

Registered number: 09780473

Elston Hall Learning Trust
(Formerly Elston Hall Multi Academy Trust)

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021



Elston Hall Learning Trust
(A company limited by guarantee)

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Elston Hall Learning Trust
(A company limited by guarantee)

Reference and Administrative Details

Members	K Kent Dr R Roberts L Kruczek (appointed 18 February 2021) R Lawton (resigned 18 February 2021)
Trustees	L Kruczek (resigned 22 September 2020) G Bladon ^{2,3} J Briscoe ² D Brown, Chair from 1 Sep 2021 ^{1,3} O Dallaway (resigned 31 January 2021) K Grayson, Chief Executive Officer and Accounting Officer ^{1,2,3} K Pal (resigned 3 November 2021) ^{1,3} J Purcell, Chair to 31 Aug 2021 ^{1,3} G Hawkins ^{2,3} R Maver (appointed 18 February 2021) ² R Lawton (appointed 18 February 2021) ¹ ¹ Member of the Finance and General Purpose Committee ² Member of the Audit and Risk Committee ³ Member of the Finance, General Purpose and Audit Committee
Company registered number	09780473
Company name	Elston Hall Learning Trust
Principal and registered office	Stafford Road Fordhouses Wolverhampton West Midlands WV10 6NN
Chief Executive Officer and Accounting Officer	K Grayson
Senior management team	K Grayson, Chief Executive Officer L Dollery, Associate Headteacher E Foster, Headteacher (Elston Hall Primary) B Highman, Headteacher (Edward the Elder Primary) D Nicholls, Headteacher (Palmer's Cross Primary) S Richards, Headteacher R Wood, Head of Partnership Learning S Lanni, Executive Headteacher S Arnold, Headteacher (Pheasey Park Farm and Early Years Centre) J Hemmings, Headteacher (Goldthorn Park Primary) T Chopra, Trust Business Manager
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Elston Hall Learning Trust
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Reference and Administrative Details (continued)
for the year ended 31 August 2021

Bankers	Lloyds Bank plc 3rd Floor, Queen Square Wolverhampton WV1 1TF
Solicitors	Howes Percival LLP Oxford House Cliffonville Northampton NN1 5PN

Elston Hall Learning Trust
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust currently operates four primary academies in Wolverhampton, all of which include a nursery and one primary school in Walsall which includes an Early Years Centre. Schools have a combined roll of 2034 children plus 186 in nursery as per the school census in October 2020.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Elston Hall Learning Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Elston Hall Learning Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect its Members, Directors, Academy Representatives and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The professional indemnity insurance cover is 'unlimited' and provided by the Department for Education under their 'Risk Protection Arrangements'.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Full details are laid out in the Trust's Articles of Association. The number of Trustees shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum.

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

- a) Up to 9 Trustees, appointed under Article 50; and
- b) A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

The first Trustees shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Trustees shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Trustee to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

Members may appoint new Trustees by ordinary resolution, up to 9 Trustees.

Members may also appoint Staff Trustees through such process as they may determine.

e. Policies adopted for the induction and training of Trustees

Upon appointment, all Trustees attended a training session delivered by the Trust's Solicitors that covered Governance, Trustee Roles and Responsibilities. Trustees also received a pack containing key Trust documents. A 'Governors Training' SLA package is also purchased from Services 4 Schools which is extended to Trustees.

f. Organisational structure

Members of the trust meet annually and have established an overall framework for the governance of all academies operating within the Trust.

The Board of Trustees meet on at least a termly basis and make all major decisions about the strategic direction of the Trust.

The Board is supported by a Finance, General Purposes Committee and Risk and Audit Committee which are responsible for all financial matters of the Trust, strategic budget monitoring and ensuring appropriate controls are in place.

Each Academy has a Local Governing Body that meets termly with responsibility for local financial decision making and budget monitoring, achievement and curriculum related matters.

The Accounting Officer for the Trust is the Chief Executive Officer.

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Decisions in relation to the Chief Executive Officer and Associate Headteacher posts are reviewed and implemented in accordance with the Trust's Pay Policy by the Finance, General Purposes and Audit Committee and minuted as 'confidential items'. Other members of the Leadership Team are also reviewed against the Trust's Pay Policy and considered by the relevant Local Governing Body. Such decisions are further ratified by the Board.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	9,562,546
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The Trust does currently participate with one related party and all disclosures have been made within the notes to these accounts.

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

Employees are consulted with on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by members of the Senior Leadership Team (primarily Headteachers). The Trust subscribes to an Employee Assistance Programme SLA which enables various services to be offered to members of staff, including a confidential support and counselling service to promote well-being.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

k. Engagement with suppliers, customers and others in a business relationship with the academy trust

The Trust engages with suppliers on a fair and transparent basis and follows a process of quotes and tenders in line with those detailed in the Trust's Finance Policy & Procedures. The Trust aims for all suppliers to be provided with an official purchase order from the Trust and for invoices to be paid timely and within the credit terms stated on the supplier's invoice.

Business relationships have been built with a number of key suppliers that enables the Trust to demonstrate best value. Engagement with key suppliers was particularly important during the COVID-19 pandemic to ensure, in line with PPN02/20 and PPN04/20, the continuity of critical services, e.g. catering services.

Objectives and activities

a. Objects and aims

The principal object and activity of the Trust is the operation of Elston Hall Primary School, Palmers Cross Primary School, Edward the Elder Primary School, Goldthorn Park Primary School and Pheasey Park Farm and Early Years Centre to provide education for pupils aged 3-11 and childcare facilities. In addition the Trust will focus on developing schools offering a broad and balanced curriculum whilst working closely with parents and other agencies, as appropriate, to maximise children's achievement in all areas of school life.

Objectives and activities (continued)

b. Objectives, strategies and activities

Trust Vision

Partnership for Achievement

- Elston Hall Learning Trust is underpinned by the moral purpose to change lives for the better.
- We are committed to maximising the potential of our children, to support and meet their personal needs.
- We want to encourage our children to be the best they can and through learning believe they can achieve anything.

Trust Mission Statement

Supporting Learning Inspiring Achievement

- Elston Hall Learning Trust creates learning environments that are built on integrity and support where children are happy.
- Inspiring learning through exceptional teaching is at the heart of our Trust.
- We settle for nothing less than excellence in our drive for achievement in all areas of learning.

Our Aims

- Achieving the potential of our children is our fundamental aim. We will be relentless in our drive to ensure that this is delivered. We will challenge the view that education alone cannot break the cycle of deprivation, low aspiration and underachievement. We want to ensure everyone in our Trust has the personal resolve and support to succeed, an ethos of - 'yes we can'.
- Effective teaching has the most impact on learning; teaching in our schools will be excellent
- The curriculum will be engaging, challenging and inclusive for all pupils, ensuring accelerated and sustained progress.
- Attendance figures will be above the National Average.
- Behaviour in our schools will be excellent and provide a secure platform for learning.
- Team-ship is embedded into the ethos of the Trust, where everybody supports each other and builds a work ethic based on good will and respect.
- Staff well-being and workload are recognised and supported by leaders at all levels.
- Staff development is at the forefront of our thinking; senior leaders are skilled in identifying the ability and potential of individuals.
- The Trust is recognised locally and nationally as a trust of high quality, producing outstanding outcomes with a culture of achievement.

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties when reviewing the Academy's aims and objectives and planning future activities.

Strategic report

Achievements and performance

The report for 2020/2021 will continue to appear different to years before the pandemic. Government continued its instruction for schools not to undertake statutory assessment at the end of all three of the Primary phases. With children not in school for periods during the year, no annual statutory data therefore appears in this report.

In the absence of statutory data our schools were able to make their Teacher Assessments in the usual way, though these too were challenging as children continued to miss blocks of school time. Heads of School have moved quickly in order to, more importantly, identify and address learning gaps that were addressed through the School Improvement and COVID catch up plans at the start of school year 2020/2021. The COVID plans remain important to ensure identified groups and individuals have every opportunity to catch up. To further ensure this happens, aspirational achievement targets were set for children for the end of the year.

The COVID crisis continues to further disrupt Ofsted with its inspection timetable, this remains a disappointment for our Trust and particularly Goldthorn Park who would normally have received an inspection by now. We now know Ofsted are inspecting once more and the Goldthorn window is imminent.

Current school Ofsted;

Edward the Elder – Good
Elston Hall – Outstanding
Goldthorn Park – Requiring improvement
Palmers Cross – Good
Pheasey Park Farm – Good

Attendance figures for 2020/2021

	Attendance July 2021	Children on Roll (R-Y6) July 2021	Staff FTE
Elston Hall	95.90%	635	64.92
Palmers Cross	95.60%	241	29.79
Edward the Elder	94.10%	210	25.57
Goldthorn Park	94.30%	397	33.37
Pheasey Park Farm	95.80%	568	74.49

a. Key performance indicators

The schools continue to use evidence from Ofsted ASP in addition to its own data as Key Performance Indicators.

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The outturn for 2020-21 for the Trust shows a significant increase in revenue reserves from £989k to £1,510k. This is a direct result of the Trust's continued commitment to achieve best value and enhance cashflow and budget monitoring procedures which ensured that income and expenditure remained within budget. The Board of Trustees therefore has reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and continue to be able to meet its liabilities as they fall due.

For this reason, the Trust 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.

c. Promoting the success of the company

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarized as follows:

"A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and in doing so, have regard to the likely consequences of any decisions in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders and the company".

Details of how our Trustees have fulfilled these duties when dealing with strategic decisions are covered in the Strategic and Directors' Reports.

Financial review

The Trust has completed its fifth academic year (established October 2015) for the period ended 31st August 2021. Majority of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted. Grants received and associated expenditure is shown as restricted funds in the statement of financial activities.

Elston Hall Primary School - The budget covering the period September 2020 to August 2021 resulted in an in year revenue surplus of £42k against a planned in year surplus of £9k. This was mainly due to an increase in Teachers Pay & Pension grants, Pupil Premium, SEN funding and the furlough scheme.

Palmers Cross Primary School – The budget covering the period September 2020 to August 2021 resulted in an in-year revenue surplus of £76k against a planned in year surplus of £54k. This was mainly due to an increase in Teachers Pay & Pension grants and securing additional SEN funds associated with the school's Resource Base.

Edward the Elder Primary School – The budget covering the period September 2020 to August 2021 resulted in an in year surplus of £101k against a planned in year surplus of £50k. This was mainly due to an increase in Teachers Pay & Pension grants and pupil premium funding.

Goldthorn Park Primary School – The budget covering the period September 2020 to August 2021 resulted in an in year surplus of £71k against a planned in year surplus of £129k. This is mainly due to an increase in Teachers Pay & Pension grants and pupil premium funding. The school had increased costs relating to the premises as the school required refurbishment of toilets for children.

Strategic report (continued)

Pheasey Park Farm Primary School and Early Years Centre – The budget covering the period September 2020 to August 2021 resulted in an in year surplus of £230k against a planned in year surplus of £9k. This is mainly due to additional demonstrator school funding and increase in pupil premium funding.

a. Reserves policy

The Trust will review the reserve levels annually in accordance with the requirements specified in the Master Funding Agreement. The review will encompass identifying the nature of income and expenditure streams and the need to match income with commitments. Trustees will take into consideration the future plans of the Trust in accordance with 3 yearly budget plans, the uncertainty over future income streams and any other key risks identified during the risk review.

b. Investment policy

The Trust's investment principles are outlined in its Investment Policy which requires the Trust to:

- undertake suitable risk assessment against any potential investment
- gain professional advice
- review ethical status of potential investments
- monitor and report upon performance

The Trust does not currently have any active investments.

c. Principal risks and uncertainties

The risk management process involves identification and review of risks annually by the Risk & Audit Committee. This identifies the types of risk, risk score (high, medium, low) and actions taken to mitigate/minimise risk levels. These have been presented to the Committee in the form of an action plan which will be monitored on an ongoing basis.

In addition, financial risks of not achieving budget plan forecast outcomes and actions required are outlined as part of the 3 yearly budget forecast monitoring process which is regularly reported to the Chief Executive Officer and the Finance & General Purposes Committee.

The key risks of concern to the Trust have been identified as follows:

- Failure to ensure that the objectives of the academy are met;
- Failure of the Trust to recruit sufficient learners to make it viable;
- Failure of the Trust and the Governing Body to have procedures in place to cover the absence of the Headteacher or other members of the Senior Leadership Team;
- Failure to ensure that staff recruited to the school have the required skills and expertise to meet the strategic objectives of the Trust;
- National Funding Review and Spending Reviews result in significant decrease in funding.
- Impact of COVID-19 upon school learning and operational processes.

Fundraising

Under the provision of the Charities (Protection and Social Investment) Act 2016, all schools within the Trust may collect non-grant income from the following sources:

- Dinner money from children
- Morning and After School Clubs
- Contributions towards trips/educational visits
- Sales of goods/services (i.e. uniform, books)
- Donations
- Letting of school premises

Formal policies are in place for charging and collection of funds in respect of the above. Charges are made on a 'not for profit' basis with a view to cover most of school costs.

Whilst very limited fundraising events are held, these are always raised internally within school.

Elston Hall Learning Trust
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Trustees' report (continued)
for the year ended 31 August 2021

Streamlined energy and carbon reporting

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2021
Energy consumption used to calculate emissions (kWh)	3,185,348
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	470
Total scope 1	470
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	131
Total gross emissions (in tonnes of CO2 equivalent):	601
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.3

The academy trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Quantification and Reporting Methodology

We have followed the government's guidance for 'Streamlined Energy and Carbon Reporting (SECR)' for academy trusts and have used the GHG Reporting Protocol – Corporate Standard - 2021 UK Government Emission Conversion Factors for Company Reporting.

Intensity Measurement

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

Measures Taken to Improve Energy Efficiency

This is the first year that the Trust has been required to measure energy efficiency. During the course of 2020/21 the Trust were successful in securing 3 CIF bid projects, 2 of which were to replace antiquated heating systems and 1 for roofing works. Energy emissions will now continue to be monitored to determine the extent of savings and efficiencies as a direct result of the CIF projects. Suitable measures will therefore be explored to improve efficiency in future.

Trustees' report (continued)
for the year ended 31 August 2021

Plans for future periods

Future aims of the Trust include the following:

Continue to support Schools following any requests to join the MAT. There may be schools requiring support or Good/Outstanding Schools. The Trust actively offers opportunities for delivery of our growth strategy

Plans for continued excellent performance are identified in each School Improvement Plan (SIP). An understanding of each Academy's effectiveness can be judged through its self-evaluation

To ensure every child, regardless of their starting point, achieves their maximum potential. Progress and attainment will be above national averages for all groups. Behaviour will be excellent and attendance levels will be above average in all schools. The Trust will continue to strive to achieve excellence in children's levels of achievement.

There will be high standards of learning supported by teaching that is at least good and most outstanding.

The Trust will continue to develop and grow its own Leaders who will be outstanding and effective in ensuring high standards are maintained. The effectiveness of these plans and actions will be reported at half termly Local Governing Board meetings.

Trust Strategic Objectives

Elston Hall MAT Trust Board have agreed the following strategic objectives which will drive our growth and development over the next five year:

- Sponsoring and improving schools in need, recruiting good/outstanding schools to further grow our Trust
- Ensuring a financially viable and sustainable Multi-Academy Trust.
- Build a robust and resilient infrastructure
- Create and maintain a talented and effective workforce
- Inspire and support high quality teachers to deliver high quality learning

Funds held as custodian on behalf of others

No monies are being held on behalf of other schools or other organisations as at 31 August 2021.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on its behalf by:



D Brown
Chair of Trustees

Elston Hall Learning Trust
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Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Elston Hall Learning 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 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Kruczek	0	0
G Bladon	4	4
J Briscoe	2	4
D Brown, Chair from 1 Sep 2021	3	4
O Dallaway	0	2
K Grayson, Chief Executive Officer and Accounting Officer	4	4
K Pal	3	4
J Purcell, Chair to 31 Aug 2021	3	4
G Hawkins	4	4
R Maver	2	2
R Lawton	2	2

Whilst the full Trust board have not met at least 6 times during the period there is overlap between the trustees of the board and financial and general purposes committee. Through this and the detail described below, subject to the matter disclosed in our regularity report, the trust board felt adequate financial oversight was maintained.

The Finance, General Purposes & Audit Committee was disbanded on 31st March 2021 and replaced by **Finance, General Purposes Committee and Risk & Audit Committee** which are sub-committees of the main board of Trustees. The purpose of these committees are to assist the board in effective and informed decision making. Both committees are required to give detailed consideration to the best means of fulfilling the board's responsibility and to ensure sound management of the Trust's finances and resources, risks, including proper planning, monitoring and probity.

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Governance Statement (continued)

Governance (continued)

The Finance, General Purposes & Audit Committee has formally met 3 times during the year (1st September 2020 to 31st March 2021)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K Grayson	3	3
K Pal	3	3
D Brown	3	3
J Purcell	3	3
G Hawkins	3	3
G Bladon	3	3

The Finance & General Purposes Committee has formally met 2 times during the year (1st April 2021 to 31st August 2021).

Attendance of the Finance and General Purposes Committee during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K Grayson	2	2
D Brown	2	2
J Purcell	1	2
K Pal	2	2
R Lawton	2	2

The Risk & Audit Committee has formally met 2 times during the year (1st April 2021 to 31st August 2021).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K Grayson	2	2
G Bladon	2	2
G Hawkins	2	2
R Maver	2	2
J Briscoe	0	2

Governance Statement (continued)

Review of value for money

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

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

- The Trust's Attendance Officer continues to be utilised across all schools within the Trust rather than entering an SLA agreement with the LA;
- A number of educational subscriptions/memberships periods have been harmonised and negotiated at Trust level which has enabled discounts to be secured;
- Review of current Service Level Agreements (SLA) has resulted in savings being achieved and Contracts across all schools has identified areas where future Trust contracts can be negotiated (upon end of contractual terms) to continue to achieve economies of scale and future savings for the Trust.
- The Behavioural & Emotional Support Officer is established as a Trust post and operated across all schools in the Trust.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust'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. This process is regularly reviewed by the Risk & Audit Committee on behalf of the Board of Trustees.

Governance Statement (continued)

The risk and control framework

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

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

The Board of Trustees has decided to employ Services 4 Schools as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. In particular the checks carried out in the current period included testing payroll and purchasing systems, testing the completeness of income and testing management override.

On a bi-annual basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Trust has confirmed that the internal auditors have delivered their schedule of work as planned. No material control issues were noted as having arisen as a result of the internal auditor's work.

Review of effectiveness

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

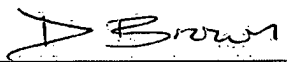
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

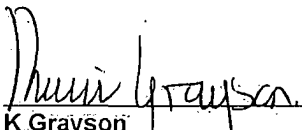
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Governance Statement (continued)

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on their behalf by:



D Brown
Chair of Trustees



K. Grayson
Accounting Officer

Elston Hall Learning Trust
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Statement on Regularity, Propriety and Compliance

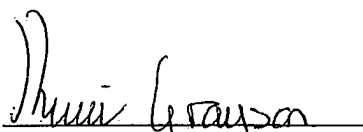
As accounting officer of Elston Hall Learning Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

- During the period, the Trust identified that a transaction had taken place with a related party for which prior approval had not been sought. The transaction in question was for an amount of £23,500 and was for a bespoke service in connection with the EdTech Demonstrator Programme, and as such, with the nature of the services required, the Trust did not obtain three separate quotations, in line with their policies. The transaction has taken place 'at cost' and all statement of assurances have been obtained by the Trust. During the year, the ESFA were informed and subsequently informed the Trust that the transaction could continue. All relevant business interest details have now been updated and are included on the website in accordance with the Academies Financial Handbook.

- Due to constraints on staff resources at the early part of the year, the Trust provided a consolidated management report for Trustees covering September to November 2020 (rather than an individual monthly report covering this period). However, monthly management reports were produced thereafter and shared with the Chair of Trustees in accordance with the Academies Financial Handbook.


K Grayson
Accounting Officer
Date: 13 December 2021

Elston Hall Learning Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2021

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on its behalf by:



D Brown
Chair of Trustees

Independent Auditors' Report on the financial statements to the Members of Elston Hall Learning Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Elston Hall Learning Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Elston Hall Learning Trust
(continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Independent Auditors' Report on the financial statements to the Members of Elston Hall Learning Trust
(continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Academies sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Elston Hall Learning Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Elston Hall Learning Trust
(continued)

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

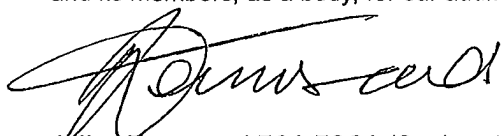
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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



Julian Townsend FCA FCCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

13 December 2021

Elston Hall Learning Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Elston Hall Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Elston Hall Learning Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Elston Hall Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Elston Hall Learning 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 Elston Hall Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Elston Hall Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Elston Hall Learning Trust's funding agreement with the Secretary of State for Education dated 29 September 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Elston Hall Learning Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Elston Hall Learning Trust and the Education & Skills Funding Agency (continued)

Conclusion

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

- Prior approval was not sought for a related party transaction from the ESFA ahead of the contract commencing as indicated in the Accounting officers statement.

- Monthly management accounts for the period September to November 2020 were consolidated rather than produced monthly. Following this period, monthly management accounts have been produced and shared with the Chair of Trustees in accordance with the Academies Financial Handbook.



Dains LLP

Statutory Auditor
Chartered Accountants

Date: 13 December 2021

Elston Hall Learning Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	4					
Transferred from local authority		-	-	-	-	14,480,714
Other donations and capital grants		5,967	-	655,891	661,858	764,495
Other trading activities	6	56,985	-	-	56,985	54,609
Investments	7	198	-	-	198	974
Charitable activities:	5					
Funding for the multi academy trust's educational operations		407,193	11,857,916	-	12,265,109	9,756,973
Total income		470,343	11,857,916	655,891	12,984,150	25,057,765
Expenditure on:						
Raising funds	8	19,885	-	-	19,885	10,080
Multi academy trust's educational operations	8	461,048	12,156,001	710,950	13,327,999	11,373,746
Total expenditure		480,933	12,156,001	710,950	13,347,884	11,383,826
Net (expenditure)/income before transfers		(10,590)	(298,085)	(55,059)	(363,734)	13,673,939
Transfers between funds	19	-	(151,510)	151,510	-	-
Net movement in funds before other recognised gains/(losses)		(10,590)	(449,595)	96,451	(363,734)	13,673,939
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(1,702,000)	-	(1,702,000)	(2,439,000)
Net movement in funds		(10,590)	(2,151,595)	96,451	(2,065,734)	11,234,939
Reconciliation of funds:						
Total funds brought forward		672,513	(10,852,754)	25,640,819	15,460,578	4,225,639
Net movement in funds		(10,590)	(2,151,595)	96,451	(2,065,734)	11,234,939
Total funds carried forward		661,923	(13,004,349)	25,737,270	13,394,844	15,460,578

The notes on pages 30 to 62 form part of these financial statements.

Elston Hall Learning Trust
(A company limited by guarantee)
Registered number: 09780473

Balance sheet
for the year ended 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	25,944,722	25,221,743
Current assets			
Debtors	16	409,462	970,885
Cash at bank and in hand		1,450,193	1,021,052
		<u>1,859,655</u>	<u>1,991,937</u>
Creditors: amounts falling due within one year	17	(360,231)	(584,102)
Net current assets		<u>1,499,424</u>	<u>1,407,835</u>
Total assets less current liabilities		<u>27,444,146</u>	<u>26,629,578</u>
Creditors: amounts falling due after more than one year	18	(197,301)	-
Net assets excluding pension liability		<u>27,246,845</u>	<u>26,629,578</u>
Defined benefit pension scheme liability	27	(13,852,000)	(11,169,000)
Total net assets		<u><u>13,394,845</u></u>	<u><u>15,460,578</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	25,737,270	25,640,819
Restricted income funds	19	847,651	316,246
		<u>26,584,921</u>	<u>25,957,065</u>
Restricted funds excluding pension asset	19	26,584,921	25,957,065
Pension reserve	19	(13,852,000)	(11,169,000)
Total restricted funds	19	<u>12,732,921</u>	<u>14,788,065</u>
Unrestricted income funds	19	<u>661,924</u>	<u>672,513</u>
Total funds		<u><u>13,394,845</u></u>	<u><u>15,460,578</u></u>

The financial statements on pages 27 to 62 were approved by the Trustees, and authorised for issue on 13 December 2021 and are signed on their behalf, by:



D Brown
Chair of Trustees

The notes on pages 30 to 62 form part of these financial statements.

Elston Hall Learning Trust
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	927,209	516,071
Cash flows from investing activities	23	(718,176)	391,599
Cash flows from financing activities	22	220,107	-
Change in cash and cash equivalents in the year		429,140	907,670
Cash and cash equivalents at the beginning of the year		1,021,053	113,383
Cash and cash equivalents at the end of the year	24, 25	<u>1,450,193</u>	<u>1,021,053</u>

The notes on pages 30 to 62 form part of these financial statements

1. General information

Elston Hall Learning Trust is a company limited by guarantee and incorporated in England and Wales. The registered number of the company is 09780473 and its registered office is Stafford Road, Fordhouses, Wolverhampton, West Midlands, WV10 6NN.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Elston Hall Learning Trust meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is GBP. The financial statements are rounded to the nearest £.

2.2 Going concern

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **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.

2. Accounting policies (continued)

2.4 Expenditure (continued)

- **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.

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold and leasehold buildings	- 2% straight line
Long-term leasehold land	- over lease term
Freehold land	- not depreciated
Leasehold improvements	- 10% straight line
Furniture and fixtures	- 20% straight line
Computer equipment	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 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.

2.11 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.

2. Accounting policies (continued)

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Leased assets

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

2.14 Pensions

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

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

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

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

2. Accounting policies (continued)

2.15 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual value

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	5,967	-	2,134	8,101
Capital Grants	-	-	653,757	653,757
	<u>5,967</u>	<u>-</u>	<u>655,891</u>	<u>661,858</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Transfer from local authority on conversion	586,494	(1,358,000)	15,252,220	14,480,714
Donations	14,549	-	-	14,549
Capital Grants	-	-	749,946	749,946
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>601,043</u>	<u>(1,358,000)</u>	<u>16,002,166</u>	<u>15,245,209</u>

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5. Funding for the academy trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
GAG (General Annual Grant)	-	8,451,570	8,451,570
Other DfE/ESFA grants			
Pupil Premium	-	864,777	864,777
Universal Infant Free School Meals	-	221,415	221,415
Teachers' pay grants	-	408,713	408,713
RPA claims	-	8,176	8,176
Rates relief	-	37,143	37,143
PE Sports grant funding	-	97,790	97,790
Others grants	-	76,230	76,230
	-	10,165,814	10,165,814
Other Government grants			
Other local authority grants	-	843,591	843,591
Maternity insurance cover grant income	-	23,765	23,765
Other government grants	-	320,350	320,350
	-	1,187,706	1,187,706
Other income from the academy trust's educational operations	407,193	265,901	673,094
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	164,760	164,760
Other DfE/ESFA COVID-19 funding	-	32,053	32,053
	-	196,813	196,813
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	32,892	32,892
Other COVID-19 funding	-	8,790	8,790
	-	41,682	41,682
	407,193	11,857,916	12,265,109

5. Funding for the academy trust's educational operations (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
GAG (General Annual Grant)	-	7,101,414	7,101,414
Other DfE/ESFA grants			
Pupil Premium	-	765,083	765,083
Universal Infant Free School Meals	-	208,294	208,294
Teachers' pay grants	-	346,960	346,960
Start up grants	-	25,000	25,000
Rates relief	-	19,387	19,387
PE Sports grant funding	-	88,719	88,719
Others grants	-	47,062	47,062
	-	8,601,919	8,601,919
Other Government grants			
Other local authority grants	-	742,479	742,479
Maternity insurance cover grant income	-	42,319	42,319
Other government grants	-	36,262	36,262
	-	821,060	821,060
Other income from the academy trust's educational operations	17,527	316,467	333,994
	<u>17,527</u>	<u>9,739,446</u>	<u>9,756,973</u>

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

The academy trust received £164,760 of funding for catch-up premium and the costs incurred in respect of this funding totalled £164,760.

The academy trust furloughed some of its staff under the government's CJRS. The funding received of £32,892 relates to staff costs in respect of £32,892 which are included within note 11 below as appropriate.

The academy trust received £32,053 of funding for COVID-19 emergency support and £8,790 for COVID-19 winter funding. The costs incurred in respect of COVID-19 emergency support and winter funding totalled £32,053 and £8,790 respectively.

Other income from the academy trust's educational operations include catering income, school trip income, extended services income, early years centre income and other income.

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Notes to the financial statements
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6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising activities	2,283	2,283
Lettings income	26,599	26,599
Sale of uniform	8,207	8,207
Other income	935	935
Music services income	4,115	4,115
Sale of goods and services	14,846	14,846
	<u>56,985</u>	<u>56,985</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising activities	10,377	10,377
Lettings income	9,279	9,279
Sale of uniform	9,684	9,684
Other income	5,106	5,106
Music services income	194	194
Sale of goods and services	19,969	19,969
	<u>54,609</u>	<u>54,609</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest receivable	<u>198</u>	<u>198</u>

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Notes to the financial statements
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7. Investment income (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	974	974

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising funds:				
Direct costs	-	-	19,885	19,885
Academy's educational Operations:				
Direct costs	8,762,033	586,301	645,366	9,993,700
Allocated support costs	1,595,513	783,825	954,961	3,334,299
	<u>10,357,546</u>	<u>1,370,126</u>	<u>1,620,212</u>	<u>13,347,884</u>

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising funds:				
Direct costs	-	-	10,080	10,080
Academy's educational Operations:				
Direct costs	7,668,719	242,138	732,620	8,643,477
Allocated support costs	1,346,252	385,668	998,349	2,730,269
	<u>9,014,971</u>	<u>627,806</u>	<u>1,741,049</u>	<u>11,383,826</u>

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Notes to the financial statements
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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	9,993,700	3,334,299	13,327,999

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational Operations	8,643,477	2,730,269	11,373,746

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Pension finance (income)/costs	186,000	120,000
Staff costs	8,762,033	7,668,719
Depreciation	651,286	442,482
Educational supplies	90,085	86,525
Staff development and other staff costs	48,252	2,856
Technology costs	59,175	53,503
Consultancy	145,303	186,434
Other costs	9,478	37,278
Staff related insurance	16,939	31,399
Recruitment and other staff expenses	10,945	5,896
Apprenticeship Levy expenditure	14,204	8,385
	9,993,700	8,643,477

Notes to the financial statements
for the year ended 31 August 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	1,595,513	1,346,252
Catering	432,027	373,959
Staff development and other staff costs	10,554	(4,148)
Technology costs	250,267	119,439
Consultancy	8,529	18,296
Travel, subsistence and expenses	3,500	20
Other costs	133,018	113,500
Maintenance of premises and special facilities	152,205	118,566
Cleaning and caretaking	173,914	159,273
Operating lease rentals	20,261	28,625
Rates	34,074	28,670
Security	22,869	11,360
Energy	162,938	119,019
Legal and professional	185,592	168,231
Transport	4,217	4,966
Other premises costs	144,821	124,241
	<u>3,334,299</u>	<u>2,730,269</u>

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Operating lease rentals	20,261	22,265
Depreciation of tangible fixed assets	651,286	442,482
Fees paid to auditors for:		
- audit	14,550	14,075
- other services	4,150	4,050
	<u>670,047</u>	<u>480,872</u>

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Notes to the financial statements
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	7,040,978	5,756,663
Social security costs	611,964	515,620
Pension costs	2,621,918	2,687,535
	10,274,860	8,959,818
Agency staff costs	74,962	55,153
Staff restructuring costs	7,724	-
	10,357,546	9,014,971

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	2,671	-
Settlement payments	5,053	-
	7,724	-

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is non-contractual settlement payment of £5,053 paid to one individual.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	103	90
Teaching Assistants	108	98
Administrative	20	20
Management	27	21
Support staff	93	110
Caretaker	29	22
	380	361

Notes to the financial statements
for the year ended 31 August 2021

11. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	77	83
Teaching Assistants	68	68
Administrative	13	16
Management	24	20
Support Staff	25	30
Caretaker	11	15
	<u>218</u>	<u>232</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £110,000 - £120,000	-	1
In the band £120,000 - £130,000	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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,004,433 (2020 - £793,481).

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Notes to the financial statements
for the year ended 31 August 2021

12. Central services

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

- Human resources
- Educational services
- Financial services
- Operations
- Legal and governance
- Others as arising

The academy trust charges for these services on the following basis:

6% of General Annual Grant (GAG) income.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Elston Hall Primary School	149,853	143,691
Palmers Cross Primary School	64,603	58,160
Edward the Elder Primary School	58,830	56,277
Goldthorn Park Primary School	103,758	96,108
Pheasey Park Farm & Early Years Centre	130,000	71,848
Total	507,044	426,084

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£000's	£000's
K Grayson, Chief Executive Officer and Accounting Officer	Remuneration	120-125	115-120
	Pension contributions paid	25-30	25-30

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

During the year, no Trustees received any benefits in kind (2020 - £NIL).

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

14. Trustees' and Officers' insurance

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

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Notes to the financial statements
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15. Tangible fixed assets

	Freehold and leasehold property £	Leasehold improvements £	Furniture and fixtures £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2020	25,258,603	583,443	112,359	229,069	206,388	26,389,862
Additions	-	1,285,059	33,345	55,861	-	1,374,265
Transfers between classes	-	206,388	-	-	(206,388)	-
At 31 August 2021	<u>25,258,603</u>	<u>2,074,890</u>	<u>145,704</u>	<u>284,930</u>	<u>-</u>	<u>27,764,127</u>
Depreciation						
At 1 September 2020	900,422	103,669	36,368	127,660	-	1,168,119
Charge for the year	442,739	143,562	23,845	41,140	-	651,286
At 31 August 2021	<u>1,343,161</u>	<u>247,231</u>	<u>60,213</u>	<u>168,800</u>	<u>-</u>	<u>1,819,405</u>
Net book value						
At 31 August 2021	<u>23,915,442</u>	<u>1,827,659</u>	<u>85,491</u>	<u>116,130</u>	<u>-</u>	<u>25,944,722</u>
At 31 August 2020	<u>24,358,181</u>	<u>479,774</u>	<u>75,991</u>	<u>101,409</u>	<u>206,388</u>	<u>25,221,743</u>

On 19 November 2020 the Trust received an independent professional external valuation from FHP for the land and buildings in connection with Pheasey Park Farm Primary School and Early Years Centre. The valuation of land - £2,338,000 and buildings - £12,908,000 were made on a depreciated replacement cost basis. The trustees have used this valuation and subsequently depreciated in line with the accounting policies.

Included within freehold and leasehold property is £2,338,000 of freehold land which is not depreciated.

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Notes to the financial statements
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16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,540	4,790
VAT repayable	48,454	254,691
Other debtors	8,761	60
Prepayments and accrued income	349,707	711,344
	<u>409,462</u>	<u>970,885</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	22,806	-
Trade creditors	19,788	4,708
Other taxation and social security	-	89,407
Other creditors	-	261
Accruals and deferred income	317,637	489,726
	<u>360,231</u>	<u>584,102</u>

	2021 £	2020 £
Deferred income at 1 September 2020	148,224	247,134
Resources deferred during the year	182,660	148,224
Amounts released from previous periods	(148,224)	(247,134)
	<u>182,660</u>	<u>148,224</u>

At the balance sheet date the trust was holding funds received in advance for universal infant free school meals, early years funding, rates relief and school trips.

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18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>197,301</u>	<u>-</u>

Other loans relate to interest free Salix loans given for capital projects.

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19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	672,513	470,344	(480,933)	-	-	661,924
Restricted general funds						
General Annual Grant (GAG)	316,246	8,451,570	(7,768,655)	(151,510)	-	847,651
Pupil Premium	-	864,777	(864,777)	-	-	-
Catch-up premium	-	164,760	(164,760)	-	-	-
Other DfE/ESFA COVID- 19 funding	-	32,053	(32,053)	-	-	-
Other DfE/ESFA grants	-	849,467	(849,467)	-	-	-
Coronavirus Job Retention Scheme grant	-	32,892	(32,892)	-	-	-
Other COVID-19 funding	-	8,790	(8,790)	-	-	-
Local authority grants	-	1,187,706	(1,187,706)	-	-	-
Other restricted funds	-	265,901	(265,901)	-	-	-
Pension reserve	(11,169,000)	-	(981,000)	-	(1,702,000)	(13,852,000)
	<u>(10,852,754)</u>	<u>11,857,916</u>	<u>(12,156,001)</u>	<u>(151,510)</u>	<u>(1,702,000)</u>	<u>(13,004,349)</u>
Restricted fixed asset funds						
Transferred on conversion	24,303,971	-	(388,526)	-	-	23,915,445
DfE grants and transfers from the GAG	1,336,848	655,891	(322,424)	151,510	-	1,821,825
	<u>25,640,819</u>	<u>655,891</u>	<u>(710,950)</u>	<u>151,510</u>	<u>-</u>	<u>25,737,270</u>
Total Restricted funds	<u>14,788,065</u>	<u>12,513,807</u>	<u>(12,866,951)</u>	<u>-</u>	<u>(1,702,000)</u>	<u>12,732,921</u>
Total funds	<u><u>15,460,578</u></u>	<u><u>12,984,151</u></u>	<u><u>(13,347,884)</u></u>	<u><u>-</u></u>	<u><u>(1,702,000)</u></u>	<u><u>13,394,845</u></u>

19. Statement of funds (continued)

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

Unrestricted funds

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

Restricted funds

These funds represent grants and other income received for the Academy's operational activities and development.

Pension reserve

This pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

These funds represents grants received from the DfE, ESFA and Local Authority to carry out works of a capital nature.

Transfers between funds

Transfers between funds relate to purchases of a capital nature being funded by GAG.

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

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19. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	72,340	674,153	(73,980)	-	-	672,513
Restricted general funds						
General Annual Grant (GAG)	55,135	7,126,039	(6,793,235)	(71,693)	-	316,246
Pupil premium	-	765,083	(765,083)	-	-	-
Other DfE/ESFA grants	-	735,422	(735,422)	-	-	-
Local authority grants	-	821,060	(821,060)	-	-	-
Other restricted funds	-	291,842	(302,567)	10,725	-	-
Pension reserve	(5,960,000)	(1,358,000)	(1,412,000)	-	(2,439,000)	(11,169,000)
	<u>(5,904,865)</u>	<u>8,381,446</u>	<u>(10,829,367)</u>	<u>(60,968)</u>	<u>(2,439,000)</u>	<u>(10,852,754)</u>
Restricted fixed asset funds						
Transferred on conversion	9,404,643	15,252,220	(352,892)	-	-	24,303,971
DfE grants and transfers from the GAG	653,521	749,946	(127,587)	60,968	-	1,336,848
	<u>10,058,164</u>	<u>16,002,166</u>	<u>(480,479)</u>	<u>60,968</u>	<u>-</u>	<u>25,640,819</u>
Total Restricted funds	<u>4,153,299</u>	<u>24,383,612</u>	<u>(11,309,846)</u>	<u>-</u>	<u>(2,439,000)</u>	<u>14,788,065</u>
Total funds	<u><u>4,225,639</u></u>	<u><u>25,057,765</u></u>	<u><u>(11,383,826)</u></u>	<u><u>-</u></u>	<u><u>(2,439,000)</u></u>	<u><u>15,460,578</u></u>

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Elston Hall Primary School	347,312	305,654
Palmers Cross Primary School	105,055	28,934
Edward the Elder Primary School	152,151	51,494
Goldthorn Park Primary School	97,330	26,160
Pheasey Park Farm & Early Years Centre	770,112	540,182
Elston Hall Multi Academy Trust	37,615	36,335
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,509,575	988,759
Restricted fixed asset fund	25,737,270	25,640,819
Pension reserve	(13,852,000)	(11,169,000)
	<hr/>	<hr/>
Total	13,394,845	15,460,578
	<hr/> <hr/>	<hr/> <hr/>

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Elston Hall Primary School	2,223,917	445,975	25,783	539,972	3,235,647
Palmers Cross Primary School	983,419	146,750	10,573	274,252	1,414,994
Edward the Elder Primary School	770,998	206,141	5,777	244,170	1,227,086
Goldthorn Park Primary School	1,328,189	170,802	21,517	423,280	1,943,788
Pheasey Park Farm & Early Years Centre	2,355,341	470,888	26,433	518,816	3,371,478
Elston Hall Multi Academy Trust	1,100,170	154,957	-	248,478	1,503,605
Academy trust	8,762,034	1,595,513	90,083	2,248,968	12,696,598

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Elston Hall Primary School	1,877,890	532,913	45,657	611,176	3,067,636
Palmers Cross Primary School	860,492	151,694	14,733	234,538	1,261,457
Edward the Elder Primary School	761,265	199,966	12,795	235,309	1,209,335
Goldthorn Park Primary School	1,222,149	196,971	21,158	393,882	1,834,160
Pheasey Park Farm & Early Years Centre (from 1.2.20 to 31.8.20)	1,026,475	420,473	21,546	207,018	1,675,512
Elston Hall Multi Academy Trust	1,760,358	-	-	132,886	1,893,244
Academy trust	7,508,629	1,502,017	115,889	1,814,809	10,941,344

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	25,944,722	25,944,722
Current assets	661,924	1,184,625	13,106	1,859,655
Creditors due within one year	-	(336,974)	(23,257)	(360,231)
Creditors due in more than one year	-	-	(197,301)	(197,301)
Provisions for liabilities and charges	-	(13,852,000)	-	(13,852,000)
Total	661,924	(13,004,349)	25,737,270	13,394,845

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,221,743	25,221,743
Current assets	761,920	610,007	620,010	1,991,937
Creditors due within one year	(89,407)	(293,761)	(200,934)	(584,102)
Provisions for liabilities and charges	-	(11,169,000)	-	(11,169,000)
Total	672,513	(10,852,754)	25,640,819	15,460,578

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per statement of financial activities)	(363,734)	13,673,939
Adjustments for:		
Depreciation	651,286	442,482
Capital grants from DfE and other capital income	(655,891)	(749,946)
Interest receivable	(198)	(974)
Defined benefit pension scheme obligation inherited	-	1,358,000
Defined benefit pension scheme cost less contributions payable	795,000	1,292,000
Defined benefit pension scheme finance cost	186,000	120,000
Decrease/(increase) in debtors	561,423	(576,923)
(Decrease)/increase in creditors	(246,677)	209,713
Tangible fixed assets gifted	-	(15,252,220)
Net cash provided by operating activities	927,209	516,071

22. Cash flows from financing activities

	2021 £	2020 £
Cash inflows from new borrowing	220,107	-
Net cash provided by financing activities	220,107	-

23. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	198	974
Purchase of tangible fixed assets	(1,374,265)	(359,321)
Capital grants from DfE Group	653,757	749,946
Capital funding received from sponsors and others	2,134	-
Net cash (used in)/provided by investing activities	(718,176)	391,599

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24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>1,450,193</u>	<u>1,021,053</u>

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	1,021,052	429,141	-	1,450,193
Debt due within 1 year	-	-	(22,806)	(22,806)
Debt due after 1 year	-	-	(197,301)	(197,301)
	<u>1,021,052</u>	<u>429,141</u>	<u>(220,107)</u>	<u>1,230,086</u>

26. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>-</u>	<u>382,534</u>

27. Pension commitments

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

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

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

27. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £963,000 (2020 - £723,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,114,000 (2020 - £760,000), of which employer's contributions totalled £948,000 (2020 - £638,000) and employees' contributions totalled £ 166,000 (2020 - £122,000). The agreed contribution rates for future years are 20.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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27. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.85	3.25
Rate of increase for pensions in payment/inflation	2.85	2.25
Discount rate for scheme liabilities	1.65	1.65

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

	2021	2020
	Years	Years
Retiring today		
Males	21.6	22.0
Females	24.0	24.2
Retiring in 20 years		
Males	23.4	23.9
Females	25.8	26.1

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(528)	(393)
Discount rate -0.1%	544	404
Mortality assumption - 1 year increase	781	622
Mortality assumption - 1 year decrease	(814)	(532)
CPI rate +0.1%	(74)	344
CPI rate -0.1%	73	(334)

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27. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	3,400,000	1,847,000
Gilts	461,000	356,000
Corporate bonds	342,000	127,000
Property	392,000	248,000
Cash and other liquid assets	206,000	218,000
Other	781,000	490,000
Total market value of assets	5,582,000	3,286,000

The actual return on scheme assets was £771,000 (2020 - £251,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(1,436,000)	(759,000)
Past service cost	-	(1,171,000)
Interest income	80,000	50,000
Interest cost	(266,000)	(185,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(307,000)	(1,171,000)
Administrative expenses	-	(1,000)
Total amount recognised in the Statement of financial activities	(1,929,000)	(3,237,000)

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27. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	14,455,000	8,229,000
Conversion of academy trusts	-	1,358,000
Current service cost	1,436,000	759,000
Interest cost	266,000	185,000
Employee contributions	166,000	122,000
Actuarial losses	2,393,000	2,669,000
Benefits paid	(98,000)	(38,000)
Additional settlements	816,000	1,171,000
At 31 August	19,434,000	14,455,000

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	3,286,000	2,269,000
Interest income	80,000	50,000
Actuarial gains	691,000	230,000
Employer contributions	948,000	638,000
Employee contributions	166,000	122,000
Benefits paid	(98,000)	(38,000)
Settlement prices received	509,000	16,000
Administration expenses	-	(1,000)
At 31 August	5,582,000	3,286,000

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	2,924	2,924
Later than 1 year and not later than 5 years	2,073	4,996
	4,997	7,920

29. 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.

30. Related party transactions

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

The following related party transactions took place in the financial period:

Expenditure Related Party Transaction

Squirrel Learning Limited ("SLL") – a company in which Mr G Hawkins has a significant interest:

- The academy trust purchased professional consultancy services from SLL totalling £4,600 (2020 - £4,600) during the period. There were no amounts outstanding at 31 August 2021 (2020 - £nil).

Online Behaviours Limited ("OBL") – a company in which Mr G Hawkins has a significant interest:

- The academy trust purchased professional consultancy services from OBL totalling £23,500 (2020 - £nil) during the period. There were no amounts outstanding at 31 August 2021 (2020 - £nil).

The academy trust made the purchase at arms' length in accordance with its financial policies, which Mr Hawkins neither participated in, nor influenced.

The academy trust has complied with the requirements of the Academies Financial Handbook except as noted in the Assurance Report on Regularity.

The element above £2,500 has been provided 'at no more than cost' and SLL and OBL have provided a statement of assurance confirming this.