

Avocet Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number: 09254238 (England and Wales)



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Avocet Academy Trust

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Avocet Academy Trust

Reference and administrative details

Members:	Peter Elliott Tony Cooper Jeremy Hennell-James	
Trustees:	Jeremy Mead (Chair) Lesley Cassie Jonathan Duggan Donald Hawkley Callum Ingram Paul Simpson Cheryl Singleton	Appointed 04/10/20

Senior Management Team:	
CEO	Mrs C Singleton
Executive Principal	Mrs J Stanley-Bell
Principal	Mr J Ratcliffe
Head of School	Mrs M Box
Head of School	Mrs H Murray
Head of School	Mrs M Geater
Chief Financial Officer (Business Leader)	Mrs J Porter-Hardy
Headteacher	Mr E Pearson-Shaul
Accounting Officer	Cheryl Singleton
Registered Office	Wickham Market Primary School Dallinghoo Road Wickham Market IP13 0RP
Company Registration Number	09254238
Auditors	Ensors Accountants LLP Chartered Accountants Connexions, 159 Princes Street, Ipswich IP1 1QJ
Bankers	Barclays P O Box 216 Brightwell Court Martlesham Heath Ipswich IP5 3PW
Solicitors	Mills & Reeve LLP Botanic House, Hills Road Cambridge CB2 1PH

Avocet Academy Trust

Trustees' Report

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The principal activity of the company is the operation of five state-funded schools providing education for pupils aged 3-11. Pupil capacity is as follows:

- Leiston Primary: Pupil Admission number (PAN) of 60 per year group and a 52 place Nursery
- Wickham Market: PAN 40 per year group and a 26 place Nursery (reducing to 30 from Sept 2022)
- Easton: PAN 15 per year group
- Aldeburgh: PAN 15 per year group
- Saxmundham: PAN 45 per year group

It has a total pupil capacity of 1225 plus 78 Nursery places and had a roll of 922 pupils of which 41 were in Nursery in the 2021 October census.

Structure, Governance and Management

Constitution

The Charitable Company is known as Avocet Academy Trust. The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trust operates a three tier governance structure:

1. Members
2. Board of Trustees
3. Local Advisory Boards

The Trustees of Avocet Academy Trust are also the directors of the Charitable Company for the purposes of company law. Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section at the beginning of the report.

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

Indemnity insurance is held for the Trustees to the sum of £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Members of the Trust on recommendation from the Trust board. Where a vacancy arises Trustees seek to make an appointment that would maximise the skills, experience and expertise on the board as a whole.

A Trustee skills audit is carried out at least every two years (more frequently if changes in the group require it) and the results are shared with the whole Trust board and the Trust Members.

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees.

New Trustees follow a programme of induction led by the Chair of the Board and the CEO. All new Trustees are given:

- Access to key policies around Trustee conduct
- Access to Governor Hub. Trustees have access to all policies, key documents and meeting minutes of the Trust and each school via this hub. Key documents are signed and posted through an introductory letter.
- Trustees spend half a day with the CEO visiting at least two schools and discussing Trust priorities in action (online meetings replaced this due to Covid-19.)
- Training is in place in response to new national initiatives or guidance as well as through self and group audit of skills. Training in the 2020-21 academic year has included:
 - Covid guidelines and response

Organisational Structure

The Board of Trustees comprises those persons appointed under the articles of association as described earlier in this report.

The scheme of delegation outlines the responsibilities across the Trust. Day to day management is undertaken by the CEO supported by the Director of Learning and CFO. The day to day running of the school is by the appointed school leaders supported by the Trust leadership team.

The CEO is the Accounting Officer

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Management personnel, including the Chief Financial Officer, are paid in line with the pay scales set out in the National pay and conditions document. Pay scales are set by the Trustees who are responsible for setting pay. All remuneration is in line with the Academy pay policy. Neither the CEO/AO, Executive Principal nor the Chief Financial Officer receive any additional remuneration. Other senior staff may be awarded one of payments in line with agreed outcomes. Non-executive trustees do not receive any remuneration.

Related Parties and Other Connected Charities and Organisations

Each school has a school fundraising body. Only the fundraising body for Easton, Easton Primary School Association, is considered to be a connected charity. More information in relation to this charity is shown in note 30 of the accounts.

Trade Union Facility Time

Information, as it applies to the academy trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1 April 2020 to 31 March 2021 (the relevant period).

The Academy Trust has no union officials and therefore the Trust does not pay for any facility time. The Trust has applied to be part of facilities management time from 1st September 2021.

Public Benefit

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charities commission's general guidance on public benefit.

Avocet Academy Trust

Objectives and Activities

Objects, strategies and activities

The principal objective and activity of the charitable company is the operation of Avocet Academy Trust to provide free education and care for pupils of different abilities from the age of 3 and 11.

The aim of the trust is to ensure that the children in each school get the best possible primary education. We aim to ensure that every pupil makes good and sustained progress academically as well as experiencing a range of opportunities to give them the skills they need for the next stage of their academic career and beyond.

Whole Academy Objectives

- Schools are supported in ensuring that all pupils get the provision they need to achieve as highly as they can
- All schools are judged good by Ofsted with at least one element of outstanding practice
- Parents are engaged with the Trust community and know how to support their child
- All staff invest in their own CPD and bring this to the school and Trust community through the 'Hub' or through schools

We will achieve these by:

- Supporting our culture that values achievement and has high expectation of all pupils and members of our wider community
- Give our staff time and resources to develop their knowledge and skills as well as an environment in which they are able to implement change
- Target all available finance directly to schools and continually review systems and fund raising to maximise resources
- Ensuring that the balance between school autonomy and whole Trust practice is gained to provide the very best provision for pupils.

The trustees ensure that each school and the academy as a whole have effective development plans that target areas of development particular to each school and that the plans are effectively executed. The short term monitoring of the development plans is delegated to the Advisory Boards who report to the trust not less than termly.

Strategic report

Achievements and Performance

Due to the impact of Covid-19 schools experienced a significant amount of closure (Jan to March 2021) as well as disrupted learning due to absences and limits to groups mixing and staff movement. For the second year running there is no national data for schools to use as a benchmark.

All schools put in place home learning systems throughout Covid closures. These platforms have continued to be used for homework now that pupils are back in school. During the closures school staff worked to meet wider welfare needs including delivery of free school meals as well as arranging transport and other agency work with families. Schools are now continuing to focus on meeting the academic and pastoral needs of pupils and support their families following two disrupted school years.

Avocet Academy Trust

Leiston

Leiston converted to the Academy at the MATs formation in 2014 and has improved in every measure since then. The improvement of the school was recognised in December 2017 when the school achieved an Ofsted rating of Good. The school has a strong welfare and support team to meet the needs of our children there. Learning for all children has been supported through the implementation of an enrichment programme aimed at broadening experiences of our children through the improved curriculum as well as out of school experiences. The nursery has grown substantially in the last three years and the school has been successful in narrowing the gap in achievement at the end of Key stage two between those in receipt of pupil premium and those who are not.

Aldeburgh

Aldeburgh converted to the Academy in May 2017. It was judged to be "Good" by Ofsted in 2020. Strengths were identified in the quality of the curriculum provided for the children. The school has very strong community links and is involved with a number of local organisations aimed at widening the experiences and opportunities for the children. Progress data at the end of 2019 reflects at or above average progress in all areas when compared to national figures.

Aldeburgh is at capacity in almost all year groups.

Wickham Market

Judged by Ofsted as "Good" for overall effectiveness in October 2017, Wickham Market has continued to achieve highly at the end of KS2 achieving above National Averages at the end of KS2 in all areas last year and in all areas except reading this year, which was only just below expected. Maths attainment was high following work to improve in this area. The school has seen growth in pupil numbers in Nursery in 2021.

Easton

Easton was judged as "Good" in October 2017. It continues to demonstrate well above the national average in Reading and Writing achievement (2019.) The school is focussing on enabling children to progress at a faster rate to bring Mathematics progress in line with the other subjects. Easton has a high level of involvement in the community it serves and invests in good quality staff development and an enriched curriculum.

Saxmundham

Converted to Avocet Academy Trust in November 2018. The school has seen improvements at KS2 in the combined score and it was above the national average. Since joining the Trust the school has significantly changed the staffing structure to enable more welfare support as well as targeted teaching to those pupils who need it. The teaching of phonics has been completely restructured and showed massive improvement from 2019 to 2020 (internal assessments.) Progress was at or above national averages in combined achievement data with the most able children in particular showing good progress.

Successes 2020-21

Provision for all pupils during school shutdowns including academic and pastoral care

All schools in the trust set up online learning platforms and supported families with IT equipment to enable online learning for all. These systems have been kept in place to support homework for all pupils as well as to safeguard us against any further closures as the pandemic continues.

Wider support in place during shutdowns for vulnerable pupils and families

All schools were able to ensure the provision of school meals to those pupils who were eligible and to work with the LA to supply these in the school holidays. School staff, and in particular those with welfare roles in the school went to great lengths to make sure that vulnerable pupils had the opportunities they needed and were supported during a time where most avenues of support were unavailable.

Avocet Academy Trust

New appraisal systems implemented for all teaching and support staff

All staff now take the lead role in their own performance management. Targets are presented by the appraisee which stimulate the discussions - final targets are mutually agreed with the appraiser. Now in its second year with teaching staff the time given (2 PD days) and the increase in engagement in the process has led to staff acting on research and best practices widely disseminated across the Trust. Support staff have started the new system in September 2021. Whilst they are not given the CPD time in the form of two PD Days, the change in the timetable for the appraisal year (Sept to August) has ensured that targets are more appropriately set based on the pupils they are working with and, with the greater engagement of the class teacher, the targets are more focused on need.

Restructure of central roles that utilise existing skills and redirect finances back to schools

Three senior leaders are now working in a central team role whilst still leading their schools. The restructure of the central team following a sizeable reduction of hours by the CEO and the standards officer has led to opportunities for capitalising on in house expertise. This has only been in place since September and is already having an impact in terms of Trust promotion, Trust standards and sharing of educational best practice through the hub.

Launch of CPD hub accessible to all staff

In its infancy, 'the hub' is open to all Academy staff and is designed to share best practice, be a platform to deliver online training and to be a resource base to support moderation. Courses have already been held and it is proving to be a great resource for the staff and in particular the ECTs we are training through our own academy system.

Improved consistency in behaviour management at lunchtimes through a staffing restructure

The MDSA role has been greatly reduced and restructured so that it is now dining hall based and is not focused on pupil behaviour. Children are supervised by TA s who work with them throughout the rest of the day. These staff know the children well and ensure that methods to promote positive behaviour are consistent.

Pupil recruitment

Aldeburgh is almost full with some year groups being up to PAN. All other schools have room in most year groups as is common for this part of the county. Leiston Primary continues to see substantial growth in Nursery and other year groups throughout the year. The Trust believes the best method to increase pupil recruitment is to continually raise standards and therefore improvement plans and resources are allocated for this purpose. Each school has in place methods to attract families through the use of open days and we have invested in our websites to support this.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 Accounting Policies note of the financial statements.

Trustees' Report (continued)

Financial Review

We receive our income from a number of sources. The majority of our income comes from central government via the Educational and Skills Funding Agency who provide us with the grant, based largely on our pupil numbers to cover our staffing and general running costs (General Annual Grant -GAG.) The ESFA may provide us with additional grants for specific purposes (such as pupil premium which must be used to raise the attainment of disadvantaged pupils.) These appear in the accounts as DFE / ESFA grants. Where we receive grant or other funding from the local authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as 'other government grants.' Such income is collectively referred to as 'restricted funds.' Other income is received from parents (for example income for trips) and from other third parties (for example from Lettings of our premises.) Such other income may be restricted or unrestricted, depending whether it comes to us with conditions as to its use or whether it is available to spend at the discretion of the Trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are categorised into restricted and unrestricted. Funds not available for spending include the book value of fixed assets such as land, buildings and resources. These have a value and are therefore included as assets in the accounts but clearly we cannot spend this value. In common with all Academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS deficit by paying over pension contributions due as calculated by the schemes actuaries.

The deficit for the year before the actuarial pension loss was £246,689, however excluding the restricted pension fund and restricted fixed asset net expenditure transactions after transfers of £410,930, income exceeded expenditure by £164,241.

The Academy Trust held restricted general funds (excluding pension reserves) of £335,484 and unrestricted funds of £320,013 which combined were £655,497 as at the 31st August 2021 compared to £491,256 as at 31 August 2020.

For the 2021/ 2022 academic year we have taken the decision to split spendable funds into operational and non-operational funds which will be reported to the Trust board through the finance and audit committee throughout the year.

Principal risks and uncertainties

The major risks to which the Trust is exposed to are:

- Reductions in funding through loss of pupils in an area where schools have to compete for pupils
- Closures due to Covid-19
- Reputational risk by poor Ofsted performance of more vulnerable schools
- Failure to recruit and retain high quality staff and staff absence due to current pandemic which could impact on pupils education

An updated risk register is reviewed regularly by the audit and risk committee and then by the Trustee Board. Their key objective is to minimise risk and take mitigating action where required.

The Trust has an effective system of internal financial controls which is explained more in the governance statement

Reserves policy

The Trust held fund balances of £10,343,485. This comprises restricted funds £10,023,472 of which £12,755,988 relate to the fixed asset fund, £335,484 restricted general fund and pension reserve deficit of £3,068,000. The pension reserve deficit is payable out of future annual income.

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Trustees' Report (continued)

The Trust has a policy in place that is reviewed regularly. The level of free reserves should never be in deficit and free reserves should be as close to the equivalent of 5% of total GAG funding as possible (the actual reserve will be made of unrestricted funds.)

The required unrestricted funds based on 5% of the 2020/21 GAG is £185,798 and the academy had £320,013 unrestricted funds at the year end. The Trust is aware that the reserves figure is above the recommended policy figure but the reserves policy also includes an additional £144,271 which is allocated between the schools as a contingency figure.

The combined restricted general funds (excluding pension reserves) and unrestricted funds were £655,497 as at the 31st August 2021. It is likely that a proportion of these funds will be used by the Trust and its schools in the medium term to support budgets and for school improvements.

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks.

Plans for Future Periods

Trustees recognise that to continue to deliver their aims there is a need for the Trust to grow in size. Currently the Trust is looking to develop partnerships with other local Trusts with a view to a possible merger in time. Avocet Academy Trust is based on the principle of collaboration between schools being the basis of improvement. Working with more schools through merging with another Trust provide more opportunities for this.

Funds held as Custodian Trustee on behalf of others

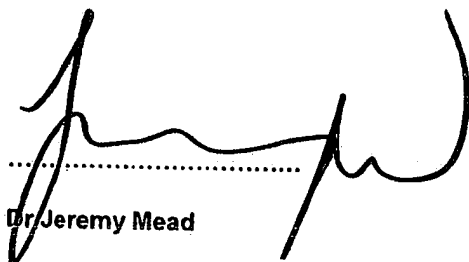
The Academy Trust or Trustees do not act as Custodian Trustee.

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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 06 December 2021 and signed on the board's behalf by:



Dr. Jeremy Mead

Avocet Academy Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Avocet Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

	Meetings Attended	Out of Possible
Dr Jeremy Mead	6	7
Paul Simpson	6	7
Don Hawley	7	7
Lesley Cassie	7	7
Jonathan Duggan	7	7
Callum Ingram	5	7
Cheryl Singleton	7	7

At the beginning of the academic year the Trust made the decision to move from Local Governing Bodies to Advisory Boards. This change is in line with the role outlined in the scheme of delegation. Advisory boards are charged with challenging and supporting head teachers in the performance indicators for our pupils and the school. It is not a decision making body, all decisions are taken at Trust level unless delegated to staff members as per the scheme of delegation.

The Trust board has been supplied with data from the schools which is based on Key performance Indicators which enables them to clearly see successes and areas for development in pupil outcomes. It also enables them to hold Advisory boards (LABs) and Trust and school leaders to account. The Trust board will be working closely with the ABs to improve the challenge to school leaders and the rigour around pupil data in the coming year.

Governance Statement (continued)

The finance and audit committee(s) is a sub-committee of the main board of trustees. Its purpose is to:

- ensure good financial management and effective internal controls;
- compliance with the funding agreement and the Academies Financial Handbook ;
- ensure sufficient rigour and scrutiny in the budget management process;
- to understand and address variances between the budget forecast and actual income and expenditure;
- receive and consider information on the financial performance of the trust at least three times a year, taking action to ensure ongoing viability;
- to provide assurance in relation to the suitability of, and compliance with, its financial systems and operational controls, taking into account the differing risks and complexity of their operations:

Finance, Audit and Risk Meetings Attendance:

	Meetings Attended	Out of Possible
Paul Simpson	3	3
Jonathan Duggan	3	3

Review of Value for Money

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

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

External inspections

There was one Ofsted inspection this year – Aldeburgh Primary School.

School	Date of last Ofsted	Grade
Aldeburgh	March 2020	Good
Easton	October 2017	Good
Leiston	December 2017	Good
Wickham Market	October 2017	Good
Saxmundham	March 2018	Good

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Governance Statement (continued)

Review of Value for Money (continued)

Leadership and capacity in the Trust

The Trust has a strong ethos of collaboration with staff and in particular school leaders. SLT meet regularly, led by the CEO and the Director of Learning, to maximise progress, outcomes and opportunities for pupils as well as contribute to MAT policy and procedures. SLT members, with support from the Trust, are upskilling middle leaders. Trust leaders are mindful of the need for succession planning as our existing school leaders progress in their careers.

Administration

The CFO and FO are continuously reviewing procedures and systems to ensure that value for money is achieved at all times. Due to astute decision making around financial and wider systems at the founding of the Trust new schools are added with ease and minimal expense as well as saving time for the admin team. The team has grown to include an HR lead this year and new payroll systems have been put in place. These will be reviewed in the next financial year alongside a potential re-organisation of the central team and the administration practices across the Trust.

Covid response and pupil support

The schools have effectively responded to the continuously changing government guidance and provided for all pupils throughout the closure. After the closure new routines were implemented to ensure that the school was safe and met the needs of all pupils. All pupils received education online and vulnerable pupils were contacted by staff. Going forward the schools now have a system in place to support home learning both as an enhancement to in school learning or, in the event of closure, as a replacement.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. The Academy risk register is in place and the board recognises that this document is reviewed at each Audit and Risk Committee meeting and the outcomes shared with Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees

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- regular reviews by the finance 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
- delegation of authority and segregation of duties
- identification and management of risk

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Ensors as internal auditor as well as carrying out reviews themselves.

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

- Payroll – Payments, Authorisation, Monitoring and Personnel Files
- Budget - Setting & Approval, Monitoring, Forward Financial Planning and Trading Accounts

On an annual basis the external auditor reports to the Board of Trustees, through the audit and finance committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. In addition the external auditor has completed assurance work on the teachers' pension contributions and related controls. Reports will also be submitted to the committee regarding internal audits as and when they are completed and reported to the board.

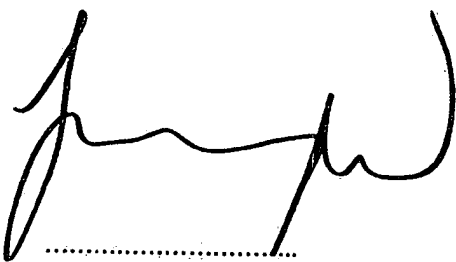
Review of Effectiveness

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

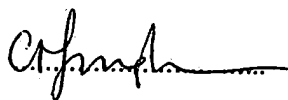
- the work of the external auditors
- the work of the internal auditors
- the financial management and governance self-assessment

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General 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 06 December 2021 signed on its behalf by:



Dr Jeremy Mead
Chair of Trustees



Cheryl Singleton
Accounting officer

Avocet Academy Trust

Statement on Regularity, Propriety and Compliance

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

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

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



Cheryl Singleton

CEO and Accounting officer

06 December 2021

Statement of Trustees' Responsibilities

The trustees (who act as governors of Avocet Academy Trust and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report and Directors' Report) and the financial statements in accordance United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

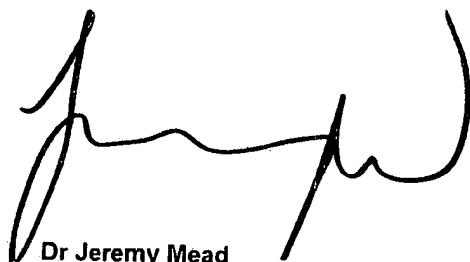
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2020 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by the order of the members of the board of trustee on 06 December 2021 and signed on its behalf by:



Dr Jeremy Mead

Chair of Trustees

Independent Auditor's Report to the Members of Avocet Academy Trust

Opinion

We have audited the financial statements of Orwell Multi Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2020 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The engagement partner has ensured that the audit team collectively had the required experience, knowledge and competence to perform the planned work and identify any relevant irregularities. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In planning our audit, we identify and assess the risk of material misstatement within the financial statements, whether due to fraud or error. In assessing the risks, consideration is given to the control environment (including Trustees' and management's own processes for identification and risk assessment) as well as the nature of the entity, the sector in which it operates and the underlying performance. Consideration is also given to the attitudes and incentives of management to commit fraud, with specific procedures planned and performed to respond to the risk of inappropriate management override of controls.

We also obtained an understanding of the applicable laws and regulations to which the academy trust must adhere, through discussions with management and those charged with governance, as well as commercial knowledge of the sector and statutory legislation, in order to determine the key laws and regulations applicable to the academy trust.

Avocet Academy Trust

Our audit work included:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale behind significant transactions outside the normal course of business.
- Assessment of key accounting estimates within the financial statements in order to assess their reasonableness to determine whether there is any bias in the estimates.
- Review of meeting minutes and internal scrutiny reports.
- Enquiring of management and Trustees as to whether they are aware of any alleged, suspected or actual fraud during the year.

We also performed procedures to satisfy ourselves regarding the academy trust's compliance with applicable laws and regulations, including:

- Enquiry of Trustees, management and the entity's solicitors around actual and potential litigation and claims
- Reviewing correspondence with relevant legal authorities

All audit team members were made aware of the applicable laws and regulations, as well as potential fraud risks during the planning stage of the audit and this was discussed at the audit team planning meeting. It was therefore determined that team members all had the relevant awareness and competence to identify any instances of non-compliance or fraud.

There are, however, inherent limitations to our above audit procedures. Auditing standards only require us to enquire of the Trustees and management regarding non-compliance with laws and regulations, as well as review regulatory and legal correspondence (if there is any). It is therefore possible that instances of non-compliance could be missed, particularly where the law in itself is far removed from any financial transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Barry Gostling FCCA DChA– Senior Statutory Auditor

13 December 2021

For and on behalf of:
Ensors Accountants LLP
Connexions, 159 Princes Street
Ipswich
IP1 1QJ

Independent Reporting Accountant's Assurance Report on Regularity to Avocet Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 October 2019 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 Avocet Academy Trust during the period 01 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 Avocet Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Avocet Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Avocet Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Avocet Academy Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Avocet Academy Trust funding agreement with the Secretary of State for Education dated 31 October 2018 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 01 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 Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Enquiry of senior management and the academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems and transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 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
Ensors Accountants LLP
Connexions, 159 Princes Street
Ipswich
IP1 1QJ

13 December 2021

Avocet Academy Trust

Statement of Financial Activities for the Year ended 31 August 2021
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total for the year ended 31 August 2021 £	Total for the year ended 31 August 2020 £
Income and endowments from:						
Donations and capital grants	2	13,063	7,173	65,013	85,249	23,749
Transfer from local authority on conversion						
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	-	4,852,711	-	4,852,711	4,432,570
Other trading activities	4	114,806	7,387	-	122,193	158,287
Investments	5	121	-	-	121	303
Total		127,990	4,867,271	65,013	5,060,274	4,614,909
Expenditure on:						
Charitable activities:						
Raising funds	6	330	-	-	330	270
Academy's educational operations	7	128,674	4,870,379	307,580	5,306,633	5,129,743
Total	6	129,004	4,870,379	307,580	5,306,963	5,130,013
Net income / (expenditure)		(1,014)	(3,108)	(242,567)	(246,689)	(515,104)
Transfers between funds	17	-	(52,637)	52,637	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(590,000)	-	(590,000)	(462,000)
Net movement in funds		(1,014)	(645,745)	(189,930)	(836,689)	(977,104)
Reconciliation of funds						
Funds brought forward at 1 September 2020		321,027	(2,086,771)	12,945,918	11,180,174	12,157,278
Funds carried forward at 31 August 2021	17	320,013	(2,732,516)	12,755,988	10,343,485	11,180,174

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Avocet Academy Trust

Statement of Financial Activities for the period ended 31 August 2020

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) showing comparatives by fund

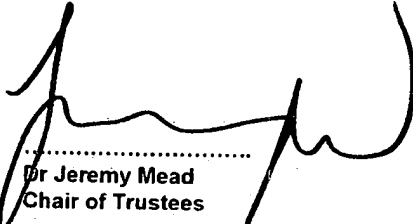
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total for the year ended 31 August 2020 £
Income and endowments from:					
Donations and capital grants	2	7,551	20,359	(4,161)	23,749
Transfer from local authority on conversion		-	-	-	-
<i>Charitable Activities:</i>					
Funding for the Academy Trust's educational operations	3	-	4,432,570	-	4,432,570
Other trading activities	4	158,247	40	-	158,287
Investments	5	303	-	-	303
Total		166,101	4,452,969	(4,161)	4,614,909
Expenditure on:					
<i>Charitable activities:</i>					
Raising funds	6	270	-	-	270
Academy's educational operations	7	161,801	4,612,742	355,200	5,129,743
Total	6	162,071	4,612,742	355,200	5,130,013
Net income / (expenditure)		4,030	(159,773)	(359,361)	(515,104)
Transfers between funds	17	-	(49,665)	49,665	-
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(462,000)	-	(462,000)
Net movement in funds		4,030	(671,438)	(309,696)	(977,104)
Reconciliation of funds					
Funds brought forward at 1 September 2019		316,997	(1,415,333)	13,255,614	12,157,278
Funds carried forward at 31 August 2020	17	321,027	(2,086,771)	12,945,918	11,180,174

Avocet Academy Trust

Balance sheet as at 31 August 2021

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	12	5,545	8,251
Tangible assets	13	12,842,638	13,065,214
		<u>12,848,183</u>	<u>13,073,465</u>
Current assets			
Debtors	14	150,940	159,432
Cash at bank and in hand		955,376	768,735
		<u>1,106,316</u>	<u>928,167</u>
Liabilities			
Creditors: Amounts falling due within one year	15	<u>(416,682)</u>	<u>(416,243)</u>
Net current assets		<u>689,634</u>	<u>511,924</u>
Total assets less current liabilities		<u>13,537,817</u>	<u>13,585,389</u>
Creditors: Amounts falling due after more than one year	16	<u>(126,332)</u>	<u>(148,215)</u>
Net assets excluding pension liability		<u>13,411,485</u>	<u>13,437,174</u>
Pension scheme liability	28	<u>(3,068,000)</u>	<u>(2,257,000)</u>
Net assets including pension liability		<u>10,343,485</u>	<u>11,180,174</u>
Funds of the academy:			
Restricted funds			
Fixed asset funds	17	12,755,988	12,945,918
Restricted income fund	17	335,484	170,229
Pension reserve	17	<u>(3,068,000)</u>	<u>(2,257,000)</u>
Total restricted funds		<u>10,023,472</u>	<u>10,859,147</u>
Unrestricted income funds	17	320,013	321,027
Total funds		<u>10,343,485</u>	<u>11,180,174</u>

The financial statements on pages 19 to 43 were approved by the trustees, and authorised for issue on 6 December 2021 and are signed on their behalf by:


 Dr Jeremy Mead
 Chair of Trustees

Company Limited by Guarantee
 Registration Number 09254238

Avocet Academy Trust

Cash Flow Statement for the Year Ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	23	232,154	31,167
Cash flows from investing activities	24	(23,654)	(154,743)
Cash flows from financing activities	25/27	(21,859)	62,412
Cash transferred on conversion to an academy trust		-	-
Change in cash and cash equivalents in the reporting period	27	<u>186,641</u>	<u>(61,164)</u>
Cash and cash equivalents at 1 September 2020		768,735	829,899
Cash and cash equivalents at 31 August 2021	26/27	<u>955,376</u>	<u>768,735</u>

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting Policies

General information and basis of preparation

Avocet Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office and company registration number is given in the Reference and Administrative Details given on page 1 of these financial statements and the principal place of business is Aldeburgh, Easton, Leiston, Saxmundham and Wickham Market. The nature of the academy trusts operations and principal activities are set out in the Trustees' Report on page 2.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102) 2019), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Going Concern

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

Per the Statement of Financial Activities, the Academy has deficit on the restricted general reserves of £2,732,516. This is due to deficit on the pension reserve of £3,068,00 which is payable out of future annual income and therefore does not cause any issues for the going concern of the Academy.

The Trustees' assessment of going concern has taken into consideration the effects that COVID-19 may have on the Academy Trust's operations going forwards, which remains uncertain at the time of approving the financial statements.

Income

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

• **Grants receivable**

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

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

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

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting Policies (continued)

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer on conversion within Donations and capital grant income to the net assets received. The basis of measurement for transferred premises is at depreciated replacement cost.

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software

25% (4 years)

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold land and buildings	0.74%-10% (10 to 125 years)
Furniture and equipment	20% (5 years)
ICT equipment	25% (4 years)

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

During the year the trustees reviewed and amended the expected useful lives assets lives of leasehold land and certain school buildings gifted on conversion. This resulted in decrease in depreciation charge of £59,127 in the current year.

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.

Liabilities

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

Provisions

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

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

Leased Assets

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

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting Policies (continued)

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 (including loans) are financial instruments and are measured at amortised cost as detailed in notes 15 and 16. 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.

The Academy Trust has concessionary loans (Salix loans) repayable in more than one year. The Academy Trust has opted to initially recognise and measure the loans at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary, for any impairment.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net operating income/(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 is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting Policies (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

Key area of judgement

The legal owner of a significant proportion of the school premises at Aldeburgh Primary School is The St Edmundsbury and Ipswich Diocesan Board and leased to the Academy Trust on a short-term lease. The Trustees have exercised judgment to conclude that control remains with The St Edmundsbury and Ipswich Diocesan Board and not the Academy Trust and therefore the land and buildings are not shown on the Academy Trust's Balance Sheet. This premises is leased at a below market rate rent and the Trustees do not feel a notional rent expense and a notional donation can be reliably measured to show the rent at market rate and therefore this has not been recognised within the accounts.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Capital Grants	-	30,255	30,255	(4,161)
Donations and gifted assets	13,063	41,931	54,994	27,910
	<u>13,063</u>	<u>72,186</u>	<u>85,249</u>	<u>23,749</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	3,715,969	3,715,969	3,462,130
Pupil premium	-	311,795	311,795	275,256
Other ESFA grants	-	409,028	409,028	402,682
	-	4,436,792	4,436,792	4,140,068
Other Government grants				
Local authority grants	-	346,959	346,959	292,502
	-	346,959	346,959	292,502
COVID-19 additional funding (DFE/ESFA)				
Catch-up premium	-	68,960	68,960	-
	-	68,960	68,960	-
	-	4,852,711	4,852,711	4,432,570

The academy received £68,960 of funding for catch-up premium and costs incurred in respect of this funding totalled £54,266 with the remaining £14,694 to be spent in 2021/22.

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Hire of facilities	6,740	-	6,740	10,256
Catering income	41,271	-	41,271	40,288
Income from Educational Trips	12,357	130	12,487	48,992
Other income	54,438	7,257	61,695	58,751
	114,806	7,387	122,193	158,287

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest	121	-	121	303
	121	-	121	303

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure

	Staff Costs £	Non-Pay Expenditure Premises £	Other Costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
Direct costs	-	-	330	330	270
Academy's educational operations					
Direct costs	3,539,006	238,734	316,427	4,094,167	4,021,347
Allocated support costs	373,718	233,965	604,783	1,212,466	1,108,396
	<u>3,912,724</u>	<u>472,699</u>	<u>921,210</u>	<u>5,306,633</u>	<u>5,129,743</u>
				2021 £	2020 £
Net income/(expenditure) for the period includes:					
Operating lease rentals				22,280	21,416
Depreciation				304,874	353,024
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)				2,706	2,176
Loss on disposal of fixed assets				-	-
Fees payable to auditor for:					
Audit				12,045	11,585
Assurance services other than audit				<u>8,720</u>	<u>3,815</u>

Included within expenditure there was £821 relating to unrecoverable debts.

7 Charitable Activities

	Total 2021 £	Total 2020 £
Direct costs – educational operations	4,094,167	4,021,347
Support costs – educational operations	1,212,466	1,108,396
	<u>5,306,633</u>	<u>5,129,743</u>

Analysis of support costs	Educational Operations £	Total 2021 £	Total 2020 £
Support staff costs	357,169	357,169	297,100
Technology costs	96,383	96,383	80,259
Premises costs	233,965	233,965	210,995
Other support costs	485,171	485,171	483,862
Governance costs	39,778	39,778	36,180
	<u>1,212,466</u>	<u>1,212,466</u>	<u>1,108,396</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff

(a) Staff costs

	2021 £	2020 £
Staff costs during the period were:		
Wages and salaries	2,839,197	2,698,849
Social security costs	235,504	219,714
Operating costs of defined benefit pension schemes	809,494	752,465
	<u>3,884,195</u>	<u>3,671,028</u>
Supply staff costs	22,427	26,847
Staff restructuring costs – severance payments	3,051	809
	<u>3,909,673</u>	<u>3,698,684</u>

(b) Staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payment of £3,051 (2020: £809).

(c) Staff numbers

The average number of persons employed by the Academy during the period, was as follows:

	2021 No.	2020 No.
Charitable Activities		
Teachers	49	45
Administration and support (includes teaching assistants)	71	95
Management	9	10
	<u>129</u>	<u>150</u>

(d) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £528,405 (2020 £580,595).

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Central services

The academy trust has provided the following central services to its academies during the period:

- human resources
- payroll
- financial services
- insurance
- procurement
- clerking services
- CEO, Director of Learning, CFO, Trust Finance Officer, HR & Payroll Manager and Compliance Officer costs
- educational support services

The trust charges for these services by taking the cost of these services and allocated these to each school on either an equal charge basis or a cost per pupil.

The actual amounts charged during the period were as follows:

	2021	2020
	£	£
Aldeburgh Primary School	76,649	78,726
Easton Primary School	75,975	68,780
Leiston Primary School	84,070	93,401
Saxmundham Primary School	79,925	88,881
Wickham Market Primary School	78,673	64,545
	<u>395,292</u>	<u>394,333</u>

10 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The co-principals and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

C Singleton (CEO and trustee):

Remuneration	£75,000 - £80,000 (2020: £75,000 - £80,000)
Employers' pension contributions	£15,000- £20,000 (2020: £15,000- £20,000)

During the year ended 31 August 2021 no expenses were reimbursed or paid directly to trustees. During 31 August 2020, travel, administration and curriculum expenses totalling £415 were reimbursed or paid directly to 1 trustee.

Other related party transactions involving the trustees are set out in note 29.

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £166 (2020: £166). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 September 2020	28,849	28,849
Additions	-	-
At 31 August 2021	28,849	28,849
Amortisation		
At 1 September 2020	20,598	20,598
Charged in year	2,706	2,706
At 31 August 2021	23,304	23,304
Carrying Amount		
At 31 August 2020	8,251	8,251
At 31 August 2021	5,545	5,545

13 Tangible Fixed Assets

	Long Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2020	14,313,861	98,568	152,237	14,564,666
Additions	10,996	12,263	59,039	82,298
At 31 August 2021	14,324,857	110,831	211,276	14,646,964
Depreciation				
At 1 September 2020	1,350,200	49,910	99,342	1,499,452
Charged in year	259,230	16,144	29,500	304,874
At 31 August 2021	1,609,430	66,054	128,842	1,804,326
Net book values				
At 31 August 2020	12,963,661	48,658	52,895	13,065,214
At 31 August 2021	12,715,427	44,777	82,434	12,842,638

Long leasehold Land and Buildings are being leased from the Suffolk County Council for a period of 125 years. The basis of valuation used to value the leasehold buildings on acquisition was fair value on the depreciated replacement cost (DRC) basis.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Debtors

	2021 £	2020 £
Trade debtors	1,000	4,437
VAT recoverable	21,638	32,812
Other debtors	2,582	8,174
Prepayments and accrued income	125,720	114,009
	<u>150,940</u>	<u>159,432</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	92,673	82,485
Taxation and social security	54,437	53,798
Other creditors	97,960	136,109
Accruals and deferred income	171,612	143,851
	<u>416,682</u>	<u>416,243</u>

Deferred income

	2021 £	2020 £
Deferred Income at 1 September 2020	110,848	119,277
Resources deferred in the year	122,845	110,848
Amounts released from previous years	(110,848)	(119,277)
Deferred Income at 31 August 2021	<u>122,845</u>	<u>110,848</u>

At the balance sheet date the academy trust was holding funds received in advance for educational trips booked for 2021/22 and grants relating to autumn term 2021.

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	126,332	148,215
	<u>126,332</u>	<u>148,215</u>

Included within other creditors due in less than one year and within the amounts due in more than 1 year there are Salix loans inherited from local authority predecessor schools on conversion of £6,470 (2020: £10,808) repayable over less than 5 years and a Salix loan from the ESFA under a Condition Improvement Fund of £59,487 (2020: £67,985) repayable over more than 5 years. These loans are interest free and the total amount due after 5 years is £16,996 (2020: £25,494). Also included within other creditors due in less than one year and within the amounts due in more than 1 year there is loan from the ESFA of £81,208 (2020: £90,232) with interest of 2.6% is being charged on this loan. The loan is repayable over more than 5 years and the total amounts due after 5 years is £36,093.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds

	Balance at 1 September 2020 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	109,220	3,715,969	(3,310,202)	(253,781)	261,206
Pupil premium	-	311,795	(311,795)	-	-
Other DfE/ESFA grants	52,687	409,028	(400,700)	(14,856)	46,159
Other restricted funds	8,322	361,519	(356,416)	-	13,425
Catch-up premium	-	68,960	(54,266)	-	14,694
Pension reserve	(2,257,000)	-	(437,000)	(374,000)	(3,068,000)
	(2,086,771)	4,867,271	(4,870,379)	(642,637)	(2,732,516)
Restricted fixed asset funds					
DfE/ESFA capital grants	460,395	30,255	(66,099)	20,943	445,494
Capital expenditure from GAG	69,782	-	(12,225)	28,758	86,315
Donations and gifted assets	12,413,935	34,758	(228,339)	2,936	12,223,290
Other capital funds	1,806	-	(917)	-	889
	12,945,918	65,013	(307,580)	52,637	12,755,988
Total restricted funds	10,859,147	4,932,284	(5,177,959)	(590,000)	10,023,472
Total unrestricted funds	321,027	127,990	(129,004)	-	320,013
Total funds	11,180,174	5,060,274	(5,306,963)	(590,000)	10,343,485

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

- The General annual Grant (GAG) is used for the normal running costs of the academy. There is no limit on the GAG funds that can be carried forward.
- The Pupil Premium grant is used to address the educational needs of the students attracting this funding.
- Other DfE/ESFA grants are various specific grants provided to the academy from the ESFA.
- Other restricted funds include income and expenditure in relation to other specific grants from the Local Authority and other sources for specific educational projects.
- Donations and gifted assets mainly represent assets and capital grants gifted on conversion.

The trust is carrying a net surplus of £335,484 on restricted general funds (excluding pension reserve) and a net surplus of £320,013 on unrestricted funds.

Transfers between funds comprise the following:-

- Transfer of pension contributions from GAG to restricted pension reserve of £216,000.
- Transfer relating to fixed assets purchased using the PE grant from other DfE/ESFA Grants to the restricted fixed asset fund of £14,856.
- Transfer relating fixed assets purchased using the GAG funding of £28,758.
- Transfer relating GAG funding to pay the DfE/ESFA loan of £9,023.
- Transfer relating DfE grants paying of the Capital grant loan of £2,936.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17. Funds (continued)

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

	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	137,435	3,462,130	(3,255,933)	(234,412)	109,220
Start-up grants	-	275,256	(275,256)	-	-
Other DfE/ESFA grants	37,356	402,682	(374,037)	(13,314)	52,687
Other restricted funds	8,876	312,901	(302,516)	(10,939)	8,322
Pension reserve	(1,599,000)	-	(405,000)	(253,000)	(2,257,000)
	<u>(1,415,333)</u>	<u>4,452,969</u>	<u>(4,612,742)</u>	<u>(511,665)</u>	<u>(2,086,771)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	503,196	(4,161)	(63,043)	24,403	460,395
Capital expenditure from GAG	50,673	-	(6,303)	25,412	69,782
Donations and gifted assets	12,696,636	-	(282,551)	(150)	12,413,935
Other capital funds	5,109	-	(3,303)	-	1,806
	<u>13,255,614</u>	<u>(4,161)</u>	<u>(355,200)</u>	<u>49,665</u>	<u>12,945,918</u>
Total restricted funds	<u>11,840,281</u>	<u>4,448,808</u>	<u>(4,967,942)</u>	<u>(462,000)</u>	<u>10,859,147</u>
Total unrestricted funds	<u>316,997</u>	<u>166,101</u>	<u>(162,071)</u>	<u>-</u>	<u>321,027</u>
Total funds	<u>12,157,278</u>	<u>4,614,909</u>	<u>(5,130,013)</u>	<u>(462,000)</u>	<u>11,180,174</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Aldeburgh Primary School	158,253	106,141
Easton Primary School	86,014	94,481
Leiston Primary School	316,347	210,001
Saxmundham Primary School	139,963	98,722
Wickham Market Primary School	(51,835)	(38,026)
Central Services	6,755	19,937
Total before fixed assets and pension reserve	655,497	491,256
Restricted fixed asset fund	12,755,988	12,945,918
Pension reserve	(3,068,000)	(2,257,000)
Total	10,343,485	11,180,174

Wickham Market Primary School is carrying a net deficit of £51,835 (2020: £38,026) on these funds mainly because during 2019 their boiler stopping working and additional costs were incurred on call out charges, hiring a boiler, decommissioning the old boiler and using GAG funding to purchase a new boiler. The academy trust is taking the following action to return the academy to surplus:-

- Review of staffing and reduction of ongoing staffing costs
- Loan repayment plan in place

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Dep'n & Amrt'n) £	Total 2021 £	Total 2020 £
Aldeburgh Primary School	399,933	26,176	12,826	104,912	543,847	496,022
Easton Primary School	301,097	30,369	16,727	103,664	451,857	415,619
Leiston Primary School	1,073,166	70,409	39,787	233,457	1,416,819	1,307,945
Saxmundham Primary School	1,062,181	62,839	27,377	217,922	1,370,319	1,346,705
Wickham Market Primary School	542,891	51,096	16,762	190,224	800,973	756,097
Central services	171,856	120,711	5,983	117,018	415,568	452,425
Academy trust	3,551,124	361,600	119,462	967,197	4,999,383	4,774,813

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2021 £
Tangible fixed assets	-	-	12,842,638	12,842,638
Intangible fixed assets	-	-	5,545	5,545
Current assets	353,299	597,352	155,665	1,106,316
Current liabilities	(33,286)	(261,868)	(121,528)	(416,682)
Non-current liabilities	-	-	(126,332)	(126,332)
Pension scheme liability	-	(3,068,000)	-	(3,068,000)
Total net assets/(liabilities)	320,013	(2,732,516)	12,755,988	10,343,485

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2020 £
Tangible fixed assets	-	-	13,065,214	13,065,214
Intangible fixed assets	-	-	8,251	8,251
Current assets	325,935	511,609	90,623	928,167
Current liabilities	(4,908)	(341,380)	(69,955)	(416,243)
Non-current liabilities	-	-	(148,215)	(148,215)
Pension scheme liability	-	(2,257,000)	-	(2,257,000)
Total net assets/(liabilities)	321,027	(2,086,771)	12,945,918	11,180,174

19 Capital commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	-	-

20 Commitments under operating leases

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

	2021 £	2020 £
Amounts due within one year	17,484	21,514
Amounts due between one and five years	18,726	34,663
Amounts due after five years	-	-
	36,210	56,177

The total amount of lease payments recognised as an expense in the year to 31st August 2021 was £22,280 (2020: £21,416).

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Contingent Liabilities

The academy had no contingent liabilities at the year end.

22 Members' Liability

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

23 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the year as per the statement of financial activities	(246,689)	(515,104)
Adjusted for:		
Amortisation [note 12]	2,706	2,176
Depreciation [note 13]	304,874	353,024
Loss on disposal of fixed assets	-	-
Capital grants from DfE/ESFA and other capital income	(65,013)	4,161
Fixed Assets transferred from Local Authorities	-	-
Pension scheme deficit transferred in	-	-
Cash transferred from Local Authorities	-	-
Interest receivable [note 5]	(121)	(303)
Defined benefit pension scheme cost less contributions payable (note 28)	181,000	164,000
Defined benefit pension scheme cost (note 28)	40,000	32,000
Decrease in stocks	-	-
Decrease in debtors	14,982	41,623
Increase in creditors	415	(50,410)
Net cash provided by operating activities	232,154	31,167

24 Cash flows from investing activities

	2021 £	2020 £
Bank interest	121	303
Purchase of tangible fixed assets	(88,788)	(177,854)
Purchase of intangible fixed assets	-	(7,394)
Capital grants from DfE/ESFA	65,013	30,202
Net cash outflow from investing activities	(23,654)	(154,743)

25 Cash flows from financing activities

	2021 £	2020 £
New loans	-	68,802
Repayment of Salix loans	(21,859)	(6,390)
Net cash from financing activities	(21,859)	62,412

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Analysis of Cash and Cash Equivalents

	2021 £	2020 £
Cash at bank	853,865	667,345
Notice deposits (less than 3 months)	101,511	101,390
Cash and cash equivalents at 31 August	955,376	768,735

27 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Grant conversion to loan £	Other non- cash changes £	At 31 August 2021 £
Cash at bank	667,345	186,520	-	-	853,865
Notice deposits	101,390	121	-	-	101,511
	768,735	186,641	-	-	955,376
Loans falling due within one year	20,810	(21,859)	-	21,882	20,833
Loans falling due after more than one year	148,215	-	-	(21,882)	126,333
	169,025	(21,859)	-	-	147,166
Total	937,760	164,782	-	-	1,102,542

28 Pension and similar obligations

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

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

Contributions amounting to £70,551 (2020: £70,750) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

28. Pension and similar obligations (continued)

Teachers' Pension Scheme (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% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount 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 is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £413,764 (2020: £380,096).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £260,000 (2020: £257,000), of which employer's contributions totalled £212,000 (2020: £209,000) and employees' contributions totalled £48,000 (2020: £48,000). The agreed contribution rates for future years are 28% for employers and tiered % for employees.

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

Principal Actuarial Assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.60%	2.90%
Rate of increase for pensions in payment / inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.70%

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

28. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 August 2021	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	140
1 year increase in Member Life Expectancy	4%	240
0.1% increase in the Salary Increase Rate	0%	11
0.1% increase in the Pension Increase Rate	2%	127

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.7
Females	26.4	25.6

The academy trust's share of the assets in the scheme was:

	Fair value at 31 August 2021 £	Fair value at 31 August 2020 £
Equities	1,938,000	1,358,000
Bonds	734,000	599,000
Property	206,000	207,000
Cash	59,000	138,000
	<u>2,937,000</u>	<u>2,302,000</u>

The actual return on scheme assets was 16.9% (2020: 0.1%)

Amounts recognised in the statement of financial activities

	2021 £	2020 £
Current service cost (net of employee contributions)	397,000	373,000
Net interest cost	<u>40,000</u>	<u>32,000</u>
Total operating charge	<u>437,000</u>	<u>405,000</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

28. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2021 £	2020 £
At 1 September	4,559,000	3,557,000
Upon conversion	-	-
Current service cost	397,000	373,000
Past service cost	-	-
Interest cost	81,000	71,000
Employee contributions	49,000	48,000
Actuarial loss/(gain)	956,000	538,000
Benefits paid	(33,000)	(28,000)
At 31 August	<u>6,009,000</u>	<u>4,559,000</u>

Movements in the fair value of Academy's share of scheme assets:

	2021 £	2020 £
At 1 September	2,302,000	1,958,000
Upon conversion	-	-
Interest Income	41,000	39,000
Return on plan assets (excluding net interest on the net defined pension liability)	366,000	76,000
Employer contributions	216,000	209,000
Employee contributions	49,000	48,000
Benefits paid	(33,000)	(28,000)
At 31 August	<u>2,941,000</u>	<u>2,302,000</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

29 Related Party Transactions

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

Expenditure related party transaction

Resilient Leaders Elements Ltd is a company Jeremy Mead (a Trustee of the Academy Trust) is a 50% shareholder.

- The Academy Trust purchased a development of Resilient Leadership programme from Resilient Leaders Elements Ltd totalling £3,930 (2020: £3,420) during the year. There was £342 outstanding as at 31 August 2021 (2020: £nil).
- The element above £2,500 has been provided 'at no more than cost' and Resilient Leaders Elements Ltd has provided a statement of assurance confirming this.
- The Academy Trust considered the proposal after receiving quotes in accordance with its financial regulations and careful consideration by the Trustees without Jeremy Mead being present during the Year Ended 31 August 2017. This process was not considered necessary for the period in question due to the process which took place during 2017 as this expenditure is a continuation of that Resilient Leadership programme.

30 Connected charities

During the accounting period the Academy Trust was connected to the following charities;

- The Easton Primary School Association. This registered charity was established to advance the education of the pupils at Easton primary school.
- As at 30 September 2021 this charity's net assets/funds stood at £5,963 (2020: £6,273). Gross income for the period was £412 (2020: £2,388) and expenditure was £745 (2020: £2,016) leading to a surplus of £333 (2020: £372) in the period.