

Company Registration Number: 07667407 (England & Wales)

EAST ANGLIAN SCHOOLS TRUST LTD

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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EAST ANGLIAN SCHOOLS TRUST LTD
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr T Fosker Mr J Neal Ms A Rickwood Ms Z Sprake
Trustees	Dr L Franks, Chair Mr N Howe Mr S Curzon ¹ Mr S Linger, Vice Chair (resigned 31 August 2021) Ms S Mackenzie Mr S Shaw ¹ Mr G Swann (resigned 12 November 2021) ¹ Ms C Tuohy (resigned 17 June 2021) ¹ Mr T Roberts (appointed 17 November 2021) Mr P Hulley (appointed 29 November 2021) ¹ Member of the Finance Committee during the year
Company registered number	07667407
Company name	East Anglian Schools Trust Ltd
Principal and registered office	Framlingham Technology Centre Station Road Framlingham Woodbridge Suffolk IP13 9EZ
Company secretary	Ms L Eldrett (resigned 3 December 2020) Mrs M Roots (appointed 3 December 2020)
Chief executive officer	Mr A Goduti (interim CEO to 31 August 2021, permanent from 1 September 2021) Mr A Sievwright (interim CEO to 31 August 2021)

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

Senior Leadership Team

A Goduti, Headteacher, Accounting Officer and interim joint CEO (to 31 August 2021),
CEO and Accounting Officer (from 1 September 2021)
A Sievwright, Headteacher, interim joint CEO (to 31 August 2021)
L Eldrett, Interim Chief Finance Officer (to 3 December 2020)
M Roots, Chief Finance Officer and Director of Finance and Operations (from 3
December 2020)
J Upton, Headteacher
A Mears, Headteacher (from 12 April 2021)
C Oswick, Headteacher (from 1 September 2021)

Independent auditors

Larking Gowen LLP
Chartered Accountants
1 Claydon Business Park
Great Blakenham
Ipswich
IP6 0NL

Bankers

Lloyds Banking Group Plc
8 Thoroughfare
Woodbridge
Suffolk
IP1 1UR

Solicitors

Stone King LLP
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

EAST ANGLIAN SCHOOLS TRUST LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

For the period of these accounts the Trust operated as East Anglian Schools Trust (EAST), a Multi Academy Trust comprising three high schools for pupils aged 11 to 18 serving catchment areas in East Suffolk. It has a pupil capacity of 4,800 and had a roll of 4,730 in the school census in October 2020.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of East Anglian Schools Trust Ltd are also the directors of the charitable company for the purposes of company law.

The charitable company is known as East Anglian Schools Trust Ltd since changing its name on 12 July 2019, before when it was known as Farlingaye High School. On 1 September 2019 Kesgrave High School and Bungay High School merged with Farlingaye High School to form the Multi Academy Trust which operates through this company.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The insurance provides cover up to £1,000,000.

d. Method of recruitment and appointment or election of Trustees

East Anglian Schools Trust has 4 members.

Members may appoint by ordinary resolution up to 11 Trustees. The Trust has 6 Trustees and is recruiting more for the new year.

Trustees have appointed local governing bodies in respect of the academies. At least two parent local governors are appointed to each established local governing body.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

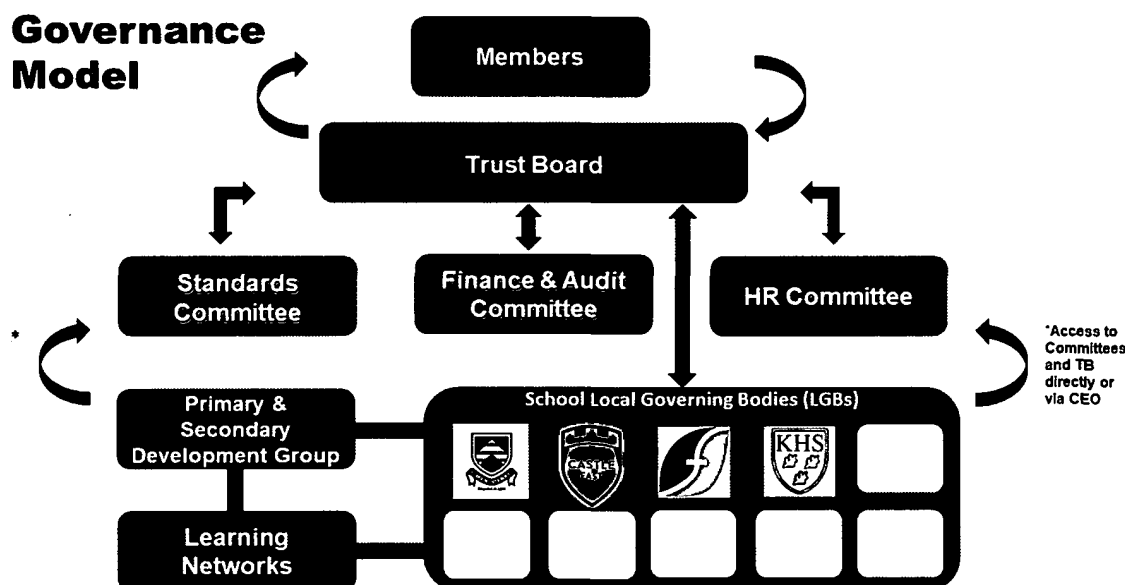
The training and induction provided for new trustees will depend upon their experience but will include a tour of the academies and meeting students and staff wherever possible. Restrictions for Covid -19 have meant that meetings were online. All Trustees/Governors have access to policies, procedures, minutes, budget reports, school risk assessments, Trust / school improvement plans via SharePoint, formal and informal meetings with Headteachers have taken place in line with the planned schedule. EAST purchases the Governor Training Service from Schools' Choice.

Parent Governors serve at local level and are elected by parents of registered students of one of the schools. A parent governor must be a parent of a student at the time of election. Eligible parents are invited to apply for the position and a secret ballot is carried out for the election process.

EAST's Members appoint Trustees.

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

f. Organisational structure



The Board of Trustees meets at least six times a year, once every half term. They have an overall framework for the governance of the Trust and determine membership, terms of reference and procedures of committees. It receives reports including policies from its committees for ratification. It monitors the activities of the

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

Structure, governance and management (continued)

committees through the minutes of their meetings and the summary of action points. Working groups may be established to perform specific tasks.

The Finance and Audit committee meets at least six times a year and is responsible for the monitoring of the Trust budget, evaluating and reviewing policies in relation to financial management. They have regard to compliance, receiving reports from Internal Audit, drafting the annual budget and the role of the audit committee. Local Governing Bodies have delegated responsibilities according to the Scheme of Delegation to maintain monitoring and oversight of local budget and resource matters. The LGBs are accountable to the Trust Board.

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

The Headteachers must demonstrate high quality of performance with regard to leadership, management and student progress at the schools and will be subject to a review by the panel of the Pay Review Committee (LGB) before any performance points are awarded. The pay range for the Headteachers' posts is by the Trust Board in accordance with the School Teachers' Pay Review Body Document. All deputy and assistant heads follow a similar procedure with pay determined through a review by the Headteacher and Pay Review Committee (LGB). Support staff are paid following a performance review in line with the national pay scales for support staff.

The CEO and Director of Finance and Operations pay scales are set by the Trust Board. The CEO and Director of Finance and Operations respectively must demonstrate high quality of performance with regard to leadership and management (and student progress – CEO) across the Trust which is subject to review by a panel of the HR Committee before any performance points are awarded.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	537
Total pay bill	21,183,576
Percentage of total pay bill spent on facility time	0.003 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.240 %
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i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

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

- Equal opportunities policy
- Recruitment and Selection Policy
- Staff Development and Retention Policy

In accordance with the Trust's equal opportunities policy, the schools have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the Trust school's websites.

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

Objectives and activities

a. Objects and aims

The Company's 'object' is specifically restricted to the following:

- a. To advance for the public benefit education in the United Kingdom in particular without prejudice to the generality of the foregoing by establishing, maintain, carrying on, managing and developing a school offering of broad and balanced curriculum
- b. To promote for the benefit of the inhabitants of the East Anglian Schools Trust the provision of facilities or recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, affinity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

We aim to provide an excellent and inclusive education to the children of Suffolk, through developing and maintaining consistently good and outstanding schools, and through identifying, nurturing and spreading good practice.

We aim to secure the financial future of all of the MAT schools through the implementation of effective centralised strategic planning and leadership, and through creating economies of scale and access to funding streams.

We aim to develop our staff and to recruit well, in order to ensure that high professional standards are maintained over time across the MAT. Effective planning means that EAST SCITT launched in September 2021 supporting this aim.

We aim to grow the MAT organically within the local area, including through sponsorship in due course, when the MAT is fully established. Growth was achieved with the launch of a Free School. Castle EAST School is a Special School for children with communication and interaction needs, opened in September 2021.

b. Objectives, strategies and activities

In 2020-21, the Trust set out three key areas for development:

- Establishing core Trust-wide policies and procedures
- Developing capacity for growth
- Sustaining the best possible educational offer and outcomes for students in the context of a national pandemic

c. Public benefit

The Trustees have complied with their duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have followed this guidance in deciding what activities the charitable company should undertake.

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

Objectives and activities (continued)

d. Establishing core Trust-wide policies and procedures

Objectives

- To ensure that EAST's statutory duties are underpinned by robust policies and procedures
- To establish consistency across key operational areas of EAST's schools
- To ensure that EAST's vision is embedded in the practices at school levels

Strategies

- To develop a prioritised policy plan with clear timescales
- To create a clear structure for policy drafting, consultations and approval, leading to ratification
- To establish a policy tracking tool for the Trust and Schools to use, in order to ensure that the process is understood and the Trust's transition to using Trust-wide policies is efficient and effective

Activities

This was an extremely effective process for EAST where excellent progress was made to achieve the objectives stated. A clear process for planning and ultimately ratifying Trust-wide policies meant that a clear programme for policy development was effective. The 'EAST Policy Tracker' was also effective, ensuring that the Trust Board could be satisfied that across the Trust, compliance was robust and secure. This has now led to an ongoing plan for the continuation of policies to be centralised where appropriate for the Trust. Effectively, this created and continues to create consistency of practice and vision across EAST.

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

Objectives and activities (continued)

e. Developing capacity for growth

Objectives

- To establish a full time central team
- To ensure that capacity was available to drive the strategic planning and vision of EAST forwards
- To support school functions effectively through the direction provided by the central team
- To create systems for schools which are effective, robust and secure

Strategies

- To plan and create a central team which would consist of a permanent, full-time Director of Finance and Operations, CEO and Administrator
- To establish a working central area/office for the team
- To drive the development of a new, more effective financial system
- To develop the Trust's growth strategy, taking into account the increased capacity
- To increase capacity further, through the appointment of a Trust Administrator
- To create the role of a Finance Manager as a first step to developing EAST's centralisation of services

Activities

A central team was established to drive the Trust forwards throughout 2020-21 and then significantly, beyond this period. In line with the strategies noted above, a full time Director of Finance and Operations was appointed in December 2020, with the national recruitment process appointing a CEO in December 2020 for a September 2021 commencement. Both the Trust Administrator and Finance Manager were appointed in line with planning and the growth strategy was planned for, but as expected, delayed as a result of the priorities created by the pandemic. Capacity is now in place for more significant development.

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

Objectives and activities (continued)

f. Sustaining the best possible educational offer and outcomes for students in the context of a national pandemic

Objectives

- Establish clear parameters for growth opportunities
- Identify possible opportunities for growth in the context of the pandemic
- Ensure that students and teachers are fully supported during unpredictable times
- Maintain outcomes for all students
- Identify opportunities for facilities and resources development

Strategies

- Open the new Special Free School in Bungay to support students with communication and interaction needs across the Waveney and North Suffolk area.
- Ensure that schools are developing and delivering excellent distance and extended learning offers for students
- Ensure that the school approach to teaching and awarding grades is robust and effective
- Support schools to develop new modes of communication with parents and stakeholders to ensure that effective communication continues
- Support schools in planning for growth (CIF bids, School building projects) so that progress is maintained throughout the pandemic with reputation, roll and momentum
- Ensure that COVID related funding in schools facilitates safety and effective learning

Activities

Despite the challenges of the pandemic, schools within EAST continued to provide excellent educational offers, support for students and staff and momentum with growth and reputation. Castle EAST Special School was established and opened in September 2021, the distance learning offers were developed, refined and delivered, and building works for Bungay's growth project was planned and began in July 2021. Two schools were successful with significant Conditional Improvement Fund grants. The approaches to Covid risks, new methods of communicating with parents, excellent staff support and training, all ensured that student outcomes were excellent at GCSE and A level.

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

Objectives and activities (continued)

g. Future Development

For 2021-22, the Trust has created a detailed Strategic Development Plan, which is underpinned by the following:

Strategic Development Area 1: Vision, Culture & Ethos

Spotlight Areas:
Clarity of purpose Vision, culture and ethos are evident as systemic practice across EAST
Quality self-evaluation SDPs are accurate and lead to effective school planning for improvement and excellence
Leading a culture of continuous improvement School improvement strategies are clear and driving standards in across EAST's schools

Strategic Development Area 2: People

Spotlight Areas:
Building capacity for improvement Effective training develops capacity for improvement in schools. Effective leadership CPD support all schools in EAST. Appraisal is robust and drives improvement across EAST's schools.
Building resilience-recruiting, developing and retaining talent Staff feel valued and happy. Excellent staff are developed, recruited and retained ensures high quality teaching across EAST.

Strategic Development Area 3: High Quality Education

Spotlight Areas:
Engaging T&L Working together to create innovative and impactful approaches to ensuring that students learning is excellent.
Evidence-based CPD Empowering staff through evidence-based CPD to develop their practice with increased competency in expertise and knowledge.
Curriculum development Working together to develop curriculum models that underpin progression and support excellent T&L.
Effective assessment Accurate, consistent and impactful assessment drives progress
Ambitious leadership Ensuring that our leaders are supported in developing their practice and technical expertise, continuing to contribute to the design of a high quality education across EAST's schools.

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

Objectives and activities (continued)

Strategic Development Area 4: Quality Assurance and Accountability

Spotlight Areas:
Monitoring processes Monitoring processes ensure that evidence gathering is accurate and used to support, challenge and hold leaders to account.
School performance School performance is supported and 'assessed' in line with appropriate accountability measures.
Challenge and Support Challenge is underpinned with support for our school leaders to bring about effective judgements and actions for improvement where appropriate.

Strategic Development Area 5: Business, Finance and Governance

Spotlight Areas:
Effective financial management and planning Financial planning reflects school priorities and facilitate improvement.
Effective Governance Governance is skilled, robust and underpinned by accurate information. It strategically shapes the future of EAST.
Central services and infrastructure Clearly mapped central services supporting schools' operations.

Strategic report

Achievements and performance

a. Achievements and performance

Bungay High School

The achievement and performance of Year 11 students in 2020-21 was in line with previous results, using the TAG (Teacher Assessed Grade) process. This process followed a robust and rigorous process underpinned by excellent training and support. All internal report data entered prior to the beginning of the 'lockdown' period showed that the cohort was on track to have achieved the Progress 8 result of +0.29 at GCSE, which is in line with the previous two examinations' years. This demonstrates the high achievement and attainment of students at Bungay High School as well as the consistency in these outcomes over time.

For A Level, internal data showed an increase A*-C results in comparison to previous years, and this was reflected in strong outcomes created by the TAG process, moving us from an ALPS 6 (in 2019) to an ALPS 2. Again, this reflects the progress made over time and the outcomes that were extremely well deserved by students and staff alike. Excellent planning for the two-year period meant that staff and students were well equipped to deal with the rigours of the new two-year A level courses.

As a result of consistent results and achievement across the school, pupil numbers are continuing to increase and our intake for 2021 has once again met or exceeded our PAN. Both Year 7 & Year 8 are now full with projections indicating that the school Pupil Admission Number increase to 210 is necessary and is now creating

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

Strategic report (continued)

Achievements and performance (continued)

a bigger school. This largely due to our increased popularity out of catchment, especially from the Lowestoft area. Such is the increase that Suffolk County Council have worked and are working with Bungay High to actively increase its capacity. A new hygiene room in the English Block has been followed by a significant building project to build a new block with 4 classrooms and a new dining room. This is being built with the option to extend again and will be completed in August 2022.

Bungay's extracurricular programme continues to be inclusive, vibrant and popular with many students engaging in a range of activities. Pastoral care and teaching and learning are strong, with the highest expectations of all. Bungay is a popular, high achieving school that is well respected in the community.

Farlingaye High School

The Attainment 8 score for the Year 11 cohort in 2020-21 was 51.8. 78% of the cohort achieved 4+ in both English and Maths, while 55% achieved 5+ in both English and Maths. These headline figures are broadly in line with those of previous years.

The Year 13 cohort also performed very well, with a provisional Value Added score across all academic courses of +0.64, and an average grade of B+. 44% of all grades were A*/A. Again, though these results are particularly good, they are broadly in line with the results of previous years.

Progression outcomes continue to be strong: although the 2020-21 destination data for our Year 11 cohort is not yet up-to-date, as we are waiting for returns. However, the most recent information we have shows that 100% of our Y11s had a planned destination at the end of the academic year 2020-21. 77% of our 2020-2021 Year 13 leavers secured HE places, with 13% entering Employment, 8% beginning an Apprenticeship, and 2% starting Further Education courses.

Kesgrave High School

The Attainment 8 score for the Year 11 cohort in 2020-21 was 55.7, 80% of the cohort achieved 4+ in both English and Maths, while 57% achieved 5+ in both English and Maths. These headline figures represent the result of a rigorous and transparent TAG process, from which students' grades were awarded. These grades were endorsed by a quality assurance process by the examination boards. The nominal Progress 8 score (against 2019 performance measures) was +0.76. Whilst these represent a different examination approach the school feels that the work which has taken place in departments over the last year reflects standards which have significantly improved on previous years. The vast majority of Year 11 leavers remained in our Sixth Form, with others progressing to FE colleges and apprenticeships. Year 12 September 2021 has the highest student numbers for the last five years.

The Year 13 cohort also performed very well, with a provisional Value-Added score across all academic courses of +1.09 (using ALPS measures) and a Quality Indicator mark of 1, placing the results in the top 10% of schools nationally. As with KS4 these comparisons were made using a national data set for 2019. Progression was strong across all prior ability bands. Progression from the Sixth Form continues to be strong, with all students leaving Sixth Form to their chosen Higher Education destination, including competitive courses at Russell Group Universities and Oxbridge.

The school continues to offer a rich and varied extra-curricular diet, with trips and visits commonplace, alongside out of hours clubs and activities. In 2020-21 the school worked with a clinical psychologist to develop a model of well-being, focusing on proactive things that we can all do to be mentally well.

We continue to improve the school site and have a number of projects (both school and CIF funded) in place

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

Strategic report (continued)

Achievements and performance (continued)

for 2021-22. In summer 2021 the school invested heavily in ICT hardware, in order to make up for a number of years of under-investment in this area.

Castle EAST School

Summer term 2021

The staff team were recruited and we have been lucky enough to secure staff who have experience of working in specialist educational setting. We have 5 teachers, 5 Learning Support Assistants, 1 HLTA and an admin lead.

Policies, both statutory and non, were written to ensure that the school was compliant at the time of opening but also in preparation for the pre-opening Ofsted inspection which happened in June. The school was granted permission to open from September 2021. Due to the delay in the building works a robust transition plan was made for the pupils and shared with the parents. This was challenging to manage but with the support of the Trust and the Local Authority, parents were positive about the plans. Site visits were a regular occurrence and changes were made to the layout, in some circumstances, to ensure that the building reflected the needs of the students who would be attending.

Consultations from the Local Authority began to appropriately reflect the admissions criteria that had been discussed and agreed with the LA in March and the school now has 25 pupils on roll, with the largest group being Year 7 pupils.

Autumn Term 2021

The beginning of September saw 3 full new staff days where the planning and training for the new academic year began. The building was officially handed over to the Trust on 13th September 2021 with a formal handover meeting and keys and the pupils began their offsite transition activities at Ringsfield and Thetford. It has been an incredibly busy half term ensuring the building is operationally compliant and ready for the pupils on the 11th October but the staff team have been incredibly supportive and we are all very much looking forward to welcoming the pupils onsite.

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

Strategic report (continued)

Achievements and performance (continued)

b. Staff Training

Bungay High School - The school spent £2,000 across the 2020/21 year, including cover and course costs. This was significantly below what is normally spent due to the Covid situation and further lockdowns. Many courses that are traditionally face to face were made virtual and this was a real financial benefit as it often meant no cover or transport costs. Exemplar materials were circulated digitally from exam boards and the TAG process also allowed great professional development as faculty/subject teams worked closely together and validated levels collaboratively. This figure does not include any cover costs generated by 2 staff completing their NPQSL and the payment for this was covered by DFE due to the school's location in an action zone.

Farlingaye High School - The school spent £7,003 on training across the 2020/21 year, including cover, travel and course costs. This spend was significantly under the budget heading limit as a result of the COVID-19 crisis. Our in-school CPD programme was fully delivered and elements of this continued through online provision when the school was closed, resulting in cost savings. The Deputy Headteacher successfully completed the NPQH and one of our support team successfully completed the Thrive practitioner training. Most of the leadership team attended Pupil Premium training run by adoption UK and a large number of teachers attended a subject lead training day in preparation for EAST SCITT which is opening in September 21.

Kesgrave High School - in 2020/21 training expenditure totaled about a third of our usual spend at £11,064. CPD costs were not all spent in the 2020/21 year given the COVID lockdown and the fact that many courses continued to be offered online. The online nature of much of the CPD has enabled training to continue but with lower associated costs, since travel and often cover costs can be mitigated when courses are virtual and in many cases recorded. As a result of this change in delivery model, many departments benefitted from the attendance of multiple staff whereas usually only one would have attended and training cascaded down to colleagues. Four middle leaders embarked on NPQML (three curriculum leaders and one pastoral). Two pastoral leaders embarked on NPQSL. All have made excellent progress. £1,500 was invested in stocking the staff CPD library with relevant and recent educational literature. This significant investment has already proven to be an excellent resource for current and future staff to use in progressing their own professional development and is well used across the school.

c. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future having reviewed and approved the Trust's medium term budget plan covering up to the end of August 2024. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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

Strategic report (continued)

Achievements and performance (continued)

d. Section 172 Statement

As the Academy Trust is deemed to be a large company, we fall within the threshold to include a Section 172 Statement arising from a requirement of the Companies (Miscellaneous Reporting) Regulations 2018 and Companies Act (2006).

Our Trustees (who are our Company Directors) must act in the way they consider to be in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so have regard (amongst other matters) to —

(a) the likely consequences of any decision in the long term

- all our directors' decisions are fully considered and openly discussed and minuted in committee and board meetings, reviewing the short term and long term outcomes of their decisions taking the advice of officers when it is appropriate to do so
- we operate a strategic risk register to review and address potential risks which could arise from those decisions.

(b) the interests of the company's employees

- we include our employees in consultations and regularly involve them in leadership recruitment processes including recent headteacher and CEO appointments
- we value staff and have staff wellbeing facilities
- we implemented employee networks to cover specialist areas, share information and reduce isolation

(c) the need to foster the company's business relationships with suppliers, customers and others

- we have high expectations of our suppliers on whom we rely for essential curriculum and support service delivery and maintain relationships with them by promptly settling invoices and having open communication with them if there are any challenges
- we require all employees to be respectful in their dealings with students and their families and carers

(d) the impact of the company's operations on the community and the environment

- as community schools, our schools have a significant impact on their local communities and provide vital facilities and fundraising for local and national charities through our student's activities
- we consider the impact on our environment, for example reducing printing volumes and we are including low carbon as a requirement for future energy tenders.

(e) the desirability of the company maintaining a reputation for high standards of business conduct

- we expect all employees, governors, Trustees and members to abide by a code of conduct in all dealings with stakeholders and wider organisations.
- we engender high standards for employees by having performance appraisals and embedding a high achieving culture to help our students reach their potential.
- we have policies that set out our expectations including a financial policy which covers how we should conduct our business for operational financial transactions and strategic procurements and planning, ensuring that there are sufficient controls in line with the Academies Handbook and principles of public life.

(f) the need to act fairly as between members of the company.

- as a charity we do not have shareholders but everything we do is with our students' interests at our very heart and in accordance with our charitable objects.

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

Strategic report (continued)

Financial Review

a. Financial review

Most of the Trust's income is obtained from the Department for Education (DfE) via the ESFA (Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The funding received from the DfE during the year end 31st August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities and summarised in note 19, Statement of Funds.

The Trust also receives grants for fixed assets from the DfE and 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.

The Trust had an in-year surplus of £1,582,161, calculated as the change in balance of restricted funds (excluding the pension reserve) plus unrestricted funds. The revenue reserves position excluding the Local Government Pension Scheme (LGPS) is a surplus of £3,596,334 which include £1,760,543 restricted reserves and £1,835,791 unrestricted reserves.

The schools' individual revenue balances are shown in Note 19. Statement of Funds. Our schools received £311,970 Covid Recovery premium to support students with their learning and wellbeing but have plans to spend remaining balances amounting to £159,629 early on in 2021-22. There are also plans to use some of the unrestricted reserves to address the potential longer term effects of the pandemic requiring investment over more than one year.

Castle EAST as a free school did not open until 1 September 2021 but there were pre- opening costs associated with the school's leadership team and furniture and equipment as well as initial legal fees and setting up costs. The majority of these costs were funded by Suffolk County Council and a DfE grant with the unspent but committed balance being carried forward to the school's first academic year.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be significant effect on liquidity.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, the Trust is able to meet its known annual contribution commitments for the foreseeable future so the risk is minimised and the UK Government guarantees that in the event the Trust is wound up, that it would meet any gap between assets and liabilities.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

b. Reserves policy

The Trustees review the reserves level of the Trust annually, and forecast reserves are shown in the financial reports. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves is kept under review by the Trustees.

For the year ended 31 August 2021, Trustees agreed that the appropriate level of reserves to operate in the current financial climate should operate between 4.5 to 5% of overall income. This equated to £1.3 - £1.4m revenue reserves. The actual revenue reserves excluding pension, were £3.6m (£3,596,334) exceeding the minimum level set by Trustees by over £2.2m. Of this, £1.7m reserves are classed as free reserves whereas the remaining are restricted and designated reserves with the majority of restricted we would expect to spend in 2021-22 under normal conditions. The Trust will consider whether to revise the reserves levels at the next budget planning period.

Moving forward, the Trustees reviewed the minimum levels of reserves in the summer term when setting the budgets for the forthcoming year 2021-22 and beyond. It was agreed that the Trust's minimum level of reserves are to be reviewed and updated for each year as part of budget planning process. It was decided to decrease the individual schools' reserves requirement to 3.5% of income and increase the central requirement to 10-15% in order to build reserves at the centre for continued development of Trust-wide services to schools and financial sustainability. Since nearly all of the income received centrally is from the internal recharges to schools, this essentially means that the reserves across the Trust are required to be a minimum of 3.5% of external income.

In light of the increased reserves and the desire for schools to assist their students with the longer term effects of Covid recovery, the Trust's headteachers and CEO are planning strategies to support the effects of Covid which are likely to cover the medium term.

Other use of the reserves will be to support future capital projects not covered by Condition Improvement Fund Grants once the Trust becomes eligible for the Schools Condition Allocation which will be at a much lower level than the CIF grants received in recent years.

EAST ANGLIAN SCHOOLS TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Funds

In total funds amount to £32,571,523 as shown in the Statement of Funds Note 19 section and in the balance sheet, broken down as follows:

	£
Restricted income funds	1,760,543
Unrestricted income funds	1,835,791
Total revenue reserves excl. fixed assets and pension	3,596,334
Restricted fixed asset fund: tangible assets	38,566,663
Restricted fixed asset fund: unspent grants	956,347
Restricted fixed asset fund: Condition Improvement Fund Loans	(520,821)
Total restricted fixed asset fund	39,002,189
Total before pension fund	42,598,523
Local Government Pension Scheme	(10,027,000)
Grand Total	32,571,523

£32,571,523 also represents the total net assets of the Trust.

d. Investment policy

The Trustees are committed to ensuring all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from Lloyds Bank Plc. Day to day management of the surplus funds is delegated to the Director of Finance and Operations within the guidelines of the Finance policy. A review of the balances held will take place in the new year.

EAST ANGLIAN SCHOOLS TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

e. Principal risks and uncertainties

Trustees assessed strategic risks at every committee and full Trust Board meeting. We are conscious of the need to ensure that this continues to be robust and will be continuing to develop our approach to this in 2021-22. The principal risks and uncertainties facing the Academy Trust were assessed as follows:

Covid -19 - The experience of our schools in 2020-21 was disrupted by the ongoing effect of the pandemic. The second 'lockdown' between January and March 2021 meant that students' learning was further disrupted despite the excellent work of our schools. It is important to acknowledge, however, the ongoing impact of 'lost learning' and the recovery strategies in schools presenting another great challenge and risk. The Trust plans to invest its own funds in addition to Government funds to address the short term and longer term effects of the Covid-19 disruption to supplement the learning approaches that were used.

Financial – The main risks are that funding from government grants significantly changes in the future by not keeping up with inflation or having to be reduced as a result of pressure on the public purse following the extensive government borrowing for the pandemic's programme of financial assistance. This is mitigated in part by the Trust's financial position but reserves once used, are not there for a recurring financial issue such as increased employer's National Insurance contributions and increasing energy costs.

Student number instability - all schools are very popular, intake is consistent at Kesgrave and Farlingaye and increasing at Bungay. However, Bungay has a small Sixth Form and being of a rural nature (where transport is an issue) incurs risks which are closely monitored but the intake into year 7 is increasing rapidly and above the Pupil Admission Number (PAN) showing high demand. The school's fast-track application for growth was approved by the Headteachers' Board.

Information Security – With the increase in "ransomware" and "hacking" with many other schools we face increasing challenges from unauthorised access to our data or attack from viruses, phishing and cyber fraud. This is mitigated with firewalls, filtering and close monitoring by our network staff as well as general security vigilance by all staff when using online systems and following the security and GDPR policies.

Staffing - The success of the Trust is reliant on the quality of its staff. The main risks are in recruitment and being able to have a quality depth of field to recruit from especially when the areas of Suffolk and East Anglia are generally geographically challenging for new and specialist teachers. The Trust's investment in its EAST SCITT (School Centered Initial Teacher Training) will be a sustained source of new teachers for the region. For existing staff, there is a programme of professional development in place, and subject specialist are used in most areas of teaching. The development of middle leaders continues and we have networks developing to support subject areas.

Fundraising

The Trust is funded mainly by government grants but we encourage students to participate in fundraising activities for recognised charities. No one is obliged to contribute towards Parent Teacher Association activities, but parents and carers are encouraged to take part in several ways in order to support their schools. The Trustees believe this adds to the school community and therefore are acting in the best interest of the charity and do not use any professional fundraisers to act on their behalf. This builds a sense of community and strong links with local families. The Trust has not received any complaints about fundraising.

EAST ANGLIAN SCHOOLS TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2021
Energy consumption used to calculate emissions (kWh)	2,936,338
Energy consumption breakdown (kWh):	
Gas	2,332,221
Electricity	535,736
Electricity - Renewables	57,106
Transport fuel	11,285
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	427.17
Owned transport	2.27
Total scope 1	429.44
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	113.75
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	0.47
Total gross emissions (in tonnes of CO2 equivalent):	543.66
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.12

The Academy Trust has followed and used the following quantification and reporting methodologies:

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

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

We plan to complete an energy audit in our academies and understand the actions we need to take to reduce our carbon footprint. We will be looking at procuring greener electricity when the existing contracts expire.

EAST ANGLIAN SCHOOLS TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

- To provide outstanding education and improve the levels of performance of its students at all levels. The Trust will continue to attract high quality teachers and support staff in order to deliver its objectives;
- EAST SCITT will recruit and train high quality teachers for the area
- Schools to continue to provide and strive for a fully inclusive provision including 'Quality First' Teaching
- Continue to engage and work positively with our EAST and school communities
- Building development and expansion of school at Bungay High School
- Embed and support Castle EAST School students from September 2021, working in conjunction with Suffolk County Council.
- Explore opportunities to expand and grow the Trust.
- Continue to bring about consistency and a shared vision through a clear Trust Policy Plan
- Review procurement to take advantage of savings through joint purchases and sharing best practice
- To embed changes in back office functions
- To review teachers' workload, TLR pay structure and timetables to maximise use of resources.
- To review premises and IT infrastructure
- To develop learning Networks across EAST to share best practice

Funds held as custodian on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Larking Gowen, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:



.....
Dr L Franks
Chair of Trustees

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

The work of the Trust Board continues to evolve in line with the Trust risk register and the demands of the ESFA. The established Local Governing Bodies and other Trust Board Committees monitor student progress, assessment, attendance and curriculum provision, which includes pupil premium students. The data used is from the exam boards for progress and outcomes which is stored on the individual school management systems and we also have access to ALPS (DfE). 4 matrix Fusion software is used centrally for the Trust drawing information from the school data systems, comparing internal data across the Trust and against national data sets. This gives trustees and governors a clear picture of performance against others; there are clear reports for Trust Boards and Local Governing Boards.

Attendance at Trust Board meetings in the year 2020-21 was as follows:

Trustee	Meetings attended	Out of a possible
Dr L Franks, Chair	6	6
Mr N Howe	3	6
*Mr S Curzon	5	6
Mr S Linger, Vice Chair	6	6
Ms S Mackenzie	6	6
*Mr S Shaw	5	6
*Mr G Swann	5	6
*Ms C Tuohy	4	5
Mr T Roberts	0	0

*** Finance and Audit Committee**

The interim CEO A Goduti attended all the Finance and Audit Committee meetings and interim CEO A Sievwright attended 6 out of 7 Finance and Audit Committee Meetings.

The Trust Board undertook a skills self-assessment and determined that whilst the necessary skills are available, that further Trustees are required to balance the responsibilities. Members underwent a recruitment process for additional Trustees and members with additions in the year.

An external review of the Trust Board is planned for 2021-22 as part of the strategic development plan. Trustees recognise that an external review of governance would have been beneficial but felt that this would

EAST ANGLIAN SCHOOLS TRUST LTD
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

have been hampered by the ongoing COVID pandemic. The Local Governing Bodies have conducted skills audits and self-review and their makeup has evolved as terms of office have come to an end.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the decision making of the board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the board of Trustees' responsibility to ensure sound management of Trust's finance and resources including staffing, through proper planning, monitoring and probity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Shaw	7	7
S Curzon	5	7
C Tuohy	4	5
G Swann	6	7
L Franks (invited)	2	2
N Howe (invited)	1	2
S Mackenzie (invited)	1	2
A Goduti (interim CEO)	7	7
A Sievwright (interim CEO)	6	7

Review of value for money

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

The Accounting Officer considers how the Academy 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. The existing catering contracts were reviewed and terminated and the Trust went to tender for a new catering contract from September 2021.

In addition to financial considerations, the Trust considered service quality and effectiveness, bringing together the combined knowledge and experience of the schools to get the best overall deals.

The pandemic meant that revised catering charges had to be renegotiated during the period of disruption and reduced service even when students resumed school. The Government's PPN notices were applied where possible and in total, catering budgets were overspent by £77,648 for the two schools with an external provider.

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GOVERNANCE STATEMENT (CONTINUED)

Improving Educational Outcomes

Targeted improvement

The school works very hard to improve educational outcomes for all students. The curriculum is well supported by a robust staffing structure, and a recruitment policy to employ subject specialists. The schools are fully staffed and have good contacts when additional expertise is needed.

Collaboration

Through the EAST SCITT the Trust collaborates closely with local schools in training new teachers. Farlingaye is a Leading Edge School and works with its feeder primary schools encouraging students to participate in Maths, computing and sports. All of these partnerships lead to a sharing of good practice and excellent continuous professional development opportunities for staff. EAST is a Teaching School Hub partner.

Financial Oversight

Governance

The Trustees' Finance and Audit Committee met seven times during the year to consider finance reports, budget setting, agreement of central fee, updated finance policy and procedures as well as reviewing financial risks, areas for scrutiny and procurement.

A new financial accounting system was implemented in April 2021 and due to the complexities of having two different systems during the year, management reports from the new system were not made available to Trustees. However, forecasts for the year were prepared using the previous system's actuals to date and assessing data from the new system. Trustees were given management reports from the previous system in April and June as well as receiving data in July arising from the revisited forecasts prepared by schools as part of their budget planning process. The chair of the Trust was given all the financial reports that are made available to the Finance and Audit Committee. This omission on the management reports on the new system is referenced in the Accounting Officer's statement on regularity, propriety and compliance.

The Trust has a community of over 5000 people so its purchasing power is considerable, it also takes advantage of purchasing consortiums and a rigorous process of procurement and contract negotiation to ensure best value.

The Internal Audit Service was purchased from the company MA Partners. The report has outlined areas for potential improvement in our risk management procedures which we are addressing with training and updating our procedures.

The Trust has a Risk Register which is reviewed by Trustees at each Trust board and committee meeting.

The Trustees review the financial reports and receive minutes from the Local Governing Body Resource Committee meetings. The Trustees receive the financial management reports which show income and expenditure against budget, amounts per school and the consolidated financial position including forecast reserves.

EAST ANGLIAN SCHOOLS TRUST LTD
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GOVERNANCE STATEMENT (CONTINUED)

Financial Oversight (continued)

Maximising Income Generation

The Trust explores every opportunity to generate income through the hire of facilities and bids for targeted grants which included Trust Capacity Grant and Condition Improvement Grant. Whilst income generation was reduced due to the pandemic, Condition Improvement Fund grant was used to invest in replacement roofing and new safeguarding / fencing helping to reduce expenditure in the longer term.

Kesgrave and Bungay made successful Condition Improvement bids for windows and roofing projects and received the first grant installments in the summer term. Bungay secured funding from Suffolk County Council for capital improvements to create a new Hearing Impaired facility within school which covered a variety of works and equipment.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees has the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report. 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 Finance and Audit Committee and Local Governing Bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- rigorous recruitment procedures for staff with financial responsibility
- adherence to the Trust Finance Policy, including delegation of responsibility for all purchasing
- identification and management of risks

The board of Trustees has decided to employ MA Partners as internal auditor. The results of their report are discussed and acted upon accordingly.

The internal auditor's role includes giving advice on financial matters, best practice and performing a range of checks on the academy Trust's financial systems. This year the risk management systems and processes were

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

examined with a future plan to review pay contracts and other areas in the new year. The pandemic and introduction of a new accounts system contributed to a delay in the planned review of pay contracts which will take place in the new year.

The internal auditor reports to the board of Trustees, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

Review of effectiveness

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

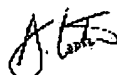
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Dr L Franks
Chair of Trustees



.....
A Goduti
Accounting Officer

Date: 14 December 2021

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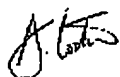
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of East Anglian Schools Trust Ltd 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 the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.

Reduced monthly management reporting occurred in the summer term whilst a new accounting system was implemented from April 2021. Forecasts were available to Trustees including the Chair of the Trust in April, June and July but were missing for May and did not include reports directly from the new system for April to July. This has been rectified in 2021-22.



A Goduti
Accounting Officer
Date: 14 December 2021

EAST ANGLIAN SCHOOLS TRUST LTD
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

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



.....
Dr L Franks
Chair of Trustees
Date: 14 December 2021

EAST ANGLIAN SCHOOLS TRUST LTD
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST ANGLIAN SCHOOLS TRUST LTD

Opinion

We have audited the financial statements of East Anglian Schools Trust Ltd (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.

EAST ANGLIAN SCHOOLS TRUST LTD
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST ANGLIAN SCHOOLS TRUST LTD (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.

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

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.

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.

Due to the field in which the Company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with tax legislation, accounting standards and requirements, including Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021, the Companies Act 2006 and charity law. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate, including Academies Financial Handbook 2020, funding agreements, safeguarding requirements, health and safety, employment law, data protection and compliance with various other regulations relevant to the conduct of the Company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management, the Accounting Officer and the Trustees about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, safeguarding breaches, data breaches, potential litigation or claims and fraud;
- Considering the conclusion of our assurance report on regularity to the Company and the Education and Skills Funding Agency;
- Reviewing the Accounting Officer's Statement on Regularity, Propriety and Compliance;
- Review the findings of the Company's internal scrutiny;
- Reviewing legal and professional fees to confirm matters where the Company engaged lawyers during the year;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

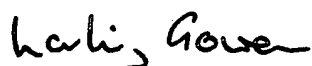
- Reviewing board and finance committee minutes and any relevant correspondence with external authorities, including regulators;
- Challenging assumptions and judgments made by management in their significant accounting estimates, particularly around the actuarial assumptions used to estimate the Local Government Pension Scheme defined benefit obligation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

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

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

Use of our report

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



Giles Kerkham FCA DChA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

Date: 15 December 2021

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST ANGLIAN SCHOOLS TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 September 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 East Anglian Schools Trust Ltd 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 East Anglian Schools Trust Ltd and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to East Anglian Schools Trust Ltd 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 East Anglian Schools Trust Ltd and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of East Anglian Schools Trust Ltd's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of East Anglian Schools Trust Ltd's funding agreement with the Secretary of State for Education dated 21 March 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.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

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.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2020 to 2021 and the ICAEW Assurance Sourcebook. The work undertaken to draw our conclusion, includes, but is not limited to:

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

Conclusion

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

Management accounts: The Academies Financial Handbook 2020 requires that management accounts are prepared every month. Management accounts were not prepared for the months April 2021 to July 2021.



Larking Gowen LLP
Chartered Accountants
Statutory Auditors

Date: 15 December 2021

EAST ANGLIAN SCHOOLS TRUST LTD
(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	6,446	35,284	1,182,846	1,224,576	684,105
Donations from existing academies on transfer into the Academy Trust		-	-	-	-	8,437,841
Funding for the Trust's educational operations	4	490,354	26,626,319	-	27,116,673	24,926,161
Teaching schools	34	-	80,946	-	80,946	80,917
Other trading activities	5	47,509	-	-	47,509	107,087
Investments	6	997	-	-	997	2,755
Total income		545,306	26,742,549	1,182,846	28,470,701	54,238,866
Expenditure on:						
Raising funds	7	-	7,161	-	7,161	-
Academy Trust educational operations	8	79,668	26,303,856	1,456,447	27,839,971	26,970,986
Teaching schools	34	-	137,551	-	137,551	93,916
Total expenditure	7	79,668	26,448,568	1,456,447	27,984,683	27,064,902
Net income/(expenditure)		465,638	293,981	(273,601)	486,018	27,173,964
Transfers between funds	19	-	(70,458)	70,458	-	-
Net movement in funds before other recognised gains/(losses)		465,638	223,523	(203,143)	486,018	27,173,964
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,003,000)	-	(2,003,000)	(289,000)

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
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 £
Net movement in funds	<u>465,638</u>	<u>(1,779,477)</u>	<u>(203,143)</u>	<u>(1,516,982)</u>	<u>26,884,964</u>
Reconciliation of funds:					
Total funds brought forward	1,370,153	(6,486,980)	39,205,332	34,088,505	7,203,541
Net movement in funds	465,638	(1,779,477)	(203,143)	(1,516,982)	26,884,964
Total funds carried forward	<u>1,835,791</u>	<u>(8,266,457)</u>	<u>39,002,189</u>	<u>32,571,523</u>	<u>34,088,505</u>

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 07667407

BALANCE SHEET
AS AT 31 AUGUST 2021

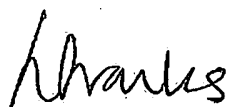
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	38,566,663	39,238,931
		<u>38,566,663</u>	<u>39,238,931</u>
Current assets			
Stocks	15	4,226	8,642
Debtors	16	1,433,766	1,003,504
Cash at bank and in hand		5,093,391	2,589,593
		<u>6,531,383</u>	<u>3,601,739</u>
Creditors: amounts falling due within one year	17	(2,053,428)	(1,211,649)
Net current assets		<u>4,477,955</u>	<u>2,390,090</u>
Total assets less current liabilities		<u>43,044,618</u>	<u>41,629,021</u>
Creditors: amounts falling due after more than one year	18	(446,095)	(409,516)
Net assets excluding pension liability		<u>42,598,523</u>	<u>41,219,505</u>
Defined benefit pension scheme liability	26	(10,027,000)	(7,131,000)
Total net assets		<u><u>32,571,523</u></u>	<u><u>34,088,505</u></u>

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 07667407

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	39,002,189	39,205,332
Restricted income funds	19	1,760,543	644,020
		<u>40,762,732</u>	<u>39,849,352</u>
Restricted funds excluding pension asset	19	40,762,732	39,849,352
Pension reserve	19	(10,027,000)	(7,131,000)
		<u>30,735,732</u>	<u>32,718,352</u>
Total restricted funds	19	30,735,732	32,718,352
Unrestricted income funds	19	1,835,791	1,370,153
		<u>32,571,523</u>	<u>34,088,505</u>
Total funds		32,571,523	34,088,505

The financial statements on pages 37 to 76 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



.....
Dr L Franks
Chair of Trustees

The notes on pages 42 to 76 form part of these financial statements.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	3,238,922	691,122
Cash flows from investing activities	23	(784,177)	921,245
Cash flows from financing activities	22	49,053	224,248
Change in cash and cash equivalents in the year		2,503,798	1,836,615
Cash and cash equivalents brought forward		2,589,593	752,978
Cash and cash equivalents at the end of the year	24, 25	<u>5,093,391</u>	<u>2,589,593</u>

The notes on pages 42 to 76 form part of these financial statements

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies

East Anglian Schools Trust Ltd is a company incorporated in England and Wales, registered number 07667407. The registered office is Framlingham Technology Centre, Station Road, Framlingham, Woodbridge, Suffolk, IP13 9EZ.

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

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.

East Anglian Schools Trust Ltd meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

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.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **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.

1.4 Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	- 10 - 50 years
Leasehold land	- 125 years
Furniture and equipment	- 10 years
Plant and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 10 years

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

1.6 Interest receivable

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

1.7 Operating leases

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

1.8 Debtors

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

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

**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 Provisions

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

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

1.11 Financial instruments

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

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

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

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

1.12 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.

1.13 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.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Pensions (continued)

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

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

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

1.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.15 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 95 days or less from the date of acquisition or opening of the deposit or similar account.

1.16 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.17 Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included in amounts due to the ESFA.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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.

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

**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 £
Donations	6,446	35,284	144,230	185,960
Grants	-	-	1,038,616	1,038,616
	<u>6,446</u>	<u>35,284</u>	<u>1,182,846</u>	<u>1,224,576</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations				
Income on conversion of existing academies	893,775	(3,753,134)	31,297,200	28,437,841
Donations	21,958	57,748	-	79,706
Grants	-	-	604,399	604,399
	<u>915,733</u>	<u>(3,695,386)</u>	<u>31,901,599</u>	<u>29,121,946</u>

EAST ANGLIAN SCHOOLS TRUST LTD
(A company limited by guarantee)

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

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	-	23,018,630	23,018,630
Other DfE/ESFA grants			
Pupil Premium	-	732,939	732,939
Rates Relief	-	151,105	151,105
Teachers Pay & Teachers Pension	-	1,241,694	1,241,694
Other DFE Grants	-	254,785	254,785
	-	25,399,153	25,399,153
Other Government grants			
LA Grants - Special Educational Needs	-	377,110	377,110
LA Grants - Start-up Grants	-	350,250	350,250
Other Government Grants	-	64,966	64,966
	-	792,326	792,326
Other income from the Academy Trust's educational operations			
Other income	199,643	-	199,643
Catering income	79,203	-	79,203
Trips and visits	211,508	-	211,508
	490,354	-	490,354
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	311,970	311,970
Other DFE/ESFA COVID-19 funding	-	122,870	122,870
	-	434,840	434,840
Total 2021	490,354	26,626,319	27,116,673

The Trust received £311,970 of funding for catch-up premium and costs incurred in respect of this funding totaled £152,341, with the remaining £159,629 to be spent in 2021/22.

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4. Funding for the Academy Trust's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant	-	21,657,912	21,657,912
Other DfE/ESFA grants			
Pupil Premium	-	745,885	745,885
Rates Relief	-	123,462	123,462
Teachers Pay & Teachers Pension	-	1,197,826	1,197,826
Other DFE Grants	-	96,337	96,337
Bursary administration fee	1,518	-	1,518
	<u>1,518</u>	<u>23,821,422</u>	<u>23,822,940</u>
Other Government grants			
LA Grants - Special Educational Needs	-	244,801	244,801
Other Government grants	-	132,666	132,666
	<u>-</u>	<u>377,467</u>	<u>377,467</u>
Other income from the Academy Trust's educational operations			
Other income	386,852	-	386,852
Catering income	78,822	-	78,822
Trips and visits	219,720	-	219,720
	<u>685,394</u>	<u>-</u>	<u>685,394</u>
COVID-19 additional funding (non-DfE/ESFA)			
Other COVID-19 funding	-	40,360	40,360
	<u>-</u>	<u>40,360</u>	<u>40,360</u>
Total 2020	<u><u>686,912</u></u>	<u><u>24,239,249</u></u>	<u><u>24,926,161</u></u>

The Trust received £40,360 of other COVID-19 funding for cleaning and free school meal costs of £40,360.

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5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Items sold	12,729	12,729	-
Hire of facilities	34,780	34,780	107,087
	<u>47,509</u>	<u>47,509</u>	<u>107,087</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	<u>997</u>	<u>997</u>	<u>2,755</u>

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	7,161	7,161
Educational operations:				
Direct costs	19,039,049	1,456,446	1,475,985	21,971,480
Allocated support costs	3,267,279	1,874,162	727,050	5,868,491
Teaching school	71,998	-	65,553	137,551
Total 2021	<u>22,378,326</u>	<u>3,330,608</u>	<u>2,275,749</u>	<u>27,984,683</u>

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7. Expenditure (continued)

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Educational operations:				
Direct costs	18,410,003	1,422,541	1,544,182	21,376,726
Allocated support costs	3,194,639	1,598,173	801,448	5,594,260
Teaching school	36,142	-	57,774	93,916
<i>Total 2020</i>	<u>21,640,784</u>	<u>3,020,714</u>	<u>2,403,404</u>	<u>27,064,902</u>

8. Analysis of expenditure by activities

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	<u>21,971,480</u>	<u>5,868,491</u>	<u>27,839,971</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	<u>21,376,726</u>	<u>5,594,260</u>	<u>26,970,986</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	3,267,279	3,194,639
Pupil recruitment and support	-	161,971
Staff recruitment and support	116,598	37,898
Maintenance of premises and equipment	721,054	605,469
Other support costs	166,837	171,928
General premises expenses	1,153,108	992,704
Supplies, printing and telephone	231,619	231,829
Professional fees	156,826	162,299
Legal costs - conversion	-	2,792
Legal costs - other	24,776	690
Governance costs	30,394	32,041
	5,868,491	5,594,260

Maintenance of premises and equipment includes £228,750 (2020 - £136,758) costs of re-roofing works.

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	1,456,445	1,422,541
Fees paid to auditors for:		
- audit	17,500	17,000
- other services	9,991	13,155

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	16,238,747	15,717,027
Social security costs	1,567,837	1,486,488
Pension costs	4,458,196	4,309,803
	<u>22,264,780</u>	<u>21,513,318</u>
Agency supply teacher costs	113,546	127,466
	<u><u>22,378,326</u></u>	<u><u>21,640,784</u></u>

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

Included in wages and salaries is a non-statutory severance payment amounting to £Nil (2020 - £6,000).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	299	305
Administration and support	233	223
Management	27	22
Casual staff	63	48
	<u>622</u>	<u>598</u>

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10. Staff (continued)

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	10	<i>5</i>
In the band £70,001 - £80,000	1	<i>2</i>
In the band £80,001 - £90,000	3	<i>2</i>
In the band £100,001 - £110,000	1	<i>1</i>
In the band £110,001 - £120,000	2	<i>2</i>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on pages 1 and 2. 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 £630,641 (2020 - £542,959).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Payroll
- Finance
- Human Resources
- Pensions
- Recruitment
- Union facilities
- Insurance
- Legal
- Governance
- Audit (internal & external)
- Data systems
- Central staff & leadership

The Academy Trust charges for these services on the following basis:

3.5% of GAG topslice was charged to the academies.

In the prior year no central services were provided to the academies so no central service charge arose. Central costs were divided between schools on an allocation based on pupil numbers.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Bungay High School	156,466	-
Farlingaye High School	329,109	-
Kesgrave High School	319,569	-
Total	805,144	-

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

No Trustees have been paid remuneration or has received other benefits from an employment with the Academy Trust. (2020 - One). The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Ms S Mackenzie	Remuneration	£nil	0 - 5,000
	Pension contributions paid		0 - 5,000

During the year ended 31 August 2021, travel and subsistence expenses totaling £147 were reimbursed or paid directly to 1 Trustee (2020 - £323 to 1 Trustee).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this cover is included within the general cover provided to the Academy and it is not possible to separate the specific amount paid in respect of Trustees' indemnity for the years ended 31 August 2020 and 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2020	42,070,318	296,273	571,862	773,407	72,638	43,784,498
Additions	50,409	13,490	257,119	463,159	-	784,177
At 31 August 2021	42,120,727	309,763	828,981	1,236,566	72,638	44,568,675
Depreciation						
At 1 September 2020	3,517,101	193,153	284,954	512,753	37,606	4,545,567
Charge for the year	1,153,665	14,104	80,681	198,477	9,518	1,456,445
At 31 August 2021	4,670,766	207,257	365,635	711,230	47,124	6,002,012
Net book value						
At 31 August 2021	37,449,961	102,506	463,346	525,336	25,514	38,566,663
At 31 August 2020	38,553,217	103,120	286,908	260,654	35,032	39,238,931

15. Stocks

	2021 £	2020 £
Finished goods and goods for resale	4,226	8,642

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16. Debtors

	2021 £	2020 £
Trade debtors	80,385	1,311
Other debtors	153,282	188,995
Prepayments and accrued income	1,200,099	813,198
	<u>1,433,766</u>	<u>1,003,504</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	74,726	62,252
Trade creditors	621,105	196,063
Other taxation and social security	389,238	375,629
Other creditors	496,772	59,397
Accruals and deferred income	471,587	518,308
	<u>2,053,428</u>	<u>1,211,649</u>

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	270,247	57,419
Resources deferred during the year	383,442	270,247
Amounts released from previous periods	(270,247)	(57,419)
	<u>383,442</u>	<u>270,247</u>

At the balance sheet date the academy Trust was holding funds received in advance in respect of grants where the academy Trust does not yet have entitlement to the income, music tuition taking place in the Autumn Term 2021 and trips taking place in the 21/22 school year.

See note 18 for details of the loan balance.

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

	2021 £	2020 £
Other loans	446,095	409,516

Loans of £520,821 are from the Condition Improvement Fund which are provided on the following terms.

A loan of £247,521 is being repaid in equal installments over ten years and will be fully repaid in the year to 31 August 2029. Interest is being charged at 1.85%. The loan outstanding at 31 August 2021 is £198,017 (2020 - £222,769).

A loan of £175,000 is being repaid in equal installments over ten years and will be fully repaid in the year to 31 August 2030. Interest is being charged at 2.29%. The loan outstanding at 31 August 2021 is £157,500 (2020 - £175,000).

A loan of £30,000 is being repaid in equal installments over five years and will be fully repaid in the year to 31 August 2023. Interest is being charged at 1.15%. The loan outstanding at 31 August 2021 is £12,000 (2020 - £18,000).

A loan of £70,000 is being repaid in equal installments over five years and will be fully repaid in the year to 31 August 2024. Interest is being charged at 1.15%. The loan outstanding at 31 August 2021 is £42,000 (2020 - £56,000).

A loan of £52,000 is being repaid in equal installments over ten years and will be fully repaid in the year to 31 August 2031. Interest is being charged at 2.22%. The loan outstanding at 31 August 2021 is £52,000 (2020 - £nil).

A loan of £27,990 is being repaid in equal installments over 10 years and will be fully repaid in the year to 31 August 2031. Interest is being charged at 1.15%. The loan outstanding at 31 August 2021 is £27,990 (2020 - £nil).

A loan of £35,789 is being repaid in equal installments over 8 years and will be fully repaid in the year to 31 August 2028. No interest is being charged. The loan outstanding at 31 August 2021 is £31,315 (2020 - nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
AGP Fund	85,936	-	-	10,000	-	95,936
General funds						
General Funds	1,284,217	545,306	(79,668)	(10,000)	-	1,739,855
Total Unrestricted funds	1,370,153	545,306	(79,668)	-	-	1,835,791
Restricted general funds						
General Annual Grant (GAG)	342,446	23,018,630	(22,175,211)	(251,630)	-	934,235
Pupil Premium	65,042	732,939	(701,888)	(6,288)	-	89,805
Rates Relief	1,178	151,105	(132,651)	-	-	19,632
Special Educational Needs	-	377,110	(281,250)	-	-	95,860
Other	67,932	2,346,535	(2,115,911)	189,960	-	488,516
Donations	53,771	35,284	(11,106)	(2,500)	-	75,449
Teaching school	113,651	80,946	(137,551)	-	-	57,046
Pension reserve	(7,131,000)	-	(893,000)	-	(2,003,000)	(10,027,000)
	(6,486,980)	26,742,549	(26,448,568)	(70,458)	(2,003,000)	(8,266,457)
Restricted fixed asset funds						
Transfer from local authority on conversion	8,251,350	-	(395,077)	-	-	7,856,273
Donated assets	30,416,652	144,230	(1,026,895)	11,585	-	29,545,572

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19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Capital expenditure post conversion	1,009,099	1,069,931	(34,475)	76,610	-	2,121,165
CIF loan	(471,769)	(31,315)	-	(17,737)	-	(520,821)
	<u>39,205,332</u>	<u>1,182,846</u>	<u>(1,456,447)</u>	<u>70,458</u>	<u>-</u>	<u>39,002,189</u>
Total Restricted funds	<u>32,718,352</u>	<u>27,925,395</u>	<u>(27,905,015)</u>	<u>-</u>	<u>(2,003,000)</u>	<u>30,735,732</u>
Total funds	<u>34,088,505</u>	<u>28,470,701</u>	<u>(27,984,683)</u>	<u>-</u>	<u>(2,003,000)</u>	<u>32,571,523</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State the academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2021.

The Pension reserve represents the Academy's net liability in respect of the Local Government Pension Scheme.

The Pupil Premium income represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose such as additional teaching and support staff expenses have been set off against this income.

Special Educational Needs funding is High Needs Tariff funding received to support students with significant special educational needs beyond mainstream schooling.

Rates Relief represents funding received via the ESFA to cover a proportion of the Academy Trust's expenditure on rates.

Other restricted funds represents other grants for restricted purposes.

Teaching school funds represents grants received for the teaching school.

CIF loan represents the balance owing to the DfE on the CIF loan. The loan will be repaid from the General Annual Grant (GAG).

Assets transferred from the local authority on conversion represent the net book value of leasehold land and buildings and other assets transferred from the predecessor school upon becoming an academy.

Donated assets represents the restricted fixed asset funds of Bungay High School and Kesgrave High School on transfer the the MAT and any other donated fixed assets.

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19. Statement of funds (continued)

Capital expenditure post-conversion represents fixed assets purchased from that grant funding.

AGP Fund represents a fund designated by the Trustees out of unrestricted funds to fund replacement of the artificial grass pitch.

Transfers

£10,000 was transferred from unrestricted funds to designated funds to go towards replacement of the Artificial Grass Pitch.

£79,990 was transferred from CIF loan to GAG in relation to the loan received to assist with roof repairs.

£62,253 was transferred from GAG to CIF loan in relation to the loan repayments.

£2,500 was transferred from restricted donations to GAG in relation to a donation from Ropes Trust.

£271,866 was transferred out of GAG funds to fixed asset funds to represent tangible fixed assets acquired out of GAG funds.

£38,790 was transferred from other restricted funds to fixed asset funds to represent tangible fixed assets acquired out of other restricted funds.

£6,288 was transferred from Pupil Premium to fixed asset funds to represent tangible fixed assets acquired out of pupil premium funds.

£228,750 was transferred from fixed asset funds to other restricted funds to represent revenue expenditure spent from capital grants.

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
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
Designated funds						
AGP Fund	-	75,936	-	10,000	-	85,936
General funds						
General Funds	316,199	1,636,551	(644,584)	(23,949)	-	1,284,217
Total Unrestricted funds	<u>316,199</u>	<u>1,712,487</u>	<u>(644,584)</u>	<u>(13,949)</u>	<u>-</u>	<u>1,370,153</u>
Restricted general funds						
General Annual Grant (GAG)	-	21,657,912	(21,345,493)	30,027	-	342,446
Pupil Premium	-	745,886	(680,844)	-	-	65,042
Rates Relief	-	123,462	(127,148)	4,864	-	1,178
Special Educational Needs	-	244,801	(244,801)	-	-	-
Other	9,448	1,521,306	(1,476,742)	13,920	-	67,932
Donations	4,000	57,846	(8,075)	-	-	53,771
Teaching school	-	207,567	(93,916)	-	-	113,651
Pension reserve	(2,044,000)	(3,934,000)	(864,000)	-	(289,000)	(7,131,000)
	<u>(2,030,552)</u>	<u>20,624,780</u>	<u>(24,841,019)</u>	<u>48,811</u>	<u>(289,000)</u>	<u>(6,486,980)</u>
Restricted fixed asset funds						
Transfer from local authority on conversion	8,586,668	-	(335,318)	-	-	8,251,350
Donated assets	-	31,297,200	(974,548)	94,000	-	30,416,652

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Capital expenditure post conversion	578,747	604,399	(269,433)	95,386	-	1,009,099
CIF loan	(247,521)	-	-	(224,248)	-	(471,769)
	<u>8,917,894</u>	<u>31,901,599</u>	<u>(1,579,299)</u>	<u>(34,862)</u>	<u>-</u>	<u>39,205,332</u>
Total Restricted funds	<u>6,887,342</u>	<u>52,526,379</u>	<u>(26,420,318)</u>	<u>13,949</u>	<u>(289,000)</u>	<u>32,718,352</u>
Total funds	<u><u>7,203,541</u></u>	<u><u>54,238,866</u></u>	<u><u>(27,064,902)</u></u>	<u><u>-</u></u>	<u><u>(289,000)</u></u>	<u><u>34,088,505</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Farlingaye High School	1,143,322	727,548
Bungay High School	415,552	294,258
Kesgrave High School	1,426,540	879,621
Castle EAST School	194,121	-
Teaching School	57,046	113,651
Central MAT	359,753	(905)
	<u>3,596,334</u>	<u>2,014,173</u>
Total before fixed asset funds and pension reserve	3,596,334	2,014,173
Restricted fixed asset fund	39,002,189	39,205,332
Pension reserve	(10,027,000)	(7,131,000)
	<u>32,571,523</u>	<u>34,088,505</u>
Total	32,571,523	34,088,505

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 £
Farlingaye High School	7,753,353	1,372,867	574,342	968,863	10,669,425
Bungay High School	3,633,106	772,900	202,002	559,977	5,167,985
Kesgrave High School	7,463,530	975,113	408,771	1,018,550	9,865,964
Castle EAST School	63,375	2,713	8,687	57,227	132,002
Teaching School	40,985	31,013	-	65,553	137,551
Central MAT	125,667	143,686	28,412	257,545	555,310
	<u>19,080,016</u>	<u>3,298,292</u>	<u>1,222,214</u>	<u>2,927,715</u>	<u>26,528,237</u>
Academy Trust	19,080,016	3,298,292	1,222,214	2,927,715	26,528,237

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19. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2020 £</i>
Farlingaye High School	7,555,564	1,376,807	484,539	1,020,255	10,437,165
Bungay High School	3,580,045	718,772	235,510	532,367	5,066,694
Kesgrave High School	7,274,394	1,099,060	553,315	1,115,696	10,042,465
Castle EAST School	36,142	-	-	57,774	93,916
Teaching School	-	-	-	2,121	2,121
Academy Trust	<u><u>18,446,145</u></u>	<u><u>3,194,639</u></u>	<u><u>1,273,364</u></u>	<u><u>2,728,213</u></u>	<u><u>25,642,361</u></u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	38,566,663	38,566,663
Current assets	2,469,114	3,105,922	956,347	6,531,383
Creditors due within one year	(633,323)	(1,345,379)	(74,726)	(2,053,428)
Creditors due in more than one year	-	-	(446,095)	(446,095)
Provisions for liabilities and charges	-	(10,027,000)	-	(10,027,000)
Total	1,835,791	(8,266,457)	39,002,189	32,571,523

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	-	-	39,238,931	39,238,931
Current assets	1,582,620	1,580,950	438,169	3,601,739
Creditors due within one year	(212,467)	(936,930)	(62,252)	(1,211,649)
Creditors due in more than one year	-	-	(409,516)	(409,516)
Provisions for liabilities and charges	-	(7,131,000)	-	(7,131,000)
Total	1,370,153	(6,486,980)	39,205,332	34,088,505

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21. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	486,018	27,173,964
Adjustments for:		
Depreciation charges	1,456,445	1,422,541
Defined benefit pension scheme obligation inherited	-	3,934,000
Defined benefit pension scheme cost less contributions payable	765,000	750,000
Defined benefit pension scheme finance cost	128,000	114,000
Decrease/(increase) in stocks	4,416	(8,642)
Increase in debtors	(430,262)	(737,041)
Increase in creditors	829,305	554,287
Fixed assets transferred upon schools joining the Trust	-	(30,850,786)
Cash transferred upon schools joining the Trust	-	(1,661,201)
Net cash provided by operating activities	3,238,922	691,122

22. Cash flows from financing activities

	2021 £	2020 £
Cash inflows from new borrowing	115,779	175,000
Repayments of borrowing	(66,726)	(44,752)
Loans transferred upon schools joining the Trust	-	94,000
Net cash provided by financing activities	49,053	224,248

23. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(784,177)	(739,956)
Cash transferred upon schools joining the Trust	-	1,661,201
Net cash (used in)/provided by investing activities	(784,177)	921,245

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24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	5,093,391	2,589,593
Total cash and cash equivalents	5,093,391	2,589,593

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,589,593	2,503,798	5,093,391
Debt due within 1 year	(62,252)	(12,474)	(74,726)
Debt due after 1 year	(409,516)	(36,579)	(446,095)
	2,117,825	2,454,745	4,572,570

26. 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 Suffolk County Council. Both are multi-employer defined benefit schemes.

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

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26. 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 £2,951,196 (2020 - £3,559,803).

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 £947,000 (2020 - £1,066,000), of which employer's contributions totaled £742,000 (2020 - £874,000) and employees' contributions totaled £ 205,000 (2020 - £192,000). The agreed contribution rates for future years are 23 per cent for employers and variable per cent for employees.

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

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26. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

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

Sensitivity analysis

	2021 £	2020 £
Discount rate +0.1%	(640,000)	(517,000)
Discount rate -0.1%	640,000	517,000
Mortality assumption - 1 year increase	1,139,000	892,000
Mortality assumption - 1 year decrease	(1,139,000)	(892,000)
CPI rate +0.1%	578,000	463,000
CPI rate -0.1%	(578,000)	(463,000)

For sensitivity purposes the Actuary has advised that they estimate that a one year increase in life expectancy would increase the Employers Defined Benefit Obligation by 3-5%, but that in practice the actual cost would depend on the structure of the revised assumption. The table above discloses the monetary impact of a 4% change.

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26. Pension commitments (continued)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2021 £	2020 £
Equities	12,178,000	8,947,000
Property	1,292,000	1,364,000
Cash and other liquid assets	368,000	910,000
Debt instruments	4,613,000	3,943,000
Total market value of assets	18,451,000	15,164,000

The actual return on scheme assets was £3,118,000 (2020 - £15,000).

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

	2021 £	2020 £
Current service cost	(1,507,000)	(1,542,000)
Past service cost	-	(82,000)
Interest income	263,000	264,000
Interest cost	(391,000)	(378,000)
Total amount recognised in the Statement of financial activities	(1,635,000)	(1,738,000)

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

	2021 £	2020 £
At 1 September	22,295,000	7,793,000
Transferred in on existing academies joining the Trust	-	12,435,000
Current service cost	1,507,000	1,542,000
Interest cost	391,000	378,000
Employee contributions	205,000	192,000
Actuarial losses	4,351,000	177,000
Benefits paid	(271,000)	(304,000)
Past service costs	-	82,000
At 31 August	28,478,000	22,295,000

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26. 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	15,164,000	5,749,000
Transferred in on existing academies joining the Trust	-	8,501,000
Interest income	263,000	264,000
Actuarial gains/(losses)	2,348,000	(112,000)
Employer contributions	742,000	874,000
Employee contributions	205,000	192,000
Benefits paid	(271,000)	(304,000)
At 31 August	18,451,000	15,164,000

27. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancelable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	26,621	48,543
Later than 1 year and not later than 5 years	53,614	77,853
Later than 5 years	-	14,305
	80,235	140,701

28. Other financial commitments

At the year end there is a financial commitment of £810,247 (2020 - £320,098) in relation to ongoing roof repairs.

29. Members' liability

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

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30. Related party transactions

Other than reimbursement of certain Trustee expenses, no related party transactions took place in the period of account.

31. Post balance sheet events

The Academy Trust opened Castle EAST School in September 2021. During the year ended 31 August 2021, income of £377,270 and expenditure of £171,564 (including £39,562 of central recharges) were recognised in relation to pre-opening costs. The new school building for Castle EAST School was funded by Suffolk County Council and was transferred to the Trust in September 2021 under a 125 year lease. The estimated cost of the property works was in the region of £3.5m. The fair value of the property will be recognised as a donated asset in the year ended 31 August 2022.

32. Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. In the year it received £67,566 (2020 - £101,214), and disbursed £43,662 (2020 - £49,961). An amount of £23,904 (2020 - £52,711) is repayable to ESFA at 31 August 2021 and is included in other creditors. £Nil (2020 - £1,518) has been recognised in income and expenditure in the Statement of financial activities.

33. Controlling party

There is no ultimate controlling party.

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34. Teaching school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Direct income				
Grant income	80,946		80,917	
Transfer from Farlingaye Kesgrave Teaching Alliance Ltd	-		126,650	
Total direct income	<u>80,946</u>		<u>207,567</u>	
Total income		80,946		207,567
Expenditure				
Direct expenditure				
Direct staff costs	40,985		36,142	
Direct costs	52,474		57,774	
Total direct expenditure	<u>93,459</u>		<u>93,916</u>	
Other expenditure				
Other staff costs	31,013		-	
Recruitment and support	13,079		-	
Total other expenditure	<u>44,092</u>		<u>-</u>	
Total expenditure		<u>137,551</u>		<u>93,916</u>
(Deficit)/surplus from all sources		(56,605)		113,651
Teaching school balances at 1 September 2020		113,651		-
Teaching school balances at 31 August 2021		<u>57,046</u>		<u>113,651</u>