk in Brighton, The Gatwick School in Crawley, and Westvale Park Primary Academy in Horley. The schools have a combined pupil capacity of 3,240 (excluding nurseries) and a roll of 2,800 in the Autumn 2021 school census. We have a further 215 children in our 6 nurseries.

#### **Structure, governance and management**

##### Constitution

The Trust was incorporated as a company limited by guarantee on 15 June 2012 and is an exempt charity. The Trust's governing document is its memorandum and articles of association.

The trustees of Aurora Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

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

##### Method of recruitment and appointment or election of trustees

Aurora Education Trust, as Principal Sponsor, appoints three Trustees. The remaining Trustees are co-opted by the other Trustees.

The Trust looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills including finance /accounting, teaching, education management, business and property/estates.

##### Policies and procedures adopted for the induction and training of trustees

Trustees are provided with induction training and a wider programme of training events is organised according to needs. New Trustees are provided with copies of key documents and receive an induction programme led by the Chief Executive Officer.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Organisational structure

The day-to-day operation of the Trust is undertaken by the Chief Executive Officer and executive team in accordance with the Trust's scheme of delegation and other policies and procedures approved by the Trustees. Significant personnel and expenditure decisions and major capital projects are referred to the Trustees for prior approval. These policies and procedures are based on guidance from DfE. The Chief Executive Officer acts as the accounting officer.

The Trust has three members including Aurora Education Trust as Principal Sponsor. The members have no operational responsibility for the Trust but under company law are entitled to appoint and remove Trustees. The Trust has ten Trustees.

The Trustees meet at least four times a year. The Trustees have formed a committee for each of the schools, known as the Local Academy Boards. Each Local Academy Board includes staff and parent representatives and their focus is to monitor teaching and learning standards in the academy.

The Trustees have also formed two subcommittees;

Finance, Audit, HR and Risk Committee, chaired by Mark Brunet, which receives the monthly management accounts and sets and scrutinises the budget and the risk register. It also receives reports on HR matters and approves bids for capital grants.

Education Standards and School performance committee, chaired by Christine Bayliss, which scrutinises the performance in the schools.

Terms of reference for each committee are reviewed once a year. The Trustees are advised on governance issues by the company secretary and the Trust's two clerks co-ordinate Trustee and committee meetings.

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

'Key management personnel' refers to members of the Executive Team, which comprises:

Chief Executive Officer, Finance Director, Director of Education and Executive Headteacher.

The Trustees have delegated responsibility to the Chairman and one other Trustee to set targets and to review annually the performance of the Chief Executive Officer. The Chairman then recommends any (or no) pay award based on the successful meeting of performance targets by the Chief Executive Officer.

The Chief Executive Officer sets the targets and reviews the performance of the Director of Education, Executive Head and the Finance Director. The Chief Executive Officer then recommends any pay awards to the Trust's Finance, Audit, HR and Risk Committee which then approve or reject any such recommendations.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Trade union facility time

All schools buy into the local authority Trade Union facilities pool and the Trust has a Joint Consultation committee with the Trade unions and professional associations which meets three times a year.

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.75

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	2
1%-50%	3
51%-99%	-
100%	-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	486
Total pay bill	13,049,498
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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### Engagement with employees

The Trust has engaged with its employees in a number of ways during the year including:

- "Awesome Aurora" newsletter which is emailed to staff
- Holding regular meetings with trade unions and professional associations, via a Joint Consultation Committee
- Consulting with staff during the Covid pandemic to review the risk assessments required
- Online exit survey for staff leaving the Trust
- Staff wellbeing surveys
- Staff counselling and wellbeing support
- Mental Health First aider training

The Trust is mindful of its duties under the Equality Act 2010 and strives to ensure equality of opportunity for all staff to enable them to reach their full potential. The Employment Manual also states that employees will be given access to training to enable them to progress in the organisation and staff with disabilities will be supported and reasonable adjustments made to facilitate their working needs. Job applications from disabled candidates are welcomed but the Trust realises that there is more to be done to support their training and promotion and will address this issue.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust is aware of the need to foster relationships with suppliers as well as families and the wider community. The Covid pandemic presented a number of challenges to many of the Trust's suppliers. Under the Government's procurement notice, the Trust was able to continue to pay certain suppliers who would have otherwise been severely financially impacted.

The Trust is acutely aware of the responsibility it has to serve the communities in which the schools are located. One of the Trust's Pillars is Community Support which reflects the need to engage with the local community. Each of the Local Academy Boards includes both parent and community representatives which ensures there is accountability at an academy level. The schools are also involved in many projects in the community.

### Related parties and other connected charities and organisations

The Principal Sponsor of the Trust is Aurora Education Trust (AET), a UK charitable company. The directors of AET are Ron Packard and Maria Szalay who are also Trustees of the Trust. Ron Packard and Maria Szalay are directors of Pansophic Learning UK Limited (PLUK) which provide services to the Trust on an "at cost" or "below cost" basis. The Trust's company secretary is an employee of PLUK. All services are provided at cost as disclosed in note 26.

## **Objectives and activities**

### Objects and aims

The Company's charitable objects as set out in its articles of association are:

"to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies, offering a broad and balanced curriculum, and

"the provision of facilities for recreation or other leisure time occupation for individuals who have need for such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their condition of life."



# AURORA ACADEMIES TRUST

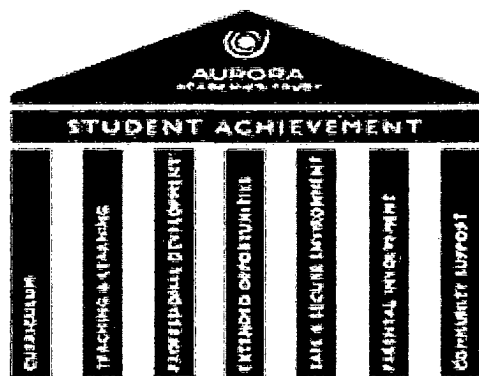
## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Objectives, strategies and activities

The Trust has seven pillars supporting student achievement through the provision of:



**Curriculum** - The Trust believes that a broad, balanced and rich curriculum is essential to support student achievement. All Trust schools have the following curriculum principles:

- The curriculum is inspiring with all National Curriculum subjects valued
- Underpinning the curriculum is a rigorous emphasis on enabling students to be effective readers, writers and mathematicians
- The full curriculum is accessible to all students who are challenged to improve their knowledge and skills

**Teaching and Learning** – the Trust's focus is on improving standards throughout its schools at a rapid pace, and improving the quality of education particularly continually refining the curriculum based on the latest research and sound pedagogical strategies and improving teaching and learning through a comprehensive staff training programme.

**Professional Development** – The Trust believes that providing effective professional development is paramount for building capacity and increasing the skills of our workforce. The Global Leadership Institute (GLI) leadership training provides 6 days of high quality professional development for senior and middle leaders in all of the schools. This training is evaluated continually and participants rate it extremely highly.

**Extended Opportunities** – to make sure every pupil achieves the very best that they can, the Trust's focus is on working with the senior leaders and teachers in its schools to raise achievement through the curriculum innovation, assessment of standards and knowledge gaps through the use of online assessment programmes, increased attendance and individualised paths for personal growth and development.

**Safe and Secure Environment** - The Trust has effective partnerships with outside agencies that support student welfare and ensure effective safeguarding processes. The Trust's mental health and well-being lead provides support to students and staff. The Trust has a consistent approach to health & safety and risk management that is carefully monitored.

**Parental involvement** - The Trust believes a strong partnership between students, their parents and carers and the school is essential for good personal and educational development.

**Community Support** –The use of school facilities to meet the needs of local community groups, safe opportunities for community members to mentor and coach students in order to raise aspirations. Partnership with local business communities and high quality transition arrangements with all other education and care providers. The Trust has proactive representation on key regional and national academy trust groups, local authorities, school partnerships and school forums.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Strategic report

##### Achievements and performance

##### **Response to Covid-19 Pandemic**

At the start of this reporting period in September 2020, all UK schools opened fully to all pupils. For the first six weeks the Trust saw better than national average attendance and high levels of pupil engagement in lessons. It appeared that pupils and staff were very happy to reconnect from the previous year in which there had been spasmodic face-to-face education for so many. However, a new variant strain developed that led first to a lockdown throughout November and then ultimately to a longer national lockdown that commenced on 5th Jan 2021. Schools did not fully open again until late March 2021 and there were still many national restrictions in place, including isolation and the sending home of class and year 'bubbles' if any positive cases were confirmed within educational settings.

The national lockdown from January 2021 was different to the first lockdown in March 2020 in the following ways:

- In 2020 the only children being educated face-to-face in schools were those of keyworker parents and children who were deemed to be 'vulnerable'.
- Every other child had to remain at home and schools provided appropriate 'work' for them to complete remotely. There was no national expectation as to what the educational offer needed to be.
- The focus was for schools to open only for those children for whom it was necessary to keep safe and for those whose parents were needed to keep the economy or public services going. In other words, pupil numbers in school (and as a consequence staff numbers) were kept to an absolute minimum. The Trust's average attendance during the first lockdown was less than 10%.
- By Jan 2021 the national expectations had changed. Not only was it expected that schools open to more children (the definition of 'vulnerable' was extended) but also that those at home would receive remote learning (either hard copy or online) that matched the curriculum being taught in school.
- This dual approach to the curriculum meant that more staff were working in schools and those who were not were given the brief of delivering online or remote education.

##### **Educational Data on Attainment and Progress in 2021**

Due to the UK Government's response to the Covid-19 pandemic, for the second year running in the primary phase there were no formal national assessments at KS1 or KS2 and all GCSE examinations were cancelled. In the secondary phase, this year's GCSE awards were based upon Teacher Assessed Grades (TAG) which were determined internally but moderated externally by Exam Boards.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Additional section 8 Ofsted Monitoring Visits to Trust Schools

During the period there were additional section 8 Ofsted visits to four of the Trust's schools: these were to Glenleigh Park (which was a pilot visit for Ofsted), Heron Park, Oakwood, and The Gatwick School. The methodology was either completely online or face-to-face and the rationale was to establish the extent to which the pandemic had affected schools and how schools had gone about ensuring that remote learning was in place for those children unable to access school.

All four visits were led by the same HMI and in each case the conclusion was that

*"Leaders and those responsible for governance are taking effective action to provide education in the current circumstances."*

The following statements are taken from the outcome letters received by each school (note there was no report generated for Glenleigh Park as it was a pilot additional visit for Ofsted to test their methodology):

#### Oakwood

- *Members of the interim executive board ensure that leaders are providing pupils with an effective education in current circumstances. They have a thorough understanding of the progress secured since the last inspection. Board members recognise the strengths of the school but know more needs to be done. They are determined that the pace of improvement accelerates in coming months.*
- *Support from the multi-academy trust has increased leadership capacity. This has enabled school leaders to remain focused on improving the school, including strengthening the remote learning offer in the most recent lockdown.*

#### Heron Park

- *Trustees and members of the LAB have strengthened their challenge to leaders. Trustees have focused on the quality of provision for pupils. LAB members share these high expectations. Communication between the two levels of governance has improved since September. This has helped to improve the consistency of challenge to leaders.*
- *Support from the trust's chief executive officer (CEO) and Director of education has ensured that leaders continue to focus on overall school improvement as well as address the current circumstances. Their work with subject leaders, in particular, has helped these staff to refine their plans. The trust has engaged a wide range of external support that has also been effective. In particular, the LAB has benefited from the work to improve governance.*

#### The Gatwick School

- *All pupils are studying their usual range of subjects. Key stage 3 pupils do not have access to specialist rooms currently because of Covid-19 precautions. This means that practical activities in subjects such as music and science have had to be reduced. The intention is that by summer 2021 these activities will have been reinstated. For primary pupils, additional trips and visits that would normally be offered have had to be suspended for the time being.*

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Ofsted S8 Monitoring Visits at Heron Park and Oakwood

During the period in June 2021, Ofsted also conducted formal section 8 Monitoring visits at both Heron Park and Oakwood.

#### At Heron Park inspectors concluded:

*Leaders and those responsible for governance are taking effective action in order for the school to become a good school.*

*The school should take further action to:*

- *ensure that teachers and teaching assistants have a secure understanding of how to support pupils in key stage 1 who have fallen behind in their reading.*

Inspectors also reported on governance by the Local Academy Board and the Trust

*Governors have undertaken training to strengthen their understanding of how well leaders are improving the school. This has helped them to improve the way that they monitor improvements. Governors have also found the trust's support useful in helping them to challenge leaders more effectively. The trust provides well-received and effective support to you, your staff and*

*Governors. This includes organising training for staff from within the trust and also from outside agencies.*

#### At Oakwood inspectors concluded:

<i>Leaders and managers are taking effective action towards the removal of special measures.</i>
<i>The trust's statement of action is fit for purpose.</i>
<i>The school's improvement plan is fit for purpose.</i>
<i>Having considered the evidence, I am of the opinion that the school may appoint newly qualified teachers.</i>

Inspectors also reported on governance by the Interim Executive Board (IEB) and the Trust

*Leaders benefit from timely and extensive input from the trust's chief executive officer (CEO) and the Executive Headteacher. Together, they provide a wide range of support, including help with managing finances, developing leadership capacity, staff recruitment and reviewing strategic plans. Their pivotal work has placed the school on a firmer footing. The interim board has wisely commissioned external evaluation to review the school's work and provide further challenge and support for leaders.*

*Specialists from the trust schools are working with phase leaders and the SENCo to design the curriculum in foundation subjects and early years, and they are providing staff training. Leaders have much training planned over the coming months.*

#### Key performance indicators

The trustees have set the following key performance indicators for the Trust as set out in their Immediate Priorities Plan: (NB Attainment and progress Targets may be subject to change or postponement due to the ongoing Covid-19 pandemic restrictions)

- Oakwood Primary Academy is removed from Special Measures Monitoring and is judged to be *Good in all areas* at its next S5 inspection
- The Ofsted judgement following the next Section 5 Full Inspection at Heron Park to be that the school is judged *Good in all areas*
- Each school to achieve above national progress measures in all areas at Key Stages 2
- The Gatwick School to achieve a positive *Progress 8 (P8)* Score and for its *Attainment 8 A8* score to be above 4.0.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Going concern

The Trust has achieved a strong surplus and has retained reserves to support school improvement plans and building projects

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

#### **Promoting the success of the Trust**

The Trustees are aware of their duty under the Companies Act to act in a way most likely to promote the success of the Trust and the achievement of its charitable purposes and to have regard to

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company.

The charitable objects of the Trust are set out above and are primarily the advancement of education. The Trustees consider that the success of the Trust hinges on the standard of education provided within its schools and decisions are taken with the improvement of educational outcomes at the forefront of their minds.

#### **Financial review**

A surplus of funds of £850,583 (2020: deficit of £1,366,919) has been achieved before an actuarial loss in the pension deficit of £1,207,000 (2020: actuarial gain of £294,000). Net assets of £36,889,664 (2020: £37,246,081) were carried forward into 2021/22.

Funding for the period was provided by ESFA by means of standard grants to cover operational and capital costs. Additional funds were received from letting facilities to third parties, from bank interest and from success in attracting other grant income. CIF funding of £2,118,603 was received in the financial year, of which £1,563,052 has been spent. Due to delayed start of some projects there is an amount shown as a capital commitment and this will be spent in 2021/22.

At 31 August 2021, the balance of unrestricted funds and general restricted funds (excluding the pension reserve and fixed asset fund) was £1,936,499 (2020: £1,206,636).

At 31 August 2021 cash funds of £2,722,879 were held in bank accounts for the Trust (2020: £2,049,067). The bulk of these funds were held in current accounts but a review of higher interest deposit accounts is underway. All funds were held with Lloyds bank. These funds have largely been accumulated through a significant brought forward surplus, sustainable budget setting and good financial control to ensure we are able to sustain improvements over a number of years.

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends. These KPIs include student numbers, staff costs as a % of income and FTE to budget, cash held and reporting on the strength of the balance sheet.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Reserves policy

The policy of the trustees is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Company whilst ensuring that excessive funds are not accumulated. The trustees are satisfied that the Company's reserves are sufficient for its current purposes.

The reserves as at 31 August 2021 amounted to £36,889,664 (2020: £37,246,081) which comprised primarily of restricted fixed asset reserves of £41,635,165 (2020: £40,521,445). The free reserves amounted to £963,103 (2020: £724,336). Restricted funds (excluding the pension reserve) amounted to £973,396 (2020: £482,300). Therefore the Company's restricted general funds plus unrestricted funds at 31 August 2020 amounted to £1,936,499 (2020: £1,206,636).

#### Investment policy

Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term. The monies received by the Trust are largely public funds provided for the education of children and young people. Consequently the Trustees take a conservative view on the investment of any surpluses and funds will only be lodged with organisations with the highest possible credit rating. This takes the form of keeping such funds on deposit in interest bearing accounts. The object of this policy is to protect the funds that the Trust holds whilst taking opportunities to maximise them where possible.

#### Principal risks and uncertainties

The Trust has prepared a risk register which is reviewed termly and highlights compliance, Health and Safety, standards, strategic, operational, HR, ICT and financial risks. Each risk has been allocated a risk value, a risk owner and an action plan to minimise the risk.

Through the risk management processes that have been formalised within the Trust, the Trustees are satisfied that the major risks identified will be adequately mitigated where necessary.

The key controls used by the Trustees include:

- formal agendas and minutes for all meetings of the Trustees and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines;
- comprehensive formal written policies;
- clear authorisation limits;
- construction and regular review of risk registers;
- vetting procedures as required by law, for protection of the vulnerable.

The principal risks and uncertainties in relation to the Trust have been identified in the risk register which is updated regularly.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Trust maintains a comprehensive risk register that is monitored by the Trust's executive team and the Finance, Audit, HR and Risk Committee. There are several identified category areas of risk.

The three areas of highest risk are:

#### 1. Educational, Strategic and Reputational Risks:

- Oakwood remains Inadequate and still in need of Special Measures following the next S8 Monitoring Visit due 2022
- Heron Park judged RI in its next S5 Inspection due 2022 – should this be the case it would represent the school's 4th consecutive RI judgement, likely to mean the school is judged Inadequate
- TGS Leadership Issues (absence of several senior leaders) puts the school at risk of being downgraded from Good to RI in its next S8 Monitoring Inspection due 2022-23

Any or all of the above presents a risk to the Company of a school(s) being re-brokered if the significant interventions which have been put in place are not as effective as anticipated.

#### 2. The Gatwick School Campus:

Whilst planning approval has been granted at The Gatwick School, nevertheless the lack of facilities for sports onsite, for dining and for social areas continues to add a huge logistical strain on the day-to-day operation of the school.

#### 3. The principal operational risk:

The upkeep and maintenance of the Trust's buildings, some of which are in a deteriorating condition. Successful CIF bids at three schools have led to significant improvements. New bids are being prepared on a priority basis for submission in December 2021.

In common with every Trust in the country, funding is dependent on government policy; there is always risk that funding will be cut and the Trustees have been prudent in the budgeting for the future. The brought forward surplus is viewed as providing protection against funding and student number fluctuations.

The deficit on the Local Government Pension Scheme rose by £2,200,000 in the period to £6,682,000 and there is continuing uncertainty in any final salary scheme of this type.

#### Fundraising

The Trust undertakes a limited range of fundraising activities at the present time but it is an area of operating activity it seeks to develop. Three successful Condition Improvement Funding bids were announced in the period, at King Offa and Glenleigh Park and the first allocation was received in August. The donations income received was lower this year, in part due to the National Covid-19 pandemic.

There were no fundraising complaints received in the year. All fundraising is voluntary and no unreasonably persistent approaches or undue pressure to donate are made.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### Streamlined energy and carbon reporting

#### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

The Trust has solar panels installed at 3 of the schools and is identifying further ways to improve the energy efficiency of the school buildings. Increased video conferencing technology for staff meetings has reduced the need for travel between site.

Westvale Park opened September 2020 and building works at Oakwood and Heron Park during this period have increased energy consumption. However the energy usage is reducing as a result of increased insulation from the new roof and heating replacement at Heron Park.

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>1 September 2020 to 31 August 2021</b>	<b>1 September 2019 to 31 August 2020</b>
Energy consumption used to calculate emissions (kWh)	<b>2,431,623</b>	1,916,615
Energy consumption break down (kWh) <ul style="list-style-type: none"><li>• gas,</li><li>• electricity,</li><li>• transport fuel</li></ul>	<b>1,795,045</b> <b>636,578</b> <b>37,157</b>	1,249,540 410,574 41,989
<u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u> Gas consumption	<b>328.78</b>	230.67
<u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u> Purchased electricity	<b>135.16</b>	145.33 95.72
<u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u> Business travel in employee owned vehicles	<b>7.34</b>	9.19
Total gross emissions in metric tonnes CO <sub>2</sub> e	<b>471.29</b>	384.59
<u>Intensity ratio</u> Tonnes CO <sub>2</sub> e per pupil	<b>0.153</b>	0.133



# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Plans for future periods

The Trust's key objectives for 2021/22 are to continue the development and progress of the Trust, The Trust is working on three areas which will be further developed over the next 12 months:

#### 1. Review of Executive and Central Team Leadership Structures

As the next period marks the 10th year of operation of the Trust, the Trustees have undertaken to carry out a review of its current executive and central team structures. The rationale is to make the work of the Trust (including its governance) much more effective and efficient. This work will be externally reviewed to provide both assurance that the trustees have benchmarked their proposed structures and that they have sought strategic advice on this important area of change.

#### 2. Implementation of a Primary Curriculum Model across all Schools

The Trust will continue its work to define its primary curriculum model which will then become the framework in all Trust schools to ensure consistency of delivery and outcomes. The model's constituent components in each school will include:

- A Foundation Village Approach to every Early Years Foundation Stage (EYFS) setting
- A common scheme for the teaching of early reading and phonics
- Common reading schemes in Key Stages 1 and 2
- A common scheme to the teaching of Mathematics using the Maths Mastery Model
- Use of the Mastery Flow model to underpin the teaching of wider curriculum subjects

#### 3. Review of Provision for SEND pupils in all the Trust's schools

The Trust has commissioned an external review of SEND provision at each of its schools. The intent is to identify the most effective practice across the Trust's schools and then to train all SENDCOs and Leaders of teaching and learning so that a consistent approach to SEND provision is established – leading to a Trust model for SEND provision. This work will then be built upon and improved regularly through the setting up of a trust-wide network of SENDCOs

### COVID-19 Impact

The Trust is experiencing a rise in cases amongst staff as well as the impact on physical and mental wellbeing of staff as a result of long Covid symptoms. All schools regularly review risk assessments and the Trust has provided regular communication to staff and parents throughout the pandemic. The financial impact is being monitored closely.

### Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ..... and signed on its behalf by:

17/12/2021

Mark Q Brunet  
Mark Q Brunet (Dec 17, 2021 18:53 GMT)

M Brunet

Chair of Finance, Audit, Human Resources and Risk Committee

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Scope of responsibility

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

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

### Governance

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

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met five times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Blaker (Chair)	5	5
R Packard (Vice Chair)	4	5
C Bayliss (Chair of Educational Standards and School Performance Committee)	5	5
M Brunet (Chair of Finance, Audit, Human Resources and Risk Committee)	4	5
D Wootton	5	5
S Dawson	4	5
B North	1	4
M Szalay	4	5
A Nichols (Appointed 30 September 2020)	2	4
S Calladine-Evans (Appointed 1 June 2021)	1	1
M Burnige (Resigned 30 September 2020)	0	0

### Governance reviews

An external review of governance was undertaken in July 2020 and the recommendations implemented during the year. These included replacing the Regional Standards Councils with a committee of the Trustees looking at school performance. A Local Academy Board Chair Forum has also been established which is also attended by the Chief Executive Officer and the Company Secretary.

The Accounting Officer and Chairman regularly discuss risks as they arise and all Trustees are kept informed. The Scheme of Delegation clearly identifies responsibilities to ensure sufficient oversight of financial and key performance indicators. The sub-committees to maintain oversight include the Finance, Audit, HR and Risk committee and the Education Standards and School Performance committee, as well as regular CEO checklist meetings within each academy. Monthly management accounts are scrutinised by the Executive team on a monthly basis and these are also shared with the Chairman and Chair of the Finance Committee.

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Finance, Audit, HR and Risk committee (FAHR) is a committee of the main board of Trustees. Its purpose is to;

- Ensure the Trust has strategic plans in place to deliver effective learning and teaching within the budget.
- To oversee and approve the trust's programme of internal scrutiny
- To report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.
- To review the staffing structure across the trust and its schools, as part of the annual budget review.
- To receive HR reports on staffing changes and any staffing issues, including sickness absence trends and corrective actions being taken.
- To review asset management plans for each school in the trust, covering premises and ICT equipment, to ensure that appropriate funding is available to maintain and improve the trust assets.

Attendance at FAHR committee meetings in the year was as follows:

Members	Meetings attended	Out of possible
Mark Brunet (Chair)	6	6
Brett North	5	6
Jon Hodson	6	6
Maria Szalay	5	6
Dorothy May	3	6

The Chief Executive Officer and Finance Director are not members of the committee and do not form part of the quorum but are invited to attend meetings. Both attended all six meetings during the year.

The Educational Standards and School Performance Committee (ESSP) is a committee of the main board of Trustees. Its purpose is to;

- Ensure the continual improvement of educational standards in all Trust schools;
- Scrutinise internal and external data to monitor the academic performance of each Trust school;
- Hold the Director of Education and Executive Head to account for educational standards across the Trust;
- Ensure the self-evaluation of Trust schools is robust;
- Receive and consider reports from external advisors regarding Trust schools;
- Report to the board of trustees regarding academic standards in Trust schools

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Attendance at ESSP committee meetings in the year was as follows:

Members	Meetings attended	Out of possible
Christine Bayliss (Chair)	2	2
David Wooton	2	2
Ron Packard	2	2

The Chief Executive Officer, Director of Education and Executive Headteacher are not members of the committee and do not form part of the quorum but attend the meetings.

#### Review of value for money

As accounting officer, the Chief Executive Officer has the responsibility for ensuring that the 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 or by using a framework where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Reviewing controls, managing risks and maintaining the Trust Risk Register with the Trust Financial Director
- Considering the allocation of resources in line with academy development plans and in keeping with the Trust's strategic plan
- Benchmarking spending with that of similar Trusts operating within the region and nationally
- Challenging proposals and examining effectiveness and efficiency through termly CEO Checklist meetings with Headteachers and LAB Chairs
- Deploying Trust staff effectively
- Regularly reviewing the quality of the curriculum provision and the quality of teaching and learning (examples being the introduction and implementation of common phonics, reading and Maths schemes into the Trust's schools, thereby ensuring group purchases to gain greater discounts)
- Working closely with the Trust Financial Director to ensure that best value is achieved through due process, while noting that the best value quote is not necessarily the cheapest quote.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The board of trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### **The risk and control framework**

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

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

The board of trustees has appointed Buzzacott LLP to perform internal scrutiny. An internal assurance programme has been established by the academy trust that incorporates responses to these risk areas. This review of core controls forms part of the annual cycle of internal scrutiny.

Buzzacott delivered their schedule of work as planned, and performed a range of checks on the Academy's financial systems, which included the following areas:

- Payroll (in depth review to highlight any improvements in the payroll approval process and procedures for new starters)
- Accounting System (check bank reconciliation completed monthly and review of control accounts reconcile to ensure accurate accounting records presented to trustees)
- Income (check funding reconciles to remittances and is correctly recorded)
- Purchases (check payment authorisation and recording of invoices is correct)
- Procurement and ordering (in depth review of process to ensure consistency across the 7 schools)

No material failures or weaknesses were identified during the year as result of the assurance work and remedial action has been taken to resolve any reported issues or areas for improvement.

In addition to the financial internal audit, Health and Safety audits, internal safeguarding checks, ICT health checks and education/ curriculum reviews also took place to ensure the non-financial risks are also covered.

#### **Review of effectiveness**

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

- the work of the internal scrutiny programme;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the senior management team within the Trust who have responsibility for the development and maintenance of the internal control framework.

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

Approved by order of the board of trustees on 17/12/2021 and signed on its behalf by:

Mark Q Brunet  
Mark Q Brunet (Dec 17, 2021 18:53 GMT)

M Brunet

**Chair of Finance, Audit, Human Resources  
and Risk Committee**

TJMcCarthy  
TJMcCarthy (Dec 20, 2021 13:22 GMT)

T McCarthy

**Chief Executive Officer (Accounting Officer)**

# AURORA ACADEMIES TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

### Matter - Requirement to obtain ESFA approval (Academies Financial Handbook 5.1)

As detailed in note 26 to the accounts, Ron Packard and Maria Szalay are trustees, but also are directors of Pansophic Learning UK Limited (PLUK) which provide management and curriculum services to the Trust on an "at cost" or "below cost" basis. The Trust's company secretary is an employee of PLUK.

As the fees for these services are regarded as 'related party transactions' with a value of over £20,000, the changes brought in by the Academies Financial Handbook 2020 require prior approval from the Department for Education and the ESFA.

The Trust did not submit an application to the ESFA in advance of the start of the contract, which is a breach of the Academies Handbook 2020. The application for approval has been submitted since, although it has yet to be given approval by the ESFA.

  
TJMcCarthy (Dec 20, 2021 13:22 GMT)

**T McCarthy**  
**Chief Executive Officer (Accounting Officer)**

20/12/2021

# AURORA ACADEMIES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees (who are also the directors of Aurora Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

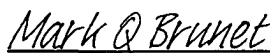
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 17/12/2021 and signed on its behalf by:

  
Mark Q Brunet (Dec 17, 2021 18:53 GMT)

M Brunet  
Chair of Finance, Audit, Human Resources and Risk Committee



# **AURORA ACADEMIES TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURORA ACADEMIES TRUST**

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

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### **Opinion**

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 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 accounts' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# AURORA ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURORA ACADEMIES TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# AURORA ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURORA ACADEMIES TRUST (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### **Extent to which the audit was capable of detecting irregularities, including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with Governors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

#### **Audit response to risks identified**

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

# AURORA ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURORA ACADEMIES TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### Use of our report

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



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
for and on behalf of Alliotts LLP

**20/12/2021**  
.....

**Chartered Accountants**  
**Statutory Auditor**

Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

# **AURORA ACADEMIES TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AURORA ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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In accordance with the terms of our engagement letter dated 25 October 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 Aurora Academies 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 Aurora Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Aurora Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aurora Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Aurora Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Aurora Academies Trust's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

# AURORA ACADEMIES TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

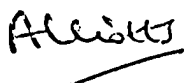
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The work undertaken to draw to our conclusion includes:

- analytical review of the Trust's general activities to ensure that they are within the Academy's framework of authorities;
- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- review of the general control environment for the Trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the Academy's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the 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, Chief Executive Officer or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Chief Executive or Trustees;
- review of income received in accordance with the activities permitted within the Trust's charitable objectives.

### Conclusion

In the course of our work, except for the matter detailed in the Accounting Officer's Statement on Regularity, Propriety and Compliance, 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.



**Reporting Accountant**  
Alliotts LLP

Dated: 20/12/2021

# AURORA ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	4	7,739	- 2,176,134	2,183,873	476,914
Charitable activities:					
- Funding for educational operations	5	-	16,746,123 -	16,746,123	14,895,486
Other trading activities	6	423,437	111,764 -	535,201	363,313
Investments	7	457	- -	457	2,693
<b>Total</b>		<u>431,633</u>	<u>16,857,887</u> <u>2,176,134</u>	<u>19,465,654</u>	<u>15,738,406</u>
<b>Expenditure on:</b>					
Raising funds	8	7,008	- -	7,008	319,000
Charitable activities:					
- Educational operations	10	185,858	17,096,239 1,325,966	18,608,063	16,786,325
<b>Total</b>	8	<u>192,866</u>	<u>17,096,239</u> <u>1,325,966</u>	<u>18,615,071</u>	<u>17,105,325</u>
<b>Net income/(expenditure)</b>		238,767	(238,352) 850,168	850,583	(1,366,919)
Transfers between funds	19	-	(263,552) 263,552	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(1,207,000) -	(1,207,000)	294,000
<b>Net movement in funds</b>		<u>238,767</u>	<u>(1,708,904)</u> <u>1,113,720</u>	<u>(356,417)</u>	<u>(1,072,919)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		724,336	(3,999,700) 40,521,445	37,246,081	38,319,000
Total funds carried forward		<u>963,103</u>	<u>(5,708,604)</u> <u>41,635,165</u>	<u>36,889,664</u>	<u>37,246,081</u>

# AURORA ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	4	5,276	-	471,638	476,914
Charitable activities:					
- Funding for educational operations	5	-	14,895,486	-	14,895,486
Other trading activities	6	273,367	89,946	-	363,313
Investments	7	2,693	-	-	2,693
<b>Total</b>		<u>281,336</u>	<u>14,985,432</u>	<u>471,638</u>	<u>15,738,406</u>
<b>Expenditure on:</b>					
Raising funds	8	319,000	-	-	319,000
Charitable activities:					
- Educational operations	10	-	15,458,132	1,328,193	16,786,325
<b>Total</b>	8	<u>319,000</u>	<u>15,458,132</u>	<u>1,328,193</u>	<u>17,105,325</u>
<b>Net expenditure</b>		(37,664)	(472,700)	(856,555)	(1,366,919)
Transfers between funds	19	-	(271,000)	271,000	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	21	-	294,000	-	294,000
<b>Net movement in funds</b>		(37,664)	(449,700)	(585,555)	(1,072,919)
<b>Reconciliation of funds</b>					
Total funds brought forward		762,000	(3,550,000)	41,107,000	38,319,000
Total funds carried forward		<u>724,336</u>	<u>(3,999,700)</u>	<u>40,521,445</u>	<u>37,246,081</u>



# AURORA ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	41,056,523	40,297,522
<b>Current assets</b>			
Stocks	15	-	5,355
Debtors	16	1,090,864	529,394
Cash at bank and in hand		2,722,879	2,049,067
		3,813,743	2,583,816
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(1,298,602)	(1,153,257)
<b>Net current assets</b>		2,515,141	1,430,559
<b>Net assets excluding pension liability</b>		43,571,664	41,728,081
Defined benefit pension scheme liability	21	(6,682,000)	(4,482,000)
<b>Total net assets</b>		36,889,664	37,246,081
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>	19		
- Fixed asset funds		41,635,165	40,521,445
- Restricted income funds		973,396	482,300
- Pension reserve		(6,682,000)	(4,482,000)
<b>Total restricted funds</b>		35,926,561	36,521,745
<b>Unrestricted income funds</b>	19	963,103	724,336
<b>Total funds</b>		36,889,664	37,246,081

The accounts on pages 29 to 58 were approved by the trustees and authorised for issue on 17/12/2021 and are signed on their behalf by:

*Mark Q Brunet*

Mark Q Brunet (Dec 17, 2021 18:53 GMT)

M Brunet

Chair of Finance, Audit, Human Resources and Risk Committee

Company Number 08107711

# AURORA ACADEMIES TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	22		582,188		812,943
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		457		2,693	
Capital grants from DfE Group		2,176,134		471,638	
Purchase of tangible fixed assets		(2,084,967)		(570,207)	
<b>Net cash provided by/(used in) investing activities</b>			91,624		(95,876)
<b>Net increase in cash and cash equivalents in the reporting period</b>			673,812		717,067
Cash and cash equivalents at beginning of the year			2,049,067		1,332,000
<b>Cash and cash equivalents at end of the year</b>			2,722,879		2,049,067

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the 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.

##### 1.2 Going concern

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

##### 1.3 Income

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

##### Grants

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

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

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

##### Sponsorship income

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

##### Donations

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

#### 1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

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

Freehold land and buildings	2% per annum
Leasehold land and buildings	2-5% per annum
Computer equipment	33% per annum
Fixtures, fittings & equipment	14-20% per annum

Depreciation is charged from the month of acquisition.

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.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.9 Stock

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.10 Taxation

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

#### 1.11 Pensions benefits

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

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

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

#### 1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 income funds comprise all other grants received from the Education and Skills Funding Agency/ Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authorities, East Sussex County Council, West Sussex County Council and Brighton and Hove Council

### 2 Critical accounting estimates and areas of judgement

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

The values attributable to properties donated to the Company are initially recognised based on an independent professional valuation. The property's condition, the nature of educational use, and the geographical location are taken into consideration in estimating the value.

The estimates of useful economic lives of tangible fixed assets used to determine the annual depreciation charge.

##### Critical areas of judgement

There were no areas of judgement that had a significant effect on the amounts recognised in the financial statements.

#### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2021.

#### 4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	2,176,134	2,176,134	471,638
Other donations	7,739	-	7,739	5,276
	<u>7,739</u>	<u>2,176,134</u>	<u>2,183,873</u>	<u>476,914</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	12,983,645	12,983,645	11,797,023
Other DfE/ESFA grants:				
Pupil premium	-	1,299,447	1,299,447	1,291,750
Start up grants	-	17,000	17,000	87,000
Others	-	1,143,701	1,143,701	1,038,727
	-	15,443,793	15,443,793	14,214,500
<b>Other government grants</b>				
Local authority grants	-	1,070,640	1,070,640	680,986
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	221,200	221,200	-
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	10,490	10,490	-
	-	231,690	231,690	-
<b>Total funding</b>	-	16,746,123	16,746,123	14,895,486

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities (can modify)	5,576	-	5,576	9,511
Catering income	-	63,523	63,523	27,564
Other income	417,861	48,241	466,102	326,238
	423,437	111,764	535,201	363,313

### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	457	-	457	2,693



# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2021	2020
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	7,008	7,008	219,915
- Allocated support costs	-	-	-	-	99,085
Academy's educational operations					
- Direct costs	10,288,584	-	939,480	11,228,064	10,643,755
- Allocated support costs	3,982,091	2,176,054	1,221,854	7,379,999	6,142,570
	<u>14,270,675</u>	<u>2,176,054</u>	<u>2,168,342</u>	<u>18,615,071</u>	<u>17,105,325</u>

#### Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	17,750	28,000
- Other services	8,537	12,000
Operating lease rentals	24,455	25,170
Depreciation of tangible fixed assets	1,325,966	1,328,193
Net interest on defined benefit pension liability	80,000	81,000
	<u>1,476,708</u>	<u>1,474,363</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 9 Central services

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

- Human resources and payroll;
- Financial services;
- Legal services, Data Protection Officer;
- Project management (e.g. large capital projects or new academies);
- Company secretary and Trust clerking service;
- Educational support services and curriculum development;
- Staff and LAB members CPD and training; and
- Safeguarding lead, Director of Early Years, Behavioural and Mental Health lead.

The Trust charges for these services on the following basis:

- Services are split equally between the academies or charged pro-rated based on pupil numbers, this equates to an average of 5.15% of income.
- The increase in central recharges reflects changes in the allocation of the Executive Head and Director of Early Years salary costs to the academies.

The amounts charged during the year were as follows:

	2021 £	2020 £
Glenleigh Park Primary Academy	154,200	88,000
King Offa Primary Academy	154,200	89,000
Oakwood Primary Academy	154,200	106,000
Heron Park Primary Academy	154,200	114,000
The Gatwick School	259,200	210,000
City Academy Whitehawk	156,600	138,000
Westvale Park Primary Academy	62,400	39,000
	<u>1,095,000</u>	<u>784,000</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	101,884	11,126,180	11,228,064	10,643,755
<b>Support costs</b>				
Educational operations	83,974	7,296,025	7,379,999	6,142,570
	<u>185,858</u>	<u>18,422,205</u>	<u>18,608,063</u>	<u>16,786,325</u>
			<b>2021</b> £	<b>2020</b> £
<b>Analysis of support costs</b>				
Support staff costs			4,087,802	3,123,889
Depreciation			1,325,966	1,328,193
Technology costs			177,361	168,172
Premises costs			850,088	773,016
Legal costs			29,379	7,709
Other support costs			875,280	701,941
Governance costs			34,123	39,650
			<u>7,379,999</u>	<u>6,142,570</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	9,997,967	9,138,086
Social security costs	909,330	840,125
Pension costs	3,044,249	2,736,950
Staff costs - employees	13,951,546	12,715,161
Agency staff costs	308,286	266,029
Staff restructuring costs	10,843	45,914
	14,270,675	13,027,104
Staff development and other staff costs	105,711	79,829
Total staff expenditure	14,376,386	13,106,933
Staff restructuring costs comprise:		
Severance payments	10,843	24,914
Other restructuring costs	-	21,000
	10,843	45,914

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,843 (2020: £24,914). Individually, the payments were £5,000, £2,500 and £3,343.

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	128	131
Administration and support	252	232
Management	32	29
	412	392

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	121	121
Administration and support	164	160
Management	33	28
	<u>318</u>	<u>309</u>

#### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	5	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	2	1
£110,001 - £120,000	1	1
	<u>10</u>	<u>8</u>

#### Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £516,864 (2020: £506,472).

### 12 Trustees' remuneration and expenses

The Company Secretary only received remuneration in respect of services provided in undertaking the role of Company Secretary and not in respect of services as a trustee (the Company Secretary resigned as a trustee on 30 September 2020).

Other trustees did not receive any payments from the Trust in respect of their role as trustees.

During the year, no travel and subsistence payments were reimbursed or paid directly to trustees (2020: £nil).

### 13 Trustees' and officers' insurance

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2020	12,470,000	31,971,819	1,129,147	1,375,834	46,946,800
Additions	-	1,781,513	145,999	157,455	2,084,967
At 31 August 2021	12,470,000	33,753,332	1,275,146	1,533,289	49,031,767
<b>Depreciation</b>					
At 1 September 2020	837,500	4,052,148	906,997	852,633	6,649,278
Charge for the year	180,500	793,474	126,442	225,550	1,325,966
At 31 August 2021	1,018,000	4,845,622	1,033,439	1,078,183	7,975,244
<b>Net book value</b>					
At 31 August 2021	11,452,000	28,907,710	241,707	455,106	41,056,523
At 31 August 2020	11,632,500	27,919,671	222,150	523,201	40,297,522

### 15 Stocks

	2021 £	2020 £
School uniform	-	5,355

### 16 Debtors

	2021 £	2020 £
Trade debtors	35,105	47,137
VAT recoverable	117,262	92,049
Other debtors	23,602	435
Prepayments and accrued income	914,895	389,773
	1,090,864	529,394

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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**17 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	553,776	361,763
Other creditors	-	69,225
Accruals and deferred income	744,826	722,269
	<u>1,298,602</u>	<u>1,153,257</u>

**18 Deferred income**

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>318,824</u>	<u>480,485</u>
Deferred income at 1 September 2020	480,485	257,000
Released from previous years	(480,485)	(60,000)
Resources deferred in the year	<u>318,824</u>	<u>283,485</u>
<b>Deferred income at 31 August 2021</b>	<u><b>318,824</b></u>	<u><b>480,485</b></u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, growth funding, rates relief income and EHCP (Education, Health and Care Plan) funding.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	482,300	12,983,645	(12,356,085)	(263,552)	846,308
Start up grants	-	17,000	(17,000)	-	-
Pupil premium	-	1,299,447	(1,299,447)	-	-
Catch-up premium	-	221,200	(94,112)	-	127,088
Other Coronavirus funding	-	10,490	(10,490)	-	-
Other DfE/ESFA grants	-	1,143,701	(1,143,701)	-	-
Other government grants	-	1,070,640	(1,070,640)	-	-
Other restricted funds	-	111,764	(111,764)	-	-
Pension reserve	(4,482,000)	-	(993,000)	(1,207,000)	(6,682,000)
	<u>(3,999,700)</u>	<u>16,857,887</u>	<u>(17,096,239)</u>	<u>(1,470,552)</u>	<u>(5,708,604)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	17,111,000	-	-	-	17,111,000
DfE group capital grants	22,905,445	2,176,134	(1,325,966)	-	23,755,613
Capital expenditure from GAG	505,000	-	-	263,552	768,552
	<u>40,521,445</u>	<u>2,176,134</u>	<u>(1,325,966)</u>	<u>263,552</u>	<u>41,635,165</u>
<b>Total restricted funds</b>	<u>36,521,745</u>	<u>19,034,021</u>	<u>(18,422,205)</u>	<u>(1,207,000)</u>	<u>35,926,561</u>
<b>Unrestricted funds</b>					
General funds	724,336	431,633	(192,866)	-	963,103
<b>Total funds</b>	<u>37,246,081</u>	<u>19,465,654</u>	<u>(18,615,071)</u>	<u>(1,207,000)</u>	<u>36,889,664</u>



# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 19 Funds

(Continued)

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

#### **General annual grant**

This includes all monies received from the ESFA to carry out the objectives of the Trust. It includes the School Budget Share. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

#### **Pension reserve**

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

#### **Other DfE/ESFA grants**

Other grants include funding received from the DfE and ESFA for specific purposes.

#### **Fixed asset funds**

The fixed asset fund includes grants received from the DfE and other sources to finance the development and building of the academy and other tangible fixed assets, and the annual charges for depreciation of these assets.

#### **Unrestricted funds**

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	266,000	11,797,023	(11,309,723)	(271,000)	482,300
Start up grants	-	87,000	(87,000)	-	-
Pupil premium	-	1,291,750	(1,291,750)	-	-
Other DfE/ESFA grants	-	1,038,727	(1,038,727)	-	-
Other government grants	-	680,986	(680,986)	-	-
Other restricted funds	-	89,946	(89,946)	-	-
Pension reserve	(3,816,000)	-	(960,000)	294,000	(4,482,000)
	<u>(3,550,000)</u>	<u>14,985,432</u>	<u>(15,458,132)</u>	<u>23,000</u>	<u>(3,999,700)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	17,111,000	-	-	-	17,111,000
DfE group capital grants	23,762,000	471,638	(1,328,193)	-	22,905,445
Capital expenditure from GAG	234,000	-	-	271,000	505,000
	<u>41,107,000</u>	<u>471,638</u>	<u>(1,328,193)</u>	<u>271,000</u>	<u>40,521,445</u>
<b>Total restricted funds</b>	<u>37,557,000</u>	<u>15,457,070</u>	<u>(16,786,325)</u>	<u>294,000</u>	<u>36,521,745</u>
<b>Unrestricted funds</b>					
General funds	<u>762,000</u>	<u>281,336</u>	<u>(319,000)</u>	<u>-</u>	<u>724,336</u>
<b>Total funds</b>	<u>38,319,000</u>	<u>15,738,406</u>	<u>(17,105,325)</u>	<u>294,000</u>	<u>37,246,081</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

#### Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Glenleigh Park Primary Academy	467,463	272,931
King Offa Primary Academy	452,776	316,554
Oakwood Primary Academy	285,594	315,544
Heron Park Primary Academy	9,052	(743)
The Gatwick School	362,552	23,913
City Academy Whitehawk	309,746	266,042
Westvale Park Primary Academy	2,068	10,000
Central services	47,248	2,395
Total before fixed assets fund and pension reserve	1,936,499	1,206,636
Restricted fixed asset fund	41,635,165	40,521,445
Pension reserve	(6,682,000)	(4,482,000)
Total funds	36,889,664	37,246,081

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Glenleigh Park Primary Academy	1,175,096	392,220	120,647	221,756	1,909,719	1,993,658
King Offa Primary Academy	1,364,936	452,892	71,660	245,481	2,134,969	2,059,308
Oakwood Primary Academy	1,293,784	327,319	132,680	240,052	1,993,835	1,816,900
Heron Park Primary Academy	1,337,456	382,606	115,730	231,295	2,067,087	2,002,947
The Gatwick School	3,005,662	543,311	249,319	426,442	4,224,734	3,864,853
City Academy Whitehawk	1,399,456	539,148	108,237	238,703	2,285,544	2,163,525
Westvale Park Primary Academy	229,393	223,335	59,505	107,128	619,361	68,049
Central services	559,502	237,271	25,176	238,909	1,060,858	847,412
	10,365,285	3,098,102	882,954	1,949,766	16,296,107	14,816,652

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	41,056,523	41,056,523
Current assets	963,103	2,271,998	578,642	3,813,743
Creditors falling due within one year	-	(1,298,602)	-	(1,298,602)
Defined benefit pension liability	-	(6,682,000)	-	(6,682,000)
<b>Total net assets</b>	<b>963,103</b>	<b>(5,708,604)</b>	<b>41,635,165</b>	<b>36,889,664</b>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	40,297,522	40,297,522
Current assets	724,336	1,635,557	223,923	2,583,816
Creditors falling due within one year	-	(1,153,257)	-	(1,153,257)
Defined benefit pension liability	-	(4,482,000)	-	(4,482,000)
<b>Total net assets</b>	<b>724,336</b>	<b>(3,999,700)</b>	<b>40,521,445</b>	<b>37,246,081</b>

### 21 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 21 Pension and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,388,544 (2020: £1,188,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Pension and similar obligations

(Continued)

##### Local Government Pension Scheme

##### East Sussex County Council Pension Fund

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed employer contribution rates for future years are 19.9% and tiered contribution rates for employees, dependent on their remuneration.

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

Total contributions made	2021 £	2020 £
Employer's contributions	687,000	592,000
Employees' contributions	207,000	169,000
Total contributions	<u>894,000</u>	<u>761,000</u>

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	2.90	2.20
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	<u>1.65</u>	<u>1.70</u>

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

	2021 Years	2020 Years
Retiring today		
- Males	21.2	21.6
- Females	23.7	23.9
Retiring in 20 years		
- Males	22.0	22.5
- Females	<u>25.1</u>	<u>25.3</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Pension and similar obligations

(Continued)

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

	2021	2020
Discount rate + 0.1%	(436,000)	(342,000)
Discount rate - 0.1%	448,000	342,000
Mortality assumption + 1 year	768,000	540,000
Mortality assumption - 1 year	(736,000)	(540,000)
CPI rate + 0.1%	35,000	306,000
CPI rate - 0.1%	(35,000)	(306,000)

#### The Trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	8,674,000	7,101,000
Bonds	1,890,000	1,631,000
Property	840,000	768,000
Other assets	209,000	96,000
Total market value of assets	11,613,000	9,596,000

The actual return on scheme assets was £1,407,000 (2020: loss £704,000)

#### Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	1,445,000	1,317,000
Interest income	(160,000)	(190,000)
Interest cost	229,000	264,000
Total operating charge	1,514,000	1,391,000

#### Changes in the present value of defined benefit obligations

	2021 £
At 1 September 2020	13,503,000
Current service cost	1,445,000
Interest cost	229,000
Employee contributions	207,000
Actuarial loss/(gain)	2,182,000
Benefits paid	(284,000)
At 31 August 2021	17,282,000

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Pension and similar obligations

(Continued)

#### Changes in the fair value of the Trust's share of scheme assets

	2021 £
At 1 September 2020	9,596,000
Interest income	160,000
Actuarial (gain)/loss	1,247,000
Employer contributions	687,000
Employee contributions	207,000
Benefits paid	(284,000)
At 31 August 2021	11,613,000

#### Local Government Pension Scheme

##### West Sussex County Council Pension Fund

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed employer contribution rates for future years are 20.9% and tiered contribution rates for employees, dependent on their remuneration

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

Total contributions made	2021 £	2020 £
Employer's contributions	130,000	128,000
Employees' contributions	37,000	37,000
Total contributions	167,000	165,000

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70



# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Pension and similar obligations

(Continued)

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

	2021 Years	2020 Years
Retiring today		
- Males	22.10	22.20
- Females	24.40	24.20
Retiring in 20 years		
- Males	23.10	23.30
- Females	26.10	25.90

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

	2021	2020
Discount rate + 0.1%	(64,000)	(43,000)
Discount rate - 0.1%	64,000	43,000
Mortality assumption + 1 year	79,000	49,000
Mortality assumption - 1 year	(79,000)	(49,000)
CPI rate + 0.1%	63,000	43,000
CPI rate - 0.1%	(63,000)	(43,000)

#### The Trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	500,000	355,000
Bonds	346,000	224,000
Property	77,000	46,000
Other assets	38,000	33,000
Total market value of assets	961,000	658,000

The actual return on scheme assets was £137,000 (2020: £51,000)

#### Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	285,000	282,000
Interest income	(13,000)	(10,000)
Interest cost	24,000	17,000
Total operating charge	296,000	289,000

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

<b>21</b>	<b>Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the present value of defined benefit obligations</b>	<b>2021</b>	
		<b>£</b>	
	At 1 September 2020	1,233,000	
	Current service cost	285,000	
	Interest cost	24,000	
	Employee contributions	37,000	
	Actuarial loss	396,000	
	Benefits paid	(1,000)	
	At 31 August 2021	1,974,000	
	<b>Changes in the fair value of the Trust's share of scheme assets</b>	<b>2021</b>	
		<b>£</b>	
	At 1 September 2020	658,000	
	Interest income	13,000	
	Actuarial gain	124,000	
	Employer contributions	130,000	
	Employee contributions	37,000	
	Benefits paid	(1,000)	
	At 31 August 2021	961,000	
<b>22</b>	<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	850,583	(1,366,919)
	Adjusted for:		
	Capital grants from DfE and other capital income	(2,176,134)	(471,638)
	Investment income receivable	(457)	(2,693)
	Defined benefit pension costs less contributions payable	913,000	879,000
	Defined benefit pension scheme finance cost	80,000	81,000
	Depreciation of tangible fixed assets	1,325,966	1,328,193
	Decrease in stocks	5,355	1,000
	(Increase) in debtors	(561,470)	(9,000)
	Increase in creditors	145,345	374,000
	<b>Net cash provided by operating activities</b>	<b>582,188</b>	<b>812,943</b>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 23 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	2,049,067	673,812	2,722,879

### 24 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	23,781	39,000
Amounts due in two and five years	56,356	39,000
Amounts due after five years	7,500	-
	87,637	78,000

### 25 Capital commitments

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	652,324	1,578,354

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 26 Related party transactions

Owing to the nature of the Trust's operations and the composition of the board of trustees potentially being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Ron Packard is a member and trustee of the Trust; Maria Szalay is a trustee. They are also directors and shareholders of Pansophic Learning Holdings Ltd. (PLHL) and directors of its subsidiary Pansophic Learning UK Limited (PLUK). Martha Burnige was a trustee until 30 September 2020 and is an employee of PLUK. PLUK has provided services to the Trust including curriculum and management services. Fees of £55,200 (2020: £41,638) were payable to PLUK in the period to 31 August 2021. These fees include the following services:

- Project management and company secretarial services, £55,200 (2020: £19,550); and
- Paragon curriculum services, Nil (2020: £22,088);

Paragon curriculum services comprises personnel and IT costs and following renegotiation has been provided "free of charge" since 1 September 2020. Prior to this date, the fee was calculated on an "at cost" basis in accordance with the Academies Financial Handbook and the tri-partite agreement between the Trust, Aurora Education Trust and the Secretary of State. The curriculum was procured by the Trust in 2012 through an open and due process. Since 2017 the contract has been reviewed annually by the trustees and benchmarked biennially.

The Trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 seeking their approval where required, and with their financial regulations and procurement procedures.

#### 27 Members' liability

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