

**The Skinners'
Academy**

**Report and Financial
Statements**

31 August 2021

Company Limited by Guarantee
Registration Number 06543682
(England and Wales)

Contents

Reports

Reference and administrative information	1
Trustees' report	3
Governance statement	16
Statement on regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
Independent auditor's reports	28

Financial statements

Statement of financial activities	30
Balance sheet	31
Statement of cash flows	32
Principal accounting policies	34
Notes to the financial statements	40

Reference and administrative information

Members	The Worshipful Company of Skinners Johnny Aisher Andrew Boggis Lucy Clare Lee Andrew Kennett Jocelyn Mitchell
Trustees and Governing Body	Jocelyn Mitchell (Chair) Shereka James (Principal) Christina Bankes Martin Bienvenu Sarah Caton James Leslie Charles Clark Christopher Dearie Matt Dunston Anton Francic Nick Gowing Alison Green Tim Haynes Belinda Hitchins Alex Lloyd Paul Merchant Vivienne Mvula Evan David Lewis Price Hugh William Whitbread
Company Secretary	Vacant
Senior Leadership Team	
Principal	Shereka James
Chief Financial Officer	Olu Alalade
Senior Vice Principal	Jay Kerby
Vice Principal	Ian White
Assistant Vice Principal	Catherine Pasterkamp
Assistant Vice Principal	Damian Alexis
Assistant Vice Principal	Hannah Potter
Assistant Vice Principal	Chloe Hakes
Assistant Vice Principal	Natasha Bell
Registered office	8 Dowgate Hill London EC4R 2SP

Reference and administrative information

Academy office	Woodberry Grove London N4 1SY
Company registration number	06543682 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc 3rd Floor Lough Point Gladbeck Way Enfield EN2 7JA

The trustees of The Skinners' Academy ('the Academy') present their statutory report together with the financial statements of the Academy for the year ended 31 August 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes the directors' report for the purposes of Companies Act 2006. The annual report serves the purposes of both a trustees' report and a directors' report under company law and the sections headed Strategic Report on pages 9 to 13 fulfil the requirement for a 'Strategic Report' as outlined in the Companies Act 2006 Strategic Report and Directors Report Regulations 2013.

The financial statements have been prepared in accordance with the accounting policies set out therein and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee with no share capital (Company Registration No. 06543682) and an exempt charity. The Academy's memorandum and articles of association are the primary governing documents. Members of the Academy are nominated by the principal sponsor or by the Secretary of State for Education. The articles of association require that there should be at least three trustees, each being a member or a duly authorised representative of a member organisation, or one third of the total number of trustees to be responsible for the statutory and constitutional affairs and the management of the Academy.

Members' liability

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

Trustees

The trustees are also directors of the Academy for the purposes of the Companies Act. The following trustees were in office at 31 August 2021 and served throughout the year except where shown:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees (continued)

Trustee	Appointed/Resigned
Jocelyn Mitchell	
Christina Bankes	Reappointed 01 September 2021
Martin Bienvenu (Staff trustee)	Re-elected 17 May 2021
Sarah Caton	Reappointed 01 September 2021
James Leslie Charles Clark	
Christopher Dearie	
Matt Dunston (Staff trustee)	
Anton Francic	Reappointed 01 September 2021
Tim Haynes	Resigned 31 August 2021
Belinda Hitchins	
Shereka James (Principal)	
Evan David Lewis Price	
Hugh William Whitbread	
Mark Wickham-Jones	Resigned 31 August 2021

Mrs Shereka James was remunerated in her position as Principal, and Mr Martin Bienvenu and Mr Matt Dunston are remunerated as employees of the Academy.

The following trustees were also appointed after 31 August 2021, but prior to the date of approval of this report:

Trustee	Appointed/Resigned
Nick Gowing	Appointed 1 September 2021
Alison Green	Appointed 1 September 2021
Alex Lloyd	Appointed 1 September 2021
Paul Merchant	Appointed 1 September 2021
Vivienne Mvula (Parent trustee)	Appointed 1 September 2021

Organisational structure

The Academy is governed by a board of trustees constituted under a memorandum of association and articles of association. The board of trustees is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:

- ◆ Policy development and strategic development;
- ◆ Ensuring sound management and administration of the Academy;
- ◆ Ensuring compliance with legal requirements;
- ◆ Establishing and maintaining effective internal controls;
- ◆ The management of all resources;
- ◆ The monitoring of performance;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

- ◆ Helping the Academy to be responsive to the needs of parents, carers and the community; and
- ◆ Assessing and managing risk.

The Board of Trustees meets four times a year. The Education and Wellbeing Committee (EWBC) and the Finance and General Purposes (F&GP) Committee meet four times a year. The Pay Review Committee and the Principal Performance Review Committee meet once a year.

The F&GP Committee is responsible for all financial and resource management and accounting, all internal and external financial reporting, ensuring an effective internal control environment, legal, premises and outstanding construction issues. This Committee is also responsible for advising on matters relating to monitoring all areas of health and safety to ensure compliance of policy, working practices and environment for all staff, students and visitors to the Academy.

The EWBC review and monitor all aspects of education, welfare, safeguarding and pastoral care provided at the Academy including extra-curricular activities and reports to the Board of Trustees as appropriate.

Day to day management of the Academy is delegated to the Principal who has appointed a Senior Leadership Team which meets on a frequent basis. The Senior Leadership Team consists of:

Principal	Shereka James
Chief Financial Officer	Olu Alalade
Senior Vice Principal	Jay Kerby
Vice Principal	Ian White
Assistant Vice Principal	Catherine Pasterkamp
Assistant Vice Principal	Damian Alexis
Assistant Vice Principal	Hannah Potter
Assistant Vice Principal	Chloe Hakes
Assistant Vice Principal	Natasha Bell

Together the Senior Leadership Team control the Academy at an executive level implementing the policies laid down by the trustees and the Governing Body and reporting back to them and providing evidence, reports and data analysis at the Governing Body, EWBC and F&GP committee meetings, enabling governors to monitor effectively and discharge their oversight functions.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Principal's Performance Review Committee is comprised of four governors, drawn from the Finance and General Purposes Committee and the Education Committee, and is chaired by Mr Dearie. The review is carried out on an annual basis, with the Principal in attendance.

The Pay Review Committee is chaired by Mr J Clark and is comprised of four governors from the Finance and General Purposes Committee and the Chair of Governors. The review is carried out on an annual basis and agrees the Senior Leadership Team salaries for recommendation to the Governing Body. The committee keeps the Academy's pay policy and performance management policy under review and considers external benchmarking of pay when necessary. It oversees the implementation of pay structures affecting all staff in liaison with the Principal and other committees, monitoring pay progression and the consistent and robust application of appraisal and performance management procedures and the Academy's pay policy to all staff.

The Principal undertakes an annual review of all other salaries, in accordance with the Pay Policy.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2

Percentage of pay bill spent on facility time

Total cost of facility time	£-
Total pay bill	£8,192,266
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Connected organisations

The Academy works closely with its sponsor, The Skinners' Company, the Department for Education (DfE), the Education and Skills Funding Agency (ESFA), the Local Education Authority and other local organisations.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The Academy maintains a risk register which is reviewed by the trustees on a regular basis. This identifies the various types of risk that the Academy is exposed to and monitors the systems in place to mitigate those risks. The following risk areas are included on the register:

- ◆ Physical assets;
- ◆ Business continuity;
- ◆ Financial security;
- ◆ Technological;
- ◆ Third party liability;
- ◆ Environmental;
- ◆ Legal and compliance;
- ◆ Market and sector;
- ◆ Personnel;
- ◆ Political;
- ◆ Reputational;
- ◆ Data protection; and
- ◆ Covid-19

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The Academy's objects ("the Objects") are to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to Business, Enterprise and ICT.

Academy Mission

At Skinners' Academy, all pupils will be the best they can by working in active partnership with the Academy to achieve excellence for themselves and the wider community. The Academy will provide the prerequisite skills, knowledge and experiences for children to ensure they can succeed. Not only will our young people be successful and productive citizens, but they will be a source of influence in the society that they live in, ensuring that they make sustainable and authentic contributions for future generations.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

Academy Objectives

Public benefit

When setting the objectives of the Academy for the year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education.

Equal opportunities

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

Disabled persons

The policy of the Academy is to support the recruitment and retention of students and employees with disabilities. Disabled employees are accorded equal opportunities for training, career development and promotion.

Skinner's Academy's five-year strategy has the following four principal objectives:

1. High Quality Learning

The curriculum offer from key stage 3 to key stage 5 is broad, balanced and well matched to our learners. The taught curriculum is coherently sequenced and has a focus on Powerful Knowledge (PK). The Personal Development (PD) curriculum supports pupil's understanding beyond the academic realm and gives them an opportunity to develop their social, moral and cultural awareness and understanding of British values. Teaching staff use the most effective strategies that help pupils to learn and remember knowledge as a matter of routine. This knowledge is underpinned by robust and meaningful assessment.

2. Professional Development

The culture of the Academy is centred on development; every individual has a professional obligation to improve their practice. Hence the Academy has a duty to provide high quality professional development opportunities. To ensure every pupil has the best educational experience possible, each member of staff must be able to execute their role fully and effectively or are in the process of receiving meaningful support to be able to do so. Middle leaders are the driving force of school development and improvement. Middle leaders therefore require an additional layer of support to ensure alignment, support their leadership capacity and enhance their expertise. The Academy deems this a vital strand of its long term success and so provides the necessary time and resources to facilitate this.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

Academy Objectives (continued)

3. Reputational Standing

The Academy is well positioned within the borough of Hackney and renowned for providing first-class education in Hackney. The Academy aims towards significantly narrowing the achievement gaps that exist for Special Education Needs (SEN), Pupil Premium (PP) and Black Caribbean Boys (BCRB) pupils. The work on developing the curriculum, the consistent approach with the 5R (Remind, Relocate, Retain, Remove and Restore) behaviour system, our focus on wellbeing and EDI will ensure that the Academy receives an outstanding grading from Ofsted.

4. Financial Security

The Academy is financially secure as a result of efficient financial decision making and robust financial planning bringing about financial freedom to make bold innovative choices for its young people. This is so it can ensure best value for money and ultimately put itself in a strong financial position to make the best-informed decisions for the pupils it serves without limitations.

STRATEGIC REPORT

Achievements and performance

One of the most notable achievements of the year was the recruitment of a new Principal, Mrs Shereka James. This appointment swiftly led to the development of a new 5-year strategy as detailed above alongside a broadening of the curriculum structure from a two-year Key Stage 3 to a three-year Key Stage 3 and two-year Key Stage 4.

We are proud of our 2021 Year 11 pupils who achieved GCSE results that were comparable or slightly above national average. The percentage of pupils attaining 5+ in both English and Mathematics was 44.8%. The percentage of pupils achieving the standard Ebacc qualification was 29.9% compared to 29.3% the prior year.

94.8% of our Year 13 pupils achieved A* to C. 50 out of 55 students gaining admission to universities with one in five securing a place at a Russell Group University. Two pupils embarked on apprenticeship schemes with reputable organisations, two have taken up full time employment whilst one student has opted to take a gap year whilst deferring their place at university.

Attendance rates for the year at 89.4% remained above national average of 88.2%.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Extra-curricular activities continue to play an important role in the achievement of Academy objectives. For the sixth year running, the Academy continued to fund musical instruments and tuition for all Year 7 pupils, a commitment to help develop skills which pupils can draw upon to enhance their chances of success. The Academy believes and invests in the accumulation of knowledge through experiences gained from residential trips and visits designed to not only promote social mobility, but also boost the life chances of our young people in a highly stratified society. Unfortunately, the exceptional circumstances around the Covid-19 pandemic restrictions and lockdown led to the cancellation of many of the trips and activities for the year under review.

140 Year 10 pupils successfully completed their Covid-19 adapted Duke of Edinburgh Bronze expedition in July 2021. Similarly, 20 Year 12 pupils successfully completed their practice expedition over 4 days in Epping Forest and are scheduled to complete the gold award in July 2022.

Extensive research suggests that access to technology in classrooms for individual pupils provides several new and beneficial opportunities such as the field of knowledge, recall and retrieval. To that end, an additional four hundred laptop devices were purchased to ensure every pupil has exclusive access to a digital device for in-class use and to facilitate remote learning. This initiative has accelerated the learning of new information technological skills by pupils such as Microsoft Teams. Pupils are now able to access increasing volumes of powerful learning resources on the Academy's online platforms. This forms part of the Academy strategy to ensure high quality learning using modern technology. During the year, the Academy wifi infrastructure was replaced with a more powerful wireless access system allowing widespread easy access and connectivity for both teachers and pupils.

The impact of the Covid-19 pandemic continues to be felt from an operational and financial perspective. Other income (non-GAG funding) was down by 17% in comparison with budget for the year. The closure of the Academy premises to lettings contributed to the drop in other income. The Academy's going concern status is not under threat, as reflected in its strong balance sheet, and unrestricted reserves of £2.7 million. The Academy also practices careful financial planning with a view to maximise operational cost savings.

The Covid-19 pandemic continues to present the Academy and indeed all educational establishments around the borough and country with unique set of challenges. Regardless, with the support of Trustees, the Academy pupils and staff continue to resiliently follow government guidance. Its Covid-19 risk assessment were subject to reviews and updates in response to changing government guidance right through the year. This ensured the Academy and its community of pupils, staff and contractors were able to resume operations within a safe and functional environment.

The Covid-19 Risk Management Group continued its periodic review of Covid-19 risks, alongside individual risk assessments for all staff. This created a platform to consistently identify and review new risks arising and implement mitigating measures and individual adjustments where needed which were promptly communicated to staff. In addition to this, mental health wellbeing of staff and pupils continues to be a priority for the Academy.

STRATEGIC REPORT (continued)

Financial review

Covid-19 remains the most significant event affecting the financial performance of the Academy. The Academy lost an estimated £50,000 of annual income it generates from the lettings of its facilities as a direct consequence of the lockdown. Although there was a significant drop in the income from school meals of £111,000, the impact directly attributable to the lockdown was defrayed by a corresponding £75,000 drop in cost of catering over the year under review.

During the year under review, the Academy rationalised some support staff costs which included the restructuring of the Special Education Needs (SEN) department. A business case was developed and approved by Trustees alongside appropriate consultations between trade union representatives and members of the Academy staff.

For the future years, the Academy as part of its 3-5 year strategy has outlined a comprehensive program of cost reduction through the use of information technology in curriculum initiatives and other procurement strategies that bring about economies of scale. In addition to this, appropriate focus will be on recruitment strategies aimed at optimising staffing costs ratios in line with sector averages in the medium to long-term horizons.

Financial report for the period

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and the associated expenditure are shown as restricted funds in the statement of financial activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £9,547,955 (2020: £9,105,331) (excluding the restricted fixed asset fund, and non-cash movements in defined pension schemes) was greater than recurrent grant funding from the ESFA together with other income which totalled £9,425,754 (2020: less than corresponding income of £9,158,228). The excess of expenditure over income for the year (excluding restricted fixed asset funds and the actuarial gain and other movements on the Local Government Pension Scheme) was £122,201 (2020: excess of income over expenditure of £52,897).

At 31 August 2021 the net book value of fixed assets was £23,870,367 (2020: £24,755,354) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Academy held fund balances at 31 August 2021 of £22,978,008 (2020: £25,320,136) comprising £2,788,706 (2020: £2,575,705) of unrestricted general funds and £20,189,302 (2020: £22,344,431) of restricted funds which includes the pension reserve deficit of £3,961,000 (2020: £2,439,000) and fixed asset funds of £24,057,427 (2020: £24,755,354).

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

The trustees have reviewed the reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves is consistently kept under review. A proportion of the accumulated GAG reserves is directed towards the maintenance and replacement of the Academy Trust's estate, plant & machinery, equipment and infrastructure in the future.

The reserves of the Academy Trust comprise:

Restricted General Reserves

Restricted general funds are those funds received by the academy from either its main ESFA funding grant, other grant contributions or donations that are received for a specific project or purpose.

These funds are restricted for use according to the funding agreements or donors' instructions. The level of reserves will be determined by the Trust Board annually and can fluctuate depending on operational needs.

Unrestricted Reserves

These are derived from the academy's activities for generating funds, for example reserve transfers into the Trust or donations.

Together the above reserves are herein termed 'free reserves'. The aim is for cumulative free reserves to exceed 3% of Trust income in any one year. Trustees' review of reserves encompasses the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves is consistently kept under review. A proportion of the accumulated free reserves is directed towards the maintenance and replacement of the Academy Trust's estate, plant & machinery, equipment and infrastructure in the future.

In general, it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so the Academy's primary objective is preserved. Similarly, the Academy aims to ensure funding is utilised for the benefit the pupils in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Trustees regularly monitor levels of reserves in financial reports provided by the Chief Financial Officer and in the annual financial statement prepared by the Auditor. Trustees review these to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision.

The Academy's current level of revenue reserves (total funds less the amount held in fixed assets and restricted pension funds) is £2,881,581 (2020: £3,003,782). The Academy intends to continue monitoring free reserves to ensure they are appropriate.

STRATEGIC REPORT (continued)

Investment policy

The Governing board will ensure that investment risk is properly managed. When considering whether to make an investment, governors will:

- ◆ Act within their powers to invest, as set out in our articles of association;
- ◆ Exercise caution in all investments, reducing risk and ensuring that the academy trust acts with the utmost integrity;
- ◆ Take investment advice from a professional adviser, as appropriate;
- ◆ Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximization; and
- ◆ Ensure that all investment decisions are in the best interests of the trust and command broad public support.

PRINCIPAL RISKS AND UNCERTAINTIES

The pressure on staff costs, relating to increased pension and national insurance payments (along with general wage inflation), remain a critical risk factor. Teachers Pensions and Teacher Pay grant funding are no longer separate allocations and now form part of core GAG funding. The latest government spending review currently offers no guarantees of continuity into the future. If this funding is removed, the impact will rapidly deplete the Academy's retained reserves. The ratio of staff cost to income and expenditure is at the upper end of comparable schools and governors continue to review the Academy staffing structure to ensure a financially sustainable model.

Retention of Year 11 pupils moving to Year 12 has historically been considered low with the retention rate of pupils moving between these year groups in 2019-20 at 30%. In comparison, retention rates improved in 2020-21 to 36%. The Academy is putting strategies in place to ensure the retention rate improves for future years.

The risk of a cyber-attack is one which currently pervades the sector and the academy is not immune from. However, measures have been put in place to mitigate this risk and to ensure recovery and business continuity such as an annual network and system security check which highlights any current vulnerability which are promptly addressed. Where significant security risks still exist, appropriate action is taken to address such.

Succession planning in the event of loss of key personnel is also a major risk factor. Trustees continue to review the academy staffing structure to ensure that the model is financially sustainable for future years.

Other forms of risks include reputational damage as a result of safeguarding concerns. Our human resources operational procedures ensure the vetting of all staff, visitors and contractors through the Disclosure and Barring Service (DBS) checks.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Educational gaps arising from Covid-19 related issues were addressed through the purchase of 500 laptops for the disadvantaged pupils in prior year. Through the support of Trustees, access to a digital device has now been extended to all pupils by the purchase of 400 additional laptops ensuring every pupil has an allocated device for on-site and remote learning. The risk of our most disadvantaged pupils falling further behind has now been mitigated through the use of technology both within school and remotely thereby significantly improving achievement levels.

FUNDRAISING

The Academy has not actively engaged in fund raising activities in the year under review and therefore is not registered with the Fundraising Regulator or subscribed to any fundraising codes of practice. However, donations have been made to the Academy willingly by individuals or organisations who wish to support the activities of the Academy. To the best of our knowledge, the donors are capable of and have made informed decisions regarding their donations to the Academy. The Academy has also put in place measures to ensure that such donations are used for the intended purpose.

PLANS FOR FUTURE PERIODS

The Academy has identified the following as strategies for the future:

- ◆ Teaching is centred around the use of the most effective strategies that help pupils to learn and remember knowledge as a matter of routine. This knowledge is underpinned by robust and meaningful assessment. Investment in technology will continue to play a vital role in supporting learning both within school and remotely from home. This will bring about significant improvements in levels of achievements across the broad categories of pupils.
- ◆ The continued investment in the development of staff to ensure high quality of delivery both for teaching and support staff. The Academy aims to achieve an alignment of employee experience and strategic focus by better understanding their needs and ensuring that all staff feel connected, supported and empowered. This will undoubtedly continue to secure the strongest possible outcomes for our young people.
- ◆ Attracting and retaining the best talent the sector has to offer. Knowing fully well that the Academy's strength is directly linked in part to the quality of its talent, there is a conscious plan to continue to invest in and expand our employee-focussed suite of rewards and benefits. The Academy hugely values its employees and recognises that their happiness at work is crucial to achieving its objectives.
- ◆ Continually develop and build cultural capital and wider learning experiences of pupils. By broadening and widening their experiences, pupils will consistently attain and achieve at the highest level possible intellectually and otherwise.
- ◆ Offering staff and pupils a more visible mental health and well-being support system. Our Wellbeing and Mental Health in Schools (WAMHS) worker continues to be available once a week to offer services to those in need. Alongside, the Academy is also in partnership with the Anna Freud Centre to provide confidential support where needed.

PLANS FOR FUTURE PERIODS (continued)

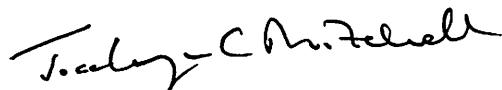
- ◆ Financial stability towards the delivery of Academy vision and mission. This will involve sustaining the existing framework of effective and efficient management of financial resources, curriculum-led financial planning, obtaining value for money, effective internal financial controls, all geared towards ensuring our young people access high quality educational provision

AUDITOR

In so far as the trustees are aware:

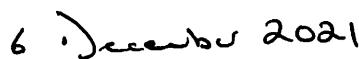
- ◆ there is no relevant audit information of which the Academy's auditor is unaware; and
- ◆ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees and signed on its behalf by:



Jocelyn Mitchell
Trustee and Chair of Governing Body

Approved by the trustees on:



Scope of responsibility

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

The trustees and the Governing Body have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the governing body 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 Governing Body has formally met four times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Number of meetings attended	Out of a possible
Jocelyn Mitchell (Chair)	4	4
Christina Bankes	4	4
Martin Bienvenu	3	4
Sarah Caton	4	4
James Leslie Charles Clark	2	4
Christopher Dearie	4	4
Matt Dunston	4	4
Anton Francic	2	4
Tim Haynes	4	4
Belinda Hitchins	4	4
Shereka James	4	4
Evan David Lewis Price	4	4
Hugh William Whitbread	3	4

The Board meets four times a year and maintains effective oversight over the Academy's finances and financial controls by regularly reviewing management reports and those of its dedicated committees. The Finance and General-Purpose Committee and the Education and Wellbeing Committee meet four times a year. The number of meetings has been considered by the Governing Body and deemed adequate given the committee structures in place. In addition, steps have been taken to ensure a professional clerk is available to oversee the governing body's induction and development needs. There is also an effective succession planning in place to ensure terms of office are adhered to.

The Academy's Board of Governors in line with the best practice recommendations from the National Governance Association (NGA) and the All-Party Parliamentary Group (APPG) on education governance commissions an annual self-evaluation. This is aimed at determining whether the right skills are available on the governing board and informs the process and basis of new appointments onto the board.

Governance (continued)

The self-review also focusses attention on effectiveness with a view to ensuring governors fully understand their role and responsibilities whilst making good use of best practice from across the country. It goes further to assess how Academy strategic priorities are formulated and whether governors have oversight of key performance indicators to facilitate monitoring and review of strategic milestones.

As part of its effectiveness review, the Trustees evaluate their levels of engagement with the school community, sector and wider world by seeking to know how well they listen, understand and respond to pupils, parents and staff. From an accountability perspective, Trustees also assess to what extent they have successfully held the executive school leaders to account through the review of operational and financial performance data. The outcomes of these evaluations are reflected in feedback reports from governor visits to the Academy and in minutes of discussions at relevant committee meetings.

Governance arrangements in the period under review was not adversely impacted by Covid-19. Although there were restrictions to conducting some on-site governor visits to the Academy, appropriate innovative technological solutions were adopted to ensure meetings, sharing of information and feedback took place as normal. Responsible Officer visits were also effectively carried out remotely with minimal impacts on the assessment of the effectiveness of Academy control framework. Committee meetings also continued to take place as scheduled using virtual platforms.

The impact and effectiveness of the trustees is kept under review internally.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to take responsibility for all financial and resource management and accounting, all internal and external financial reporting, ensuring an effective internal control environment, legal, premises and outstanding construction issues. This Committee is also responsible for advising on matters relating to monitoring all areas of health and safety to ensure compliance of policy, working practices and environment for all staff, students and visitors to the Academy. Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
JLC Clark (Chair)	4	4
B Hitchins	4	4
S James	4	4
J Mitchell	4	4
HW Whitbread	3	4

Governance reviews

Trustees exercised their duties over the course of the year with a full schedule of meetings. Additionally, where possible, Trustees visited the Academy to monitor statutory activities such as safeguarding, health and safety and SEND (Special Educational Needs and Disability). Due to the restrictions surrounding the Covid-19 pandemic, usual visits made to routine lessons, prize giving, and performances were limited in the year under review. The whole governing body undertakes an annual self-review survey to reflect on their own performance, audit available skills and to identify training needs. The impact and effectiveness of the trustees is kept under review internally.

Governance (continued)

Review of value for money

As was recommended by the Procurement Policy Note (PPN) 02/20 guidance, the Academy ensured that all suppliers considered to be at risk were continually paid as normal even when service was temporarily suspended due to the pandemic lockdown. The Academy followed the open book recommendations by ensuring that suppliers confirmed no profits were made on undelivered elements of the contract over the lockdown period. Payments were also processed to suppliers without any delay in order to help them maintain their cashflow and protect jobs.

In line with the recommendations of the Procurement Policy Note (PPN) 04/20 guidance, as a contracting authority, the Academy evaluated and determined which suppliers were critical to its continued operation in the medium and long term and whether or not they were financially at risk.

The Academy has consistently followed the procedures outlined in its procurement policy and thereby continues to obtain value for money in the procurement of services and goods for the Academy.

As Accounting Officer, the Principal has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved. The accounting officer for the Academy has delivered and improved value for money during the year by ensuring implementation of the following:

- ◆ All purchases, however small, have to be made using the Academy's purchase order system enabling all financial transactions to be checked and critically analysed for value for money.
- ◆ The Academy has invested in a new integrated Access budgeting and finance software which continually allows for the development of a robust 5-year budget forecast refreshed annually. It affords the Academy the opportunity to take anticipated macro-economic changes into consideration when making plans for future periods.
- ◆ Expenditure is compared with other similar local schools through the use of the benchmarking data provided by national league tables, for example, on pupil/teacher ratios, expenditure per pupil and staff cost to total income ratio.
- ◆ All expenditure over £2,500 has to receive approval from the CFO, over £10,000 from the Principal and over £25,000 from the governors. Again, these limits enable all significant expenditure to be challenged on the grounds of "best value".

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, 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 at the Academy for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The trustees and Governing Body have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees and Governing Body are of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees and Governing Body.

The risk and control framework

The Academy'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 trustees and Governing Body;
- ◆ 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;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks;
- ◆ the trustees and Governing Body have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors continued to utilise the services of Hillyates Chartered Accountants to provide external scrutiny over the Academy's internal system of control. The role includes giving advice on financial matters and performing a risk-based range of checks on the Academy's financial systems. Two external independent scrutiny visits were conducted in February 2021 and August 2021 to examine financial systems and controls. Two separate reports were presented to the trustees on the operation of the systems of control and the discharge of the trustees' and Governing Body's financial responsibilities;

Governance statement 31 August 2021

- ◆ during the year, the trustees collated a cyclical programme of internal scrutiny in response to the recommendations of the Academies Trust Handbook. The line-up of the programme of work reflects the main risks facing the Academy, two of which (Pupil Premium and Other Income) were reviewed in depth during the reporting officer visit in the summer term;

Review of effectiveness

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

- ◆ the work of the Reporting Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

Review of effectiveness (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and ensures continuous improvement of the system is in place.

Approved by order of the trustees and Governing Body and signed on their behalf by:

Trustee
Approved on:

Jocelyn Mitchell
6 December 2021

Principal and Accounting Officer



Shereka James

Statement on regularity, propriety and compliance 31 August 2021

As Accounting Officer of The Skinners' Academy, I have considered my responsibility to notify the Academy's trustees and Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

Shereka James

Accounting Officer

Date: 06/12/2021

Statement of trustees' responsibilities 31 August 2021

The trustees (who act as governors of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 and signed on its behalf by:

Trustee

Jocelyn Mitchell

Jocelyn Mitchell

Date: 6 December 2021

Independent auditor's report to the members of The Skinners' Academy

Opinion

We have audited the financial statements of The Skinners' Academy (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

Conclusions relating to going concern (continued)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Independent auditor's reports Year to 31 August 2021

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance 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;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;

Independent auditor's reports Year to 31 August 2021

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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 auditor's report.

Use of our report

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



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street

London

EC2V 6DL



Independent reporting accountant's report on regularity to The Skinners' Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Skinners' Academy during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Skinners' Academy's Accounting Officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of The Skinners' Academy's funding agreement with the Secretary of State for Education dated 30 April 2008 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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.

Independent auditor's reports Year to 31 August 2021

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

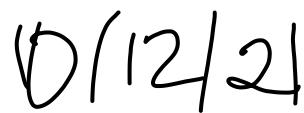
- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.



Buzzacott LLP
Chartered Accountant
130 Wood Street
London
EC2V 6DL



Statement of financial activities Year to 31 August 2021

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Un-restricted general funds £	Restricted general funds £	Restricted fixed asset funds £	2021 Total funds £	2020 Total funds £
Income from:						
Donations and capital grants	2	36,542	92,572	353,440	482,554	146,430
Charitable activities						
. Funding for the Academy's educational operations	4	—	9,120,181	—	9,120,181	9,015,507
Other trading activities	5	173,056	—	—	173,056	96,972
Investments	3	3,403	—	—	3,403	16,749
Total income		213,001	9,212,753	353,440	9,779,194	9,275,658
Expenditure on:						
Charitable activities						
. Academy's educational operations	6	—	9,940,955	1,051,367	10,992,322	10,420,130
Total expenditure		—	9,940,955	1,051,367	10,992,322	10,420,130
Net income (expenditure)	16	213,001	(728,202)	(697,927)	(1,213,128)	(1,144,472)
Transfers between funds		—	—	—	—	—
Other recognised gains and losses						
Actuarial gain (loss) on defined benefit pension schemes	22	—	(1,129,000)	—	(1,129,000)	426,000
Net movement in funds		213,001	(1,857,202)	(697,927)	(2,342,128)	(718,472)
Reconciliation of funds						
Fund balances brought forward at 1 September 2020		2,575,705	(2,010,923)	24,755,354	25,320,136	26,038,608
Fund balances carried forward at 31 August 2021		2,788,706	(3,868,125)	24,057,427	22,978,008	25,320,136

All of the Academy's activities derive from continuing operations during the above two financial periods.

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		23,870,367		24,755,354
Current assets					
Debtors	14	456,399		444,193	
Cash at bank and in hand		3,269,084		2,889,909	
		3,725,483		3,334,102	
Liabilities					
Creditors: amounts falling due within one year	15	(656,842)		(330,320)	
Net current assets			3,068,641		3,003,782
Total net assets less current liabilities			26,939,008		27,759,136
Net assets excluding pension scheme liability			26,939,008		27,759,136
Pension scheme liability	22		(3,961,000)		(2,439,000)
Total net assets			22,978,008		25,320,136
Restricted funds					
Fixed asset funds	16		24,057,427		24,755,354
Restricted income funds	16		92,875		428,077
Pension reserve	16		(3,961,000)		(2,439,000)
Total restricted funds			20,189,302		22,744,431
Unrestricted income funds	16				
General fund			2,788,706		2,575,705
Total funds			22,978,008		25,320,136

Approved by the trustees and signed on their behalf by:

Trustee


Jocelyn Mitchell

Approved on:

6 December 2021

Company Limited by Guarantee

Registration Number

06543682 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2021

		2021 £	2020 £
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	184,340	(19,363)
Cash flows from investing activities			
Net cash provided by (used in) investing activities	B	194,835	(216,469)
Change in cash and cash equivalents in the year		379,175	(235,832)
Cash and cash equivalents at 1 September		2,889,909	3,125,741
Cash and cash equivalents at 31 August	C	3,269,084	2,889,909

A Reconciliation of income to net cash flow from operating activities

		2021 £	2020 £
Net expenditure for the year (as per the statement of financial activities)		(1,213,128)	(1,144,472)
Adjusted for:			
Depreciation charges (note 12)		1,051,367	971,799
Capital grants from DfE and other capital income		(357,812)	(117,430)
Interest receivable (note 3)		(3,403)	(16,749)
Defined benefit pension scheme cost less contributions payable (note 22)		348,000	292,000
Defined benefit pension scheme finance cost (note 22)		45,000	51,000
(Increase) decrease in debtors		(12,206)	(73,408)
Increase (decrease) in creditors		326,522	17,897
Net cash (used in) provided by operating activities		184,340	(19,363)

B Cash flows from investing activities

		2021 £	2020 £
Dividends, interest and rents from investments		3,403	16,749
Purchase of tangible fixed assets		(166,380)	(350,648)
Capital grants from DfE/ESFA		357,812	117,430
Net cash provided by (used in) investing activities		194,835	(216,469)

C Analysis of cash and cash equivalents

		2021 £	2020 £
Cash at bank and in hand		3,269,084	2,889,909
Total cash and cash equivalents		3,269,084	2,889,909

Consolidated statement of cash flows Year to 31 August 2021

D Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	2,889,909	379,175	3,269,084
Total	2,889,909	379,175	3,269,084

Principal accounting policies Year to 31 August 2021

Statement of accounting policies

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

Basis of preparation

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

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

The accounts are presented in pound sterling and rounded to the nearest pound.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. In making this assessment, the trustees have considered the impact of Covid-19 on the future income, expenditure and activities of the Academy.

Income

All income is recognised when the Academy 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.

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

Income (continued)

Grants (*continued*)

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

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 period it is receivable and to the extent the Academy has provided the goods or services.

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.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies Year to 31 August 2021

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:

- ◆ Furniture, fittings and equipment - 10% p.a.
- ◆ Buildings - 2% p.a.
- ◆ Motor vehicles - 20% p.a.
- ◆ Computers - 33% p.a.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 note 15. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy 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 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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.

Fund accounting

The unrestricted general fund represents those monies that are freely available for application towards achieving any charitable purpose that falls within the Academy's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy 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.

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (*continued*)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.

Critical areas of judgement

Other than the estimates discussed above, the governors do not consider that there are any key judgements made in the preparation of the financial statements.

Notes to financial statements Year to 31 August 2021

1 General Annual Grant (GAG)

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

The Academy did not exceed these limits at 31 August 2021.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed assets funds £	2021 Total funds £	2020 Total funds £
Capital grants	—	92,572	265,240	357,812	117,430
Other donations	36,542	—	88,200	124,742	29,000
	36,542	92,572	353,440	482,554	146,430

3 Investment income

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Interest receivable	3,403	—	3,403	16,749
	3,403	—	3,403	16,749

4 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
DfE/ESFA grants				
. General Annual Grant (GAG)	—	8,184,451	8,184,451	8,169,270
. Pupil Premium	—	433,302	433,302	472,442
. Other DfE/ESFA grants	—	43,890	43,890	35,744
	—	8,661,643	8,661,643	8,677,456
Other Government grants				
. Local authority grants	—	168,881	168,881	180,136
	—	168,881	168,881	180,136
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	67,949	67,949	—
Other DfE/ESFA COVID-19 funding	—	128,429	128,429	37,481
	—	196,378	196,378	37,481
Other income from the academy trust's educational operations	—	93,279	93,279	120,434
Total Funds	—	9,120,181	9,120,181	9,015,507

4 Funding for Academy's educational operations (continued)

The trust received £67,949 of funding for catch-up premium and expended £4,211 funds carried forward in respect of this funding, to be utilised in the next financial year totalled £63,738.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium 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.

Funding in the prior year for other COVID funding covered £128,429 of additional coronavirus expenditure including costs in association with coronavirus testing, and £37,481 of additional Free School Meal costs, made outside of the national voucher scheme. These costs are included in notes 6 and 7 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Hire of facilities/lettings income	894	—	894	18,719
Income from other charitable activities	167,956	—	167,956	49,075
Income from ancillary trading activities	4,206	—	4,206	29,178
	173,056	—	173,056	96,972

For the year ended 31 August 2021, catering income with respect to pupils is shown within "Other income from the academy trust's educational operations" in Note 4 above, having previously been recognised within Note 5 above. For consistency the 2020 figures above have been reclassified.

6 Expenditure

	Non pay expenditure			2021 Total funds £	2020 Total funds £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
. Direct costs	6,518,819	1,051,367	449,656	8,019,842	7,732,095
. Allocated support costs (note 7)	1,673,447	572,534	726,499	2,972,480	2,688,035
	8,192,266	1,623,901	1,176,155	10,992,322	10,420,130

Net income (expenditure) for the year includes:	2021 funds £	2020 funds £
Operating lease rentals	10,943	8,551
Depreciation	1,051,367	971,799
Fees payable to the auditor for:		
. Audit	13,610	13,190
. Other services	3,170	3,100

7 Charitable activities

	2021 Total funds £	2020 Total funds £
Direct costs – educational operations	8,019,842	7,732,095
Support costs – educational operations	2,972,480	2,688,035
	<u>10,992,322</u>	<u>10,420,130</u>

	2021 Total funds £	2020 Total funds £
Analysis of support costs		
Support staff costs	1,673,447	1,454,785
Technology costs	3,291	18,683
Premises costs	572,534	509,519
Other support costs	705,375	689,188
Governance costs	17,833	15,860
Total support costs	<u>2,972,480</u>	<u>2,688,035</u>

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Notes	Unrestricted general funds £	Restricted general funds £	Restricted fixed asset funds £	2020 Total funds £
Income from:					
Donations and capital grants	2	29,000	—	117,430	146,430
Charitable activities					
. Funding for the Academy's educational operations	4	120,434	8,895,073	—	9,015,507
Other trading activities	5	96,972	—	—	96,972
Investments	3	16,749	—	—	16,749
Total income		263,155	8,895,073	117,430	9,275,658
Expenditure on:					
Charitable activities					
. Academy's educational operations	6	—	9,448,331	971,799	10,420,130
Total expenditure		—	9,448,331	971,799	10,420,130
Net income (expenditure)	16	263,155	(553,258)	(854,369)	(1,144,472)
Transfers between funds		—	(233,218)	233,218	—
Other recognised gains and losses					
Actuarial gain (loss) on defined benefit pension schemes	22	—	426,000	—	426,000
Net movement in funds		263,155	(360,476)	(621,151)	(718,472)
Reconciliation of funds					
Fund balances brought forward at 1 September 2019		2,312,550	(1,650,447)	25,376,505	26,038,608
Fund balances carried forward at 31 August 2020		2,575,705	(2,010,923)	24,755,354	25,320,136

9 Staff

a) Staff costs

Staff costs during the period were:

	2021 £	2020 £
Wages and salaries	5,720,983	5,318,757
Social security costs	627,680	578,689
Pension costs	1,413,009	1,287,980
Supply staff costs	7,761,672	7,185,426
	430,594	531,633
	8,192,266	7,717,059

9 Staff (continued)

b) Staff numbers

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

	2021 No.	2020 No.
Teachers	77	74
Administration and support	58	63
Management	9	9
	144	146

c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2021	2020 No.
£60,001 - £70,000	6	4
£70,001 - £80,000	2	4
£80,001 - £90,000	1	1
£90,001 - £100,000	2	—
£110,001 - £120,000	—	1

d) Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total cost of employment (including employer pension contributions and employer's national insurance contributions) of key management personnel for their services to the Academy was £998,299 (2020: £919,085).

10 Trustees' remuneration and expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

10 Trustees' remuneration and expenses (continued)

	2021 £'000	2020 £'000
S James (Headteacher and Trustee)		
. Remuneration	95 – 100	5 – 10
. Employer's pension contributions	20 - 25	0 – 5
J Beighton (Headteacher and Trustee)		
. Remuneration	—	115 – 120
. Employer's pension contributions	—	—
T Clark (Headteacher and trustee)		
. Remuneration	—	15 – 20
. Employer's pension contributions	—	0 – 5
. Non-contractual payments	—	—
M Dunstan (Staff trustee)		
. Remuneration	50 – 55	50 – 55
. Employer's pension contributions	10 – 15	10 – 15
M Bienvenu (Staff trustee)		
. Remuneration	35 – 40	35 – 40
. Employer's pension contributions	5 - 10	5 - 10

No expenses were reimbursed to governors in the year (2020 – none).

Other related party transactions involving the trustees are set out in note 18.

11 Governors' and Officers' Insurance

The Academy 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.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
Cost					
At 1 September 2020	29,493,483	1,613,622	1,205,117	43,847	32,356,069
Additions	—	40,669	125,711	—	166,380
At 31 August 2021	<u>29,493,483</u>	<u>1,654,291</u>	<u>1,330,828</u>	<u>43,847</u>	<u>32,522,449</u>
Depreciation					
At 1 September 2020	5,590,117	1,221,774	744,977	43,847	7,600,715
Charge in period	589,872	161,846	299,649	—	1,051,367
At 31 August 2021	<u>6,179,989</u>	<u>1,383,620</u>	<u>1,044,626</u>	<u>43,847</u>	<u>8,652,082</u>
Net book value					
At 31 August 2021	<u>23,313,494</u>	<u>270,671</u>	<u>286,202</u>	—	<u>23,870,367</u>
At 31 August 2020	<u>23,903,366</u>	<u>391,848</u>	<u>460,140</u>	—	<u>24,755,354</u>

The land which the Academy is sited is currently leased from the London Borough of Hackney and the Skinners' Company at a peppercorn rent.

13 Taxation

The Academy is an exempt charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charities.

14 Debtors

	2021 £	2020 £
VAT recoverable	208,155	170,432
Other debtors	—	5,687
Prepayments and accrued income	248,244	268,074
	456,399	444,193

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	407,918	—
Taxation and social security	165,567	144,509
Accruals and deferred income	79,470	157,790
Other creditors	3,887	28,021
	656,842	330,320

	2021 £	2020 £
Deferred income		
Deferred income at 1 September	—	—
Released during the year	—	—
Resources deferred in the year	—	—
Deferred income at 31 August	—	—

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
. General Annual Grant (GAG)	155,983	8,184,451	(8,311,297)	—	29,137
. Pupil Premium	272,094	433,302	(705,396)	—	—
. Catch-up premium	—	67,949	(4,211)	—	63,738
. Other DfE/ESFA COVID-19 funding	—	128,429	(128,429)	—	—
. Other grants	—	398,622	(398,622)	—	—
. Pension reserve	<u>(2,439,000)</u>	<u>—</u>	<u>(393,000)</u>	<u>(1,129,000)</u>	<u>(3,961,000)</u>
	<u>(2,010,923)</u>	<u>9,212,753</u>	<u>(9,940,955)</u>	<u>(1,129,000)</u>	<u>(3,868,125)</u>
Restricted fixed assets fund					
. DfE/ESFA capital grants	981,914	265,240	(402,945)	—	844,209
. Capital expenditure from GAG	2,137,571	—	(1,992)	—	2,135,579
. Gifts in kind & donations	<u>21,635,869</u>	<u>88,200</u>	<u>(646,430)</u>	<u>—</u>	<u>21,077,639</u>
	<u>24,755,354</u>	<u>353,440</u>	<u>(1,051,367)</u>	<u>—</u>	<u>24,057,427</u>
Total restricted funds	22,744,431	9,566,193	(10,992,322)	(1,129,000)	20,189,302
Unrestricted funds					
. General funds	2,575,705	213,001	—	—	2,788,706
Total unrestricted funds	2,575,705	213,001	—	—	2,788,706
Total funds	25,320,136	9,779,194	(10,992,322)	(1,129,000)	22,978,008

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

ESFA revenue grant fund and other restricted funds

These grants relate to the Academy's development and operational activities.

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2021. Note 1 discloses whether the limit was exceeded.

Fixed asset fund

These grants relate to capital funding to carry out works of a capital nature. The transfer between funds relates to purchase of capital items using ESFA restricted general funds.

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Pension Scheme.

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
. General Annual Grant (GAG)	599,459	8,169,270	(8,379,528)	(233,218)	155,983
. Pupil Premium	272,094	472,442	(472,442)	—	272,094
. Other grants	—	253,361	(253,361)	—	—
. Pension reserve	(2,522,000)	—	(343,000)	426,000	(2,439,000)
	<u>(1,650,447)</u>	<u>8,895,073</u>	<u>(9,448,331)</u>	<u>192,782</u>	<u>(2,010,923)</u>
Restricted fixed assets fund					
. DfE/ESFA capital grants	898,908	117,430	(34,424)	—	981,914
. Capital expenditure from GAG	1,980,185	—	(75,832)	233,218	2,137,571
. Gifts in kind & donations	22,497,412	—	(861,543)	—	21,635,869
	<u>25,376,505</u>	<u>117,430</u>	<u>(971,799)</u>	<u>233,218</u>	<u>24,755,354</u>
Total restricted funds	23,726,058	9,012,503	(10,420,130)	426,000	22,744,431
Unrestricted funds					
. General funds	2,312,550	263,155	—	—	2,575,705
Total unrestricted funds	2,312,550	263,155	—	—	2,575,705
Total funds	26,038,608	9,275,658	(10,420,130)	426,000	25,320,136

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2021 £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	23,870,367	23,870,367
Current assets	2,788,706	749,717	187,060	3,725,483
Current liabilities	—	(656,842)	—	(656,842)
Pension scheme liability	—	(3,961,000)	—	(3,961,000)
Total net assets	2,788,706	(3,868,125)	24,057,427	22,978,008

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2020 £
<i>Fund balances at 31 August 2020 are represented by:</i>				
Tangible fixed assets	—	—	24,755,354	24,755,354
Current assets	2,575,705	758,397	—	3,334,102
Current liabilities	—	(330,320)	—	(330,320)
Pension scheme liability	—	(2,439,000)	—	(2,439,000)
Total net assets	2,575,705	(2,010,923)	24,755,354	25,320,136

18 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 are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain donations, trustees' remuneration and expenses already disclosed in note 2 and 9.

19 Capital commitments

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

20 Commitments under operating leases

Operating leases

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

	2021 £	2020 £
Amounts due within one year	66,415	10,943
Amounts due between one and five years	94,609	47,584
	161,024	58,527

21 Members Liability

Each member of the Academy undertakes to contribute to the assets of the Academy 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.

22 Pension and similar obligations

The Academy'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 Hymans Robertson. 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.

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 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.

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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; and
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £804,009 (2020: £749,219).

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

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 (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £349,000 (2020 - £326,000), of which employer's contributions totalled £261,000 (2020 - £247,000) and employees' contributions totalled £88,000 (2020 - £79,000). The agreed contribution rates for 2021/22 are 19.8% (2020/21 – 19.8%) of employers and between 5.5% (2020/21 - 5.5%) and 12.5% (2020/21 - 12.5%) of employees.

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	2.9%	2.5%
Rate of increase for pensions in payment/inflation	3.2%	2.2%
Discount rate for scheme liabilities	1.7%	1.7%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.3	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.8	22.4
Females	25.8	25.1

Sensitivity analysis	At 31 August 2021	At 31 August 2020
	£'000	£'000
Discount rate -0.5%	1,405	1,054
Salary increase rate +0.5%	95	79
Pension increase rate +0.5%	1,290	975

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021	Fair value at 31 August 2020
	£'000	£'000
Equities	3,556	2,700
Bonds	1,082	886
Property	412	363
Cash	103	81
Total market value of assets	5,153	4,030
Present value of scheme liabilities		
. Funded	(9,114)	(6,469)
Deficit in the scheme	(3,961)	(2,439)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The actual return on scheme assets was £752,000 (2020: £125,000).

Amounts recognised in statement of financial activities	2021 £'000	2020 £'000
Current service costs (net of employer contributions)	609	539
Past service cost	—	—
Interest income	(71)	—
Net interest cost	116	51
Total operating charge	654	590

Analysis of pension finance income (costs)

Expected return on pension scheme assets	71	75
Interest on pension liabilities	(116)	(126)
Pension finance income	(45)	(51)

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September	6,469	6,323
Current service cost	609	539
Interest cost	116	126
Employee contributions	88	79
Actuarial (loss) gain	1,844	(587)
Benefits paid	(12)	(11)
At 31 August	9,114	6,469

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September	4,030	3,801
Interest income	71	75
Actuarial gain	715	(161)
Employer contributions	261	247
Employee contributions	88	79
Benefits paid	(12)	(11)
At 31 August	5,153	4,030

23 Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £21,410 (2020: £25,492) and disbursed £46,281 (2020: £25,492). An amount of £3,150 (2020: £28,021) is included in other creditors in relation to carried forward unutilised Post 16 funding.