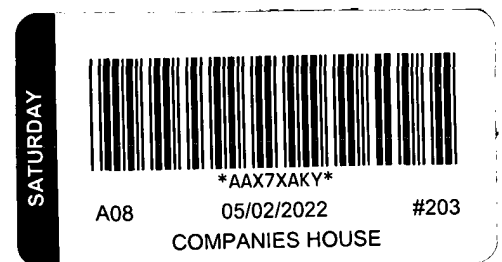


Company Registration Number: 07626956 ()

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

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ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Beavan D Regan N Hester (appointed 1 January 2021) A Killick (resigned 31 December 2020) P Miles I Venn (appointed 10 July 2021)
Trustees	R Hudswell, Co-Chair of Trustees ^{4,5} C Sanders, Co-Chair of Trustees ¹ G Benyon C Bird ^{1,3} S Coulson (appointed 1 April 2021) ¹ S Everett-Cox (appointed 1 April 2021) ^{1,2} A Gallagher (appointed 1 April 2021) ^{2,4} N Hester (resigned 31 December 2020) A Hill (appointed 1 April 2021) ¹ J Hollingbery ^{1,2} S Martin ^{4,5} A Pape (resigned 5 December 2020) D H Rowlands ^{1,2} M Smith ^{1,2} S Tetlow ^{4,5} I Venn, Chair of Trustees (resigned 9 July 2021) ^{1,2,5} G Williams ¹ ¹ Operations Committee ² Audit and Risk Committee ³ Joint Local Governing Body Committee ⁴ Staffing Committee ⁵ Pay and Performance Committee

Company registered number	07626956
Company name	Elmlea Schools' Trust
Principal and registered office	The Dell Westbury-On-Trym Bristol BS9 3UF
Company secretary	A Bizley
Accounting officer	L Wright

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior leadership team

L Wright, Executive Headteacher
J Sloper, Deputy Head
E Long, Assistant Head
V Taylor, Inclusion Lead
C Boyle, School Business Manager
L Daubney, Deputy Head
A Bizley, DFO
J Simmons, Inclusion Lead
A Neal, Early Years Lead

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Bankers

Lloyds Bank PLC
15 High Street
Westbury on Trym
Bristol
BS9 3DA

Solicitors

Browne Jacobson LLP
1st Floor
The Mount
72 Paris Street
Exeter
Devon
EX1 2JY

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a primary multi academy trust consisting of two schools for pupils aged 4 to 11 in Bristol. It has a total capacity of 630 across the Infant school and Junior school and had a total roll of 631 in the school's census on 7th October 2021. The MAT was formed in September 2019 with Elmlea Infant school with a pupil capacity of 270 joining Elmlea junior with a pupil capacity of 360 to form the Elmlea Schools' Multi Academy Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 9th July 2019 and is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Elmlea Schools Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Elmlea Schools' Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Members' Liability

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

Trustees' Indemnities

The Academy is a member of the Department for Education's Risk Protection Arrangement (RPA) - a voluntary arrangement for academies as an alternative to commercial insurance. This provides unlimited cover.

Method of recruitment and appointment or election of Trustees

On 1 July 2019 the Members appointed Trustees from Trustees and Governors that served the predecessor schools to be Trustees of the newly formed Academy Trust. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. The Trust reviews its structure annually and undertakes a recruitment drive for forthcoming vacancies, recruiting ahead of vacancies occurring to ensure a period of training

The Board of Trustees has 12 members with additional Co-opted trustees and Local Governing Bodies.

Trustees are appointed for a four-year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trusts ongoing development.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Policies and Procedures adopted for the Induction and Training of Trustees

The Trust has a trustee recruitment, induction and training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees depends upon their existing experience. New Trustees are introduced to the trust schools through an informal meeting and tour with the Executive Headteacher and there is a chance to meet with staff and pupils. A mentoring system is also in place for new Trustees during the first year of appointment. The Trust arranges bespoke training events to keep Trustees and governors updated on relevant developments impacting their roles and responsibilities and / or to consider school strategy. In addition, the Trust subscribes to the National Governors Association and the Bristol Governor Development Service which provides an information service and training for members, trustees and governors.

Organisational Structure

The management structure consists of three levels: The Trustees, The Local Governing Body (LGB) and the senior management team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees normally meets once a term, 6 times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committee for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees as follows:

- Operations Committee – this meets every term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, budget setting, risk management, value for money compliance with reporting in line with regulatory requirements. It also acts as the safety committee for the rest of the school. It is responsible for the safeguarding and health and safety for the rest of the school
- Audit & Risk is a committee of the main Board of Trustees. Its purpose is to assist the Board in the fulfilment of its corporate governance duties in relation to risk management, internal control, General Data Protection Regulations and financial reporting.
- Joint Local Governing Body – this meets every term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. Responsible for the link between the Trust and parents and the community.
- Staffing committee- meets termly to ensure that the responsibilities of the Board of Trustees in relation to all staff matters are fulfilled.
- Pay & Performance Committee responsible for Leadership, Staff pay and appraisals.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair/Co-Chair and / or Vice Chair, to appoint the Chief Executive Officer (CEO) / Executive Headteacher and Clerk to the Trustees, to approve the Annual Development Plans and budget.

The Trustees are responsible for strategic decision making about the direction of the Academy, capital expenditure and staff appointments. Trustees adopt an annual plan and budget, approve the statutory accounts and monitor the Academy's performance through, pupil data, budgets and other data.

The Academy has a leadership structure which consists of the Trustees, The Senior Executive and Leadership Team and Team leaders. The aim of the leadership structure is to devolve responsibility, and encourage involvement in decision making at all levels.

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

In the year the Board of Trustees have delegated responsibility for day to day management of the schools' within the Academy Trust to the Executive Headteacher and Executive Leadership (ELT) and Senior Leadership Team (SLT). The SLT comprises the Executive Headteacher, Deputy Headteachers, Assistant Headteachers, Special Educational Needs and Disabilities Coordinator (SENDCO), the Early Years Lead, the Director of Finance and Operations and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel.

The Board of Trustees and the senior leadership team comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually in accordance with the Academy's Pay and A Policy.

Trade union facility time

There were no relevant union officials for the year ended 31 August 2021.

Related Parties and other Connected Charities and Organisations.

There are no related parties which either control or significantly influence the decisions and operations of Elmlea Schools' Trust.

Significant connected parties are:

- The Elmlea Junior School Parent Teacher Association (PTA)
- The Elmlea Infant School Association (EISA)

The Trust has strong collaborative links with local school networks including the NW24 and a local Business Manager Partnership.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing the schools, offering a broad range of curriculum for pupils of different abilities.

The vision for the Trust is focused upon personal development and well-being of the school community as the solid foundation on which learning becomes more effective. The Trust is currently undergoing a consultation process on an appropriate motto to adopt.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, Strategies and Activities

The aims of the Academy during this year ended 31 August 2021 are summarised below:

- Coordinate to raise the standard of educational attainment and achievement of all pupils.
- To ensure that every child makes at least "Expected" progress and maximise the number of pupils achieving "Age Related Expectations" in Reading, Writing and Maths
- As a Trust with high attaining children on entry from KS1, focus on maximising the number of pupils achieving higher standardised scores in Reading and Maths
- Support more pupils to achieve "Greater Depth" (i.e. above expected standard) in Writing
- Continue to provide, review and develop a broad and balanced curriculum which anticipates and matches the needs for future society
- Provide a wide range of extra-curricular activities which complements the core curriculum
- Develop pupils as effective independent and self-motivated learners
- Develop the Academy site so that it enables pupils to achieve their full potential
- Ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care
- Maintain close links with the local community
- Continue to monitor, review and evaluate effectiveness of organisational structure and systems
- Provide value for money for the funds expected
- Comply with all appropriate statutory and curriculum requirements
- Develop the Academy's capacity to manage change, and
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Strategic priorities are outlined in our School Development Plan for the academic year which is available from the school office.

At Elmlea Schools' Trust we have a key priority for each area of development. Although lockdown due to COVID proved to be in some aspects an accelerant towards achieving our objectives, it did however create barriers to success in other areas.

Leadership and Management

Develop and build leadership strength and capacity across schools at all levels.

As a newly formed Trust in our second year we prioritised leadership at all levels from senior leaders to subject leaders.

Senior Leaders – we started meeting as a joint senior leadership team to accelerate the consistent joined approach of our schools going forward. This created an opportunity for all our senior leadership (SLT) members to develop a Trust-wide strategic view, as well as develop a working knowledge of each staff team from EYFS, KS1 through to KS2. This has led to leaders with a clear view of the whole Trust, the areas for development in both schools and the strengths and areas for development specific to each phase.

Each SLT member completed an individual psychometric profile to better understand their strengths and areas for development and received an individual coaching session to reflect on the outcomes from this profile.

Consequently, we have senior leaders who are developing with a greater understanding of their own strengths and area for development in their leadership capacity.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Subject leaders

All teachers unless they are newly qualified are Subject leaders – who were led and developed by our highly experienced Elmlea curriculum team. Across the year there were opportunities to review their curriculum in light of our curriculum values as well as monitor their own subject for further development. Each subject leader had an opportunity if requested to lead whole staff continuing professional development (CPD) via the staff meetings and CPD opportunities for each subject were available where relevant. Consequently, we are developing subject leaders with confidence and knowledge to lead their subject to ensure an outstanding curriculum provision.

Quality of Education

Following the disruption due to COVID the objective is to ensure all children are at least back on track and potentially exceeding their attainment expectations by the end of Term 6.

As well as offering an outstanding provision of education, this year we were able to complement this with additional support via the catch-up premium. We used the premium to employ additional support staff and teaching hours to augment our provision. Unfortunately, the second lockdown slowed progress and our targets for the children had to be adjusted. Our testing in Term 6 showed areas of strength across year groups as well as key areas to build on with regards to catch up for the new academic year.

Behaviour and Attitude

Principles of "Becoming Better Learners" established for EYFS and KS1 and further embedded for KS2 to enable children to become independent, resilient and resourceful learners.

The principles with regards to building better learners was effectively introduced in the Infant School and we were able to use online assemblies during lockdown to reinforce this approach which also served to explain the understanding to parents as well.

By the end of the academic year all children understood core aspects of "purple learning" as it became known and for our older children it really supported independent learning.

Personal development

Ensure all children and staff have a range of strategies, they can use to support their mental health and wellbeing

Staff mental health and wellbeing

A wellbeing committee was established to consider staff wellbeing in greater detail with colleague representation from across all teams. Their key role has played a large part in driving the agenda for areas for staff wellbeing and a staff survey drawn up by the committee, completed in the summer term continues to drive the focus. All staff received weekly check ins with their line manager during lockdown to support their own wellbeing and a range of wellbeing webinars to develop their own wellbeing strategies was signposted.

Consequently, we have a staff team who have had opportunities to develop strategies to support each other and themselves with mental health and wellbeing. The appointment of a mental health lead for staff will be a priority in the new academic year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Children's mental health and wellbeing

From the start of the year following on from last year's focus on wellbeing we started with a two-week induction with a focus on wellbeing this then continued with regular wellbeing sessions across each week. The children were taught specific techniques to support their wellbeing and these were then reviewed at the start of every new term to ensure they were remembered. In a review with governors the children spoke movingly and powerfully about how their teachers support them with their own mental health through strategies they have been taught but also about how they support each other.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit, education in the surrounding area and so is an active member of the local school's networks, working collaboratively to share best practice across a broad range of teaching and learning as well as school business themes.

The Academy Trust provides facilities for recreational and other leisure occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Covid-19

As elsewhere, COVID-19 had a significant impact on our schools and communities in the past year. The school remained open to key worker and vulnerable children during the lockdown period. We underwent a thorough risk assessment process in advance of full opening and as a Trust we have worked hard to support staff.

Elmlea Schools' Trust comprising both Elmlea Infant School and Elmlea Junior School, continues to provide an outstanding education. Both schools remained open throughout the last academic year and throughout lockdown continued to provide both online learning provisions and in school childcare for vulnerable children and children of key workers.

Using Catch up funding we were able to target children whose progress had been adversely affected by both lockdowns and reported strong data improvement for the children identified as well as whole school data being strong.

The school continued to ensure pupil wellbeing was at the forefront of our provision and we ensured the focus on our Elmlea curriculum continued to be both broad and balanced throughout the year.

Under the aims of the Trust, both schools have continued to develop our partnership and by working alongside each other have achieved great strides in terms of our organisational systems being consistent across the Trust.

Our aim for the coming year is greater consistency in terms of our educational provision across the Trust. Without Covid restrictions in place it will be much easier to facilitate as all staff and children can move across the site to grow together.

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Key Performance Indicators

The main financial performance indicator is the level of free reserves held at the Balance Sheet date of £324,836.

As funding is based on pupil numbers this is also a key performance indicator and is central to the school's capacity to deliver its development plans. The schools are at full capacity of approximately 270 for the Infant school and 360 for the Junior school, making a total of 630 across the two schools throughout the academic year. The schools are oversubscribed and have a waiting list for a number of year groups.

The following KPI's were set at the start of the year:

	Target	Actual
Pupil Number	630	630
No Of Teachers (FTE)	23.02	23.98
Pupil to teacher ratio	27.37	26.27
No of Non-Teachers (FTE)	26.34	26.11
Staff Costs as % of income	83.06%	79.76%
Staff Costs as % of expenditure	83.07%	82.40%
Staff Costs Per Pupil	£3,623	£3,619
Cash Balances at year end	£250,000	£473,336

Going Concern

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

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy received total income of £2,880,757 and incurred total expenditure of £2,945,193. The excess of expenditure over income for the year was £64,436.

At 31 August 2021 the net book value of fixed assets was £4,761,680 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 21 to the financial statements. This has been underwritten by the Government from 18th July 2013.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Financial Management Policy lays out the framework for financial management, including financial responsibilities and delegated authority levels is reviewed at least annually. This incorporates the Academy's guiding principles in relation to Investments, Reserves and Depreciation.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees believe that they should maintain reserves to cover reasonably foreseeable eventualities and or capital expenditure. These reserves should be approximately one month of normal operating expenditure (approximately £250,000) unless there are exceptional circumstances e.g. saving for a large capital project or retaining funds for anticipated drop in income. At the year end the total reserves were £3,176,359 of which £2,851,523 is invested in fixed assets or held in restricted funds (excluding GAG). Free reserves at year end were £324,836. The Academy is committed to a capital and premises plan to reduce the level of reserves in order to continue to improve the education environment in a managed programme of works.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Any cash not required for operating expenses is placed on deposit at the most favourable rate available. Day to day management of the surplus funds is delegated to the Executive Headteacher and the Director of Finance and Operations within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate these risks. This is managed through close monitoring and updating of the Academy's Risk Register. The Risk Register is reinforced by a formal annual review led by the Chair of the Audit Committee.

The principal risks and uncertainties facing the Academy are as follows:

Financial – the Academy is reliant on continued government funding through the EFA. In the last year 98% of the Academy's incoming resources were ultimately government funded. Impending changes to the governments funding strategy for schools nationally, brings a significant degree of uncertainty around future funding levels.

The Trustees examine financial health regularly, by means of update reports at all Board and Operations committee meetings. The Trustees also review the financial key performance indicators (KPI's), the level of reserves and cash flow forecasts to preserve the quality of provision and long-term sustainability, through turbulent times.

The Board of Trustees recognises that the defined benefit pension scheme (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant and increasing potential liability. However, the Trustees consider that the Trust is able to meet its known contribution commitments for the foreseeable future and so the risk from this liability is minimised.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reputational – the ongoing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To guard against any decline in performance, the Trustees ensure that pupils' academic progress and attainment are closely monitored and reviewed, and that appropriate high- quality provision is in place.

Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the aspects of Safeguarding. Clear policies and procedures are in place and appropriate regular training is provided, so there is a high level of awareness throughout the school community.

Staffing – the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Further risks that are managed through the risk register include:

- Failures in governance and/or management
- Fraud and mismanagement of Funds
- Staffing in particular the recruitment and retention of high- quality staff

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

FUNDRAISING

The Trust undertakes limited amounts of fund raising. The majority of the fund-raising activities are undertaken by two parent teacher associations who raise funds by holding a number of functions during the school year, where they are able to raise about £20k per annum. The schools work closely with these organisations to ensure that the activities are consistent with the schools aims and objectives and comply with all appropriate guidelines. These funds are spent on areas of the school which are identified through consultation with staff and the PTA.

Parents also donate annually to the school for additional activities that the children can undertake, these funds are also used to buy additional resources for use within the school. Gift aid is claimed for these donations.

PLANS FOR FUTURE PERIODS

Elmlea Schools' Trust continues to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. Our aim to provide an outstanding education is underpinned by continuing to attract and support high quality teachers and support staff in order to deliver our objectives.

We continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

We have invested in improving the buildings, mainly investing in improvements to the Infant school building which had seen a lack of investment as a maintained school.

For the financial year ending 31st August 2021, the Trust had a one- year development plan to improve four core areas of governance, and we are now developing a three- year development plan which will detail our plans for the future.

**ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 8/12/2021 and signed on the board's behalf by:



C Sanders
Co-Chair of Trustees

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF RESPONSIBILITY

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

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year 2020/2021. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Venn	7	7
Mr C Bird	6	7
Mr G Beynon	6	7
Mr S Coulson	1	2
Mrs Everett-Cox	1	2
Mrs A Gallagher	2	2
Mr N Hester	3	3
Mr A Hill	2	2
Mr J Hollingbery	2	7
Mr R Hudswell	7	7
Mrs S Martin	7	7
Mr H Rowlands	7	7
Mr M Smith	7	7
Mrs S Tetlow	5	7
Mr G Williams	6	7
Mrs C Sanders	7	7

There have been changes in the membership of the Board of Trustees as trustees' terms of office (usually 4 years) come to an end.

During the year, the local governing bodies of the Infant and Junior schools held their meetings as a joint committee. This was to strengthen and share their work in order that the two schools, continue to collaborate and share resources providing a much smoother transition, for our pupils from Reception to Year 6.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Governance Review

Governance effectiveness is reviewed annually through a self-evaluation process using both the National Governor Associations skills audit and the DfE recommended governance review and the committees reviewing their terms of reference to ensure full compliance during the year.

The annual individual skills audit and governance reviews are used to ensure that there is an appropriate distribution of skills across governance committees, whose memberships are reviewed annually. Gaps in knowledge and skills identified to support the trustee and governor appointment process.

The Board of Trustees met seven times during the academic year to discharge its responsibilities, and ensure that robust governance and effective management arrangements were in place.

The Operations Committee is a committee of the main Board of Trustees. Its purpose is to provide guidance to and assist decision making of the Board of Trustees. It does this by giving more detailed consideration to fulfilling the Board of Trustees responsibility on all operational matters. It will lead on issues with regards to the financial management of the schools within the Trust, to enable detailed consideration to be given to the best means of ensuring sound management of the Trust's finances and resources, including proper planning, monitoring and probity. The Health and Safety Committee is a sub committee of the Operations committee focusing on Health and Safety issues in the schools.

During the year Mr S Coulson, Mrs S Everett-Cox and Mr A Hill joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
Mrs C Sanders	4	6
Mr C Bird	5	6
Mr S Coulson	2	2
Mrs S Everett-Cox	2	2
Mr A Hill	2	2
Mr J Hollingbery	0	6
Mr H Rowlands	5	6
Mr M Smith	6	6
Mr I Venn	5	6
Mr G Williams	3	6

The Audit Committee is a committee of the main Board of Trustees. Its purpose is to assist the Board in the fulfilment of its corporate governance duties in relation to risk management, internal control, General Data Protection Regulations and financial reporting.

During the year Mrs S Everett-Cox and Mrs A Gallagher joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
Mrs S Everett-Cox	1	1
Mrs A Gallagher	1	1
Mr J Hollingbery	0	2
Mr H Rowlands	3	3
Mr M Smith	3	3
Mr I Venn	3	3

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by moving to one Catering provider for the Trust and reviewing absence insurance.

Developing Capacity and review of staff structure

The staff structures of the Trust are kept under review by the CEO with opportunities for reshaping taken so that the Trust is well placed to deliver improvement plans and gain efficiencies. A leadership training and support programme is in place to continue to offer outstanding leadership and management within the Trust. Staff are employed across the Trust to enable school leadership to have more flexibility in deploying staff resources across the two schools.

Financial Procedures including controls and managing risks

Robust financial governance and budget management including ongoing review and improvements of controls and managing risk. Annually the Trust identifies the areas of focus of internal audits which are followed up by increasing control measures where improvement is recommended.

A full review of the Risk Register was undertaken during July 2021.

Value for money purchasing

The Trust Finance Management standards policy and procedures are reviewed annually to reflect any changes to the Academies Financial Handbook, in the value for money purchasing setting out procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

Following the formation of the MAT in September 2019, a number of large value contracts have been reviewed and re-tendered to ensure best value by using DfE recommended frameworks which provide opportunities for efficiency, group procurement and best practice. Contract renewals in the academic year included Catering and Utilities.

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 the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Elmlea Schools' Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Audit West to carry out a programme of internal checks.

Audit West's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Governance
- Business Continuity and Risk Management
- Value for Money
- Contracts and Leases
- Cyber Security

After each visit Audit West provides reports to the Board of Trustees via the Audit Committee detailing the work performed and any areas of weakness.

The reviewer has delivered the schedule of work as planned, with 4 out of 5 visits being completed remotely due to COVID-19. No material control issues were identified.

REVIEW OF EFFECTIVENESS

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

- The work of the internal reviewer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework
- The work of Audit West

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

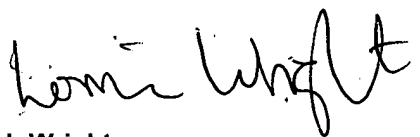
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees of the Board of Trustees on *8th December 2021* and signed on its behalf by:



C Sanders
Co-Chair of Trustees



L Wright
Accounting Officer

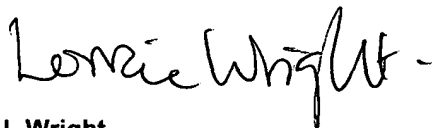
ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that 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.



L Wright
Accounting Officer

Date: 7/12/21 .

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

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

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

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

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

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

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

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



C Sanders
Co-Chair of Trustees

Date:

8/12/2021

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELMLEA SCHOOLS' TRUST

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELMLEA SCHOOLS' TRUST (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELMLEA SCHOOLS' TRUST (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the academy trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the academy trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the academy trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the academy trust in relation to these areas;
- how the academy trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the academy trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the academy trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the academy trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ELMLEA SCHOOLS' TRUST (CONTINUED)

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17/12/2021

**ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ELMLEA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 June 2020 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 Elmlea Schools' Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ELMLEA SCHOOLS' TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Elmlea Schools' Trust's funding agreement with the Secretary of State for Education dated 23 November 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned the Trustees to assess the internal controls throughout the year.

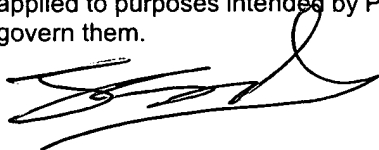
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ELMLEA
SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

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



Joseph Scaife FCA DChA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 17/12/2021

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	1,187,093
Other donations and capital grants		13,046	21,276	17,172	51,494	65,378
Charitable activities	4	23,278	2,781,487	-	2,804,765	2,674,512
Other trading activities	5	41,552	-	-	41,552	39,211
Investments	6	118	-	-	118	1,119
Total income		77,994	2,802,763	17,172	2,897,929	3,967,313
Expenditure on:						
Charitable activities	8	35,058	2,910,135	126,338	3,071,531	2,990,252
Total expenditure		35,058	2,910,135	126,338	3,071,531	2,990,252
NET (EXPENDITURE) / INCOME		42,936	(107,372)	(109,166)	(173,602)	977,061
Transfers between funds	18	-	(29,304)	29,304	-	-
Net movement in funds before other recognised gains/(losses)		42,936	(136,676)	(79,862)	(173,602)	977,061
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(181,000)	-	(181,000)	(38,000)
Net movement in funds		42,936	(317,676)	(79,862)	(354,602)	939,061
Reconciliation of funds:						
Total funds brought forward		270,076	(1,580,657)	4,841,542	3,530,961	2,591,900
Total funds carried forward		313,012	(1,898,333)	4,761,680	3,176,359	3,530,961

The notes on pages 29 to 54 form part of these financial statements.

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07626956

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	4,761,680	4,841,542
Current assets			
Debtors	15	78,510	103,688
Cash at bank and in hand		473,336	341,515
		<u>551,846</u>	<u>445,203</u>
Creditors: amounts falling due within one year	16	(195,449)	(155,707)
Net current assets		<u>356,397</u>	<u>289,496</u>
Total assets less current liabilities		<u>5,118,077</u>	<u>5,131,038</u>
Creditors: amounts falling due after more than one year	17	(2,718)	(4,077)
Net assets excluding pension liability		<u>5,115,359</u>	<u>5,126,961</u>
Defined benefit pension scheme liability	25	(1,939,000)	(1,596,000)
Total net assets		<u><u>3,176,359</u></u>	<u><u>3,530,961</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	4,761,680	4,841,542
Restricted income funds	18	40,667	15,343
		<u>4,802,347</u>	<u>4,856,885</u>
Restricted funds excluding pension asset	18	4,802,347	4,856,885
Pension reserve	18	(1,939,000)	(1,596,000)
Total restricted funds	18	<u>2,863,347</u>	<u>3,260,885</u>
Unrestricted income funds	18	<u>313,012</u>	<u>270,076</u>
Total funds		<u><u>3,176,359</u></u>	<u><u>3,530,961</u></u>

The financial statements on pages 26 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

C Sanders
 Co-Chair of Trustees
 Date:

Clare Sanders

8/12/2021

The notes on pages 29 to 54 form part of these financial statements.

ELMLEA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	164,466	70,462
Cash flows from investing activities	22	(31,286)	(82,795)
Cash flows from financing activities	21	(1,359)	(1,359)
Change in cash and cash equivalents in the year		131,821	(13,692)
Cash and cash equivalents at the beginning of the year		341,515	355,207
Cash and cash equivalents at the end of the year	23, 24	473,336	341,515

The notes on pages 29 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

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

1.3 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

- **Grants**

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

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

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

On conversion the Academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, over its expected useful life, on the following bases:

Long term leasehold land	- Over the term of the lease
Long term leasehold property	- 2% Straight Line
Leasehold property improvements	- 5% Straight Line
Office equipment	- 15% Straight Line
Computer equipment	- 20% Straight Line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.9 LIABILITIES

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

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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 the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.11 TAXATION

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

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

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 PENSIONS

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS (CONTINUED)

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

ELMLEA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
Transfer from local authority on conversion	-	-	-	-	1,187,093
Other donations	13,046	21,276	2,100	36,422	54,424
SUBTOTAL	13,046	21,276	2,100	36,422	1,241,517
Capital Grants	-	-	15,072	15,072	10,954
SUBTOTAL	-	-	15,072	15,072	10,954
	13,046	21,276	17,172	51,494	1,252,471
Total 2020	75,431	(525,352)	1,702,392	1,252,471	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	2,355,200	2,355,200	2,276,264
OTHER DFE/ESFA GRANTS				
Teachers pay and pension grants	-	113,266	113,266	112,965
Pupil Premium	-	53,484	53,484	52,668
UFSM	-	111,569	111,569	111,995
Other grants	-	49,234	49,234	44,660
	-	2,682,753	2,682,753	2,598,552
OTHER GOVERNMENT GRANTS				
Local authority grants	-	48,174	48,174	30,439
	-	48,174	48,174	30,439
Other income from the academy trust's educational operations	23,278	-	23,278	33,766
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	50,560	50,560	-
Other DfE/ESFA COVID-19 funding	-	-	-	11,755
	-	50,560	50,560	11,755
TOTAL 2021	23,278	2,781,487	2,804,765	2,674,512
TOTAL 2020	33,766	2,640,746	2,674,512	

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 Teachers Pay and Pension, Universal Infant Free School Meals and 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.

The Trust received £50,560 of funding for catch-up premium and costs incurred in respect to this funding totaled £28,366, with the remaining £22,194 to be spent in 2021/22.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	23,764	23,764	23,382
Other	17,788	17,788	15,829
	<u>41,552</u>	<u>41,552</u>	<u>39,211</u>
TOTAL 2020	<u>39,211</u>	<u>39,211</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	118	118	1,119
	<u>1,119</u>	<u>1,119</u>	
TOTAL 2020	<u>1,119</u>	<u>1,119</u>	

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	1,837,896	126,338	166,362	2,130,596	2,208,605
Allocated support costs	516,547	143,040	281,348	940,935	781,647
TOTAL 2021	<u>2,354,443</u>	<u>269,378</u>	<u>447,710</u>	<u>3,071,531</u>	<u>2,990,252</u>
Total 2020	<u>2,304,329</u>	<u>214,599</u>	<u>471,324</u>	<u>2,990,252</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	2,130,596	940,935	3,071,531	2,990,252
TOTAL 2020	2,208,605	781,647	2,990,252	

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	18,000	12,000
Staff costs	1,822,696	1,911,241
Depreciation	126,338	128,975
Educational supplies	72,948	90,270
Staff development	10,290	7,985
Other costs	3,930	3,095
Supply teachers	15,200	5,201
Recruitment and support	18,994	17,972
Technology costs	42,200	31,866
	2,130,596	2,208,605

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	13,000	15,000
Staff costs	516,547	387,887
Other costs	56,574	32,222
Recruitment and support	2,348	3,208
Maintenance of premises and equipment	53,530	53,673
Cleaning	47,488	36,902
Rates	15,663	15,612
Energy costs	34,132	36,005
Insurance	30,014	24,714
Security and transport	2,644	7,956
Catering	123,525	114,812
Technology costs	11,532	9,447
Office overheads	15,316	24,591
Bank interest and charges	57	57
Governance	18,565	19,561
	940,935	781,647

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	5,938	3,506
Depreciation of tangible fixed assets	126,338	128,975
Fees paid to auditors for:		
- audit	10,750	10,750
- other services	2,175	1,750

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,689,678	1,662,363
Social security costs	145,225	139,780
Pension costs	504,340	496,985
	<u>2,339,243</u>	<u>2,299,128</u>
Agency staff costs	15,200	5,201
	<u><u>2,354,443</u></u>	<u><u>2,304,329</u></u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	26	28
Educational support	35	37
Administration and other support	8	7
Management	9	8
	<u>78</u>	<u>80</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	21	21
Educational Support	22	19
Administration and other support	4	5
Management	8	8
	<u>55</u>	<u>53</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £530,871 (2020: £500,394).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

11. CENTRAL SERVICES

No central services were provided by the academy trust to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

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

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Leasehold property improvements £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2020	4,985,247	370,154	102,914	185,640	5,643,955
Additions	-	12,250	2,472	31,754	46,476
At 31 August 2021	4,985,247	382,404	105,386	217,394	5,690,431
DEPRECIATION					
At 1 September 2020	551,499	34,503	62,090	154,321	802,413
Charge for the year	84,513	18,547	11,002	12,276	126,338
At 31 August 2021	636,012	53,050	73,092	166,597	928,751
NET BOOK VALUE					
At 31 August 2021	4,349,235	329,354	32,294	50,797	4,761,680
At 31 August 2020	4,433,748	335,651	40,824	31,319	4,841,542

15. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	600	240
VAT Recoverable	10,325	26,966
Prepayments and accrued income	67,585	76,482
	78,510	103,688

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans	1,359	1,358
Trade creditors	60,285	24,149
Other taxation and social security	34,586	33,233
Other creditors	2,617	2,644
Accruals and deferred income	96,602	94,323
	<u>195,449</u>	<u>155,707</u>
	2021 £	2020 £
DEFERRED INCOME		
Deferred income at 1 September 2020	77,624	7,425
Resources deferred during the year	74,779	77,624
Amounts released from previous periods	(77,624)	(7,425)
Deferred income at 31 August 2021	<u>74,779</u>	<u>77,624</u>

At the balance sheet date the Academy Trust was holding funds received in relation to grants from the ESFA, for the 21/22 financial year.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Other loans	<u>2,718</u>	<u>4,077</u>

Other loans represents a loan from Salix Limited under the Schools Energy Efficiency Loans Programme. At the year end £4,077 (2020: £5,435) remains outstanding. The loan is unsecured and interest free. It is repayable by instalments following final completion of works including retention with 4 years remaining at the year end.

ELMLEA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	270,076	77,994	(35,058)	-	-	313,012
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	2,355,200	(2,314,072)	(29,304)	-	11,824
Teachers pay and pension grant	-	113,266	(113,266)	-	-	-
Pupil premium	-	53,484	(53,484)	-	-	-
UFSM	-	111,569	(111,569)	-	-	-
Other ESFA grants	15,343	49,234	(57,928)	-	-	6,649
Local authority grants	-	48,174	(48,174)	-	-	-
Covid catch-up premium	-	50,560	(28,366)	-	-	22,194
Donations	-	21,276	(21,276)	-	-	-
Pension reserve	(1,596,000)	-	(162,000)	-	(181,000)	(1,939,000)
	(1,580,657)	2,802,763	(2,910,135)	(29,304)	(181,000)	(1,898,333)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	4,116,105	-	(77,490)	-	-	4,038,615
Fixed assets purchased from GAG and DFC	710,895	15,072	(44,928)	29,304	-	710,343
Fixed Assets Donations	14,542	2,100	(3,920)	-	-	12,722
	4,841,542	17,172	(126,338)	29,304	-	4,761,680
TOTAL RESTRICTED FUNDS	3,260,885	2,819,935	(3,036,473)	-	(181,000)	2,863,347
TOTAL FUNDS	3,530,961	2,897,929	(3,071,531)	-	(181,000)	3,176,359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

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

The General Annual Grant (GAG) - This represents funding received from the ESFA during the period in order to fund the continuing activities of the school.

Teachers pay and pension grant - funding from the ESFA to cover addition teacher salary and pension costs

Pupil Premium - This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

UFSM (Universal Infant Free School Meals) - This represents funding from the ESFA to cover the cost of providing free school meals to all pupils in reception, year 1 and year 2.

Other ESFA grants - this represents grant funding from the ESFA in relation to PE and sports premium and rates relief. PE and sports premium is to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils to encourage them to develop healthier lifestyles. Rates relief is the reimbursement of the cost of business rates by the ESFA.

Local authority grants - represents high needs funding which represents funding received from the local authority to cater for the children with statements of special educational needs. Also represents pupil premium received from the local authority.

Covid catch-up premium - represents funding from the ESFA to support children and young people to catch up on missed learning caused by Covid-19.

Other DfE/ESFA covid funding - this represents funding to cover additional costs incurred by the Trust to manage the impacts of the Covid-19 pandemic

Donations largely represent income received from the Junior School Parent Teacher Association to spend on specific educational resources and income contributed towards educational trips.

The pension fund represents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an Academy.

Fixed assets purchased from General Annual Grant represents amounts spent on fixed assets from the GAG funding received from the ESFA.

Fixed assets purchased from donations represent amounts donated to be spent on specific fixed asset additions.

OTHER INFORMATION

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	297,970	149,527	(177,421)	-	-	270,076
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	2,312,151	(2,236,857)	(75,294)	-	-
Teachers pay and pension grant	-	112,965	(112,965)	-	-	-
Pupil premium	-	52,668	(52,668)	-	-	-
UFSM	-	111,995	(111,995)	-	-	-
Other DfE/ESFA grants	7,099	44,660	(36,416)	-	-	15,343
Local authority grants	-	30,439	(30,439)	-	-	-
Other DfE/ESFA covid funding	-	11,755	(11,755)	-	-	-
Donations	-	11,761	(11,761)	-	-	-
Pension reserve	(906,000)	(573,000)	(79,000)	-	(38,000)	(1,596,000)
	(898,901)	2,115,394	(2,683,856)	(75,294)	(38,000)	(1,580,657)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,510,633	1,682,818	(77,346)	-	-	4,116,105
Fixed assets purchased from GAG and DFC	661,256	19,574	(45,229)	75,294	-	710,895
Fixed Assets Donations	20,942	-	(6,400)	-	-	14,542
	3,192,831	1,702,392	(128,975)	75,294	-	4,841,542
TOTAL RESTRICTED FUNDS	2,293,930	3,817,786	(2,812,831)	-	(38,000)	3,260,885
TOTAL FUNDS	2,591,900	3,967,313	(2,990,252)	-	(38,000)	3,530,961

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18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Elmlea Junior School	227,551	211,709
Elmlea Infant School	126,128	73,710
Total before fixed asset funds and pension reserve	353,679	285,419
Restricted fixed asset fund	4,761,680	4,841,542
Pension reserve	(1,939,000)	(1,596,000)
TOTAL	3,176,359	3,530,961

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Elmlea Junior School	1,058,693	372,777	46,712	261,025	1,739,207	1,534,900
Elmlea Infant School	764,003	143,770	26,236	271,977	1,205,986	1,326,377
ACADEMY TRUST	1,822,696	516,547	72,948	533,002	2,945,193	2,861,277

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	4,761,680	4,761,680
Current assets	317,089	234,757	-	551,846
Creditors due within one year	(1,359)	(194,090)	-	(195,449)
Creditors due in more than one year	(2,718)	-	-	(2,718)
Pension scheme liability	-	(1,939,000)	-	(1,939,000)
TOTAL	313,012	(1,898,333)	4,761,680	3,176,359

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,841,542	4,841,542
Current assets	275,511	169,692	-	445,203
Creditors due within one year	(1,358)	(154,349)	-	(155,707)
Creditors due in more than one year	(4,077)	-	-	(4,077)
Pension scheme liability	-	(1,596,000)	-	(1,596,000)
TOTAL	270,076	(1,580,657)	4,841,542	3,530,961

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(173,602)	977,061
ADJUSTMENTS FOR:		
Depreciation	126,338	128,975
Capital grants from DfE and other capital income	(15,072)	(10,954)
Interest receivable	(118)	(1,119)
Defined benefit pension scheme obligation inherited	-	573,000
Defined benefit pension scheme cost less contributions payable	131,000	52,000
Defined benefit pension scheme finance cost	31,000	27,000
Decrease/(increase) in debtors	25,178	(45,254)
Increase in creditors	39,742	52,571
Net assets received on conversion	-	(1,682,818)
NET CASH PROVIDED BY OPERATING ACTIVITIES	164,466	70,462

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Repayments of borrowing	(1,359)	(1,359)
NET CASH USED IN FINANCING ACTIVITIES	(1,359)	(1,359)

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	118	1,119
Purchase of tangible fixed assets	(46,476)	(94,868)
Capital grants from DfE/ESFA	15,072	10,954
NET CASH USED IN INVESTING ACTIVITIES	(31,286)	(82,795)

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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	323,752	192,009
Notice deposits (less than 3 months)	149,584	149,506
TOTAL CASH AND CASH EQUIVALENTS	473,336	341,515

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	341,515	131,821	473,336
Debt due within 1 year	(1,358)	(1)	(1,359)
Debt due after 1 year	(4,077)	1,359	(2,718)
	336,080	133,179	469,259

25. PENSION COMMITMENTS

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

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

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

TEACHERS' PENSION SCHEME

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

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

NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £258,378 (2020 - £254,797).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £142,000 (2020 - £218,000), of which employer's contributions totalled £108,000 (2020 - £185,000) and employees' contributions totalled £ 34,000 (2020 - £33,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	4.3	3.8
Rate of increase for pensions in payment/inflation	2.9	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

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

	2021	2020
	Years	Years
RETIRING TODAY		
Males	23.3	23.2
Females	25.4	25.3
RETIRING IN 20 YEARS		
Males	24.8	24.7
Females	27.4	27.3

SENSITIVITY ANALYSIS

	2021	2020
	£000	£000
Discount rate +0.1%	(71)	(57)
Discount rate -0.1%	73	58
Mortality assumption - 1 year increase	105	76
Mortality assumption - 1 year decrease	(102)	(105)
CPI rate +0.1%	73	58
CPI rate -0.1%	(71)	(57)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	625,000	499,000
Government bonds	142,000	82,000
Other bonds	119,000	31,000
Property	92,000	100,000
Cash and other liquid assets	26,000	34,000
Other	459,000	386,000
TOTAL MARKET VALUE OF ASSETS	1,463,000	1,132,000

The actual return on scheme assets was £196,000 (2020 - £48,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(239,000)	(237,000)
Interest income	18,000	18,000
Interest cost	(49,000)	(45,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(270,000)	(264,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	2,728,000	1,465,000
Conversion of academy trusts	-	1,059,000
Current service cost	239,000	237,000
Interest cost	49,000	45,000
Employee contributions	34,000	33,000
Actuarial losses/(gains)	355,000	(108,000)
Benefits paid	(3,000)	(3,000)
AT 31 AUGUST	3,402,000	2,728,000

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25. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	1,132,000	559,000
Conversion of academy trusts	-	486,000
Interest income	22,000	21,000
Actuarial gains/(losses)	174,000	(146,000)
Employer contributions	108,000	185,000
Employee contributions	34,000	33,000
Benefits paid	(3,000)	(3,000)
Administration expenses	(4,000)	(3,000)
AT 31 AUGUST	1,463,000	1,132,000

26. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
Not later than 1 year	5,938	5,938
Later than 1 year and not later than 5 years	4,454	10,392
	10,392	16,330

27. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

28. GENERAL INFORMATION

Elmlea Schools' Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is The Dell, Westbury-On-Trym, Bristol, BS9 3UF and the registered company number is 07626956.

29. 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 12.