

Company Registration Number: 07962059 (England & Wales)

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Smith D Perks (resigned 14 March 2021) L Katon D Hayes K Hinde (appointed 7 May 2021, resigned 1 September 2021) A Atashzai (resigned 15 March 2021) T Sewell (appointed 25 January 2021, resigned 28 June 2021)
Trustees	A Atashzai, Chair of Trustees to 7 May 2021 (resigned 7 May 2021) K Hinde, Chair of Trustees from 8 May 2021 C Atwell (appointed 16 March 2021) D Carun D Perks (resigned 18 October 2021) H Pizzey (appointed 8 December 2020) J Brian (appointed 25 January 2021) M Taylor, Interim Principal (appointed 8 June 2021) M Spiers (appointed 18 December 2020) N Borzenko, Vice Chair from 8 June 2021 (appointed 8 December 2020) R Tratt S Anderson S Worth (appointed 25 January 2021) R Harries (resigned 31 October 2020)
Company registered number	07962059
Company name	East London Science School Trust
Principal and registered office	The Clock Mill Three Mill Lane London E3 3DU
Senior management team	C Beardsmore-Rust, Lead in Science and SENCO J Copestake, Head of Lower School P Cornish, Vice-Principal (resigned 31 August 2021) H Finch, School Business Manager (appointed 27 April 2021, resigned 31 October 2021) D Perks, Principal (resigned 18 October 2021) P Phebey, Vice-Principal (resigned as Vice Principal 31 October 2021) M Taylor, Vice-Principal, Interim Principal and Accounting Officer from 24 May 2021 B Ubaka, Head of Upper School L Wheatley, School Business Manager (resigned 1 May 2021) M Martin, Director of Teaching and Learning R Woolfenden, Head of Sixth Form
Independent auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

EAST LONDON SCIENCE SCHOOL TRUST
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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 auditor's report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates a School for pupils aged 11 to 18 serving a catchment area in Newham. It has a pupil capacity of 720 on three temporary sites and had a roll of 660 in the school census on 27 October 2021.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the Academy. The Trustees of East London Science School Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as East London Science School.

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

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

The arrangements are as set out in the Articles and Funding Agreement. The Academy looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills. Trustees are drawn from across the local community and are recruited from Academy contacts including parents and staff. Trustees & Members regularly review regulatory guidance and best practice, especially the Academies Financial Handbook, regarding the composition of the Board.

e. Policies adopted for the induction and training of Trustees

All prospective Trustees must meet the Chair and the Principal to understand their role within the school before appointment. All new Trustees will be given the opportunity of a tour of the school, have the chance to meet with the staff and pupils and are provided with copies of key documents they need to fulfil their role as Trustees, including an induction document which describes the vision and ethos of the school, key performance indicators, and strategic priorities. 'NPW Governor Services' has been engaged to assist in a detailed induction process for all the new Trustees. Trustees are assigned an individual training plan based on courses from NGA Learning Link. All Trustees are required to have an enhanced DBS disclosure with Section 128 check.

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

Structure, governance and management (continued)

f. Organisational structure

The organisational structure currently consists of four levels:

- Trust Members meet once a year at the AGM;
- the Trustees, who are directors of the Academy;
- the committees (Curriculum; Finance; Audit and Risk; Attendance, Behaviour and Exclusions; Pay and Performance);
- the Senior Leadership Team.

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The Scheme of Delegation within the Finance Procedures Manual outlines the specific decision making responsibilities at each level.

The Board of Trustees, which meets on at least five occasions per year and each individual committee, is responsible for the strategic direction of the School/Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Principal, and reviews them.

The Principal is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust/School. The Principal has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Principal manages the Trust/School on a daily basis supported by the Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Principal and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the School/Trust.

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

Proposals for pay awards for key management personnel are documented, based on performance, and reviewed by the trust to ensure they are fair, proportionate and justifiable. In 2019/2020, the Trust established a Pay and Performance committee, separate from the Finance committee, to give more effective scrutiny to all pay decisions.

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as, the pay scales for each role, overall responsibilities and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

Trade union facility time

The Academy had no employees who were trade union officials during the year and therefore has no trade union facility time to report.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

Objectives and activities

a. Objects and aims

The Academy's objective is set out in its Article of Association. This is to establish, maintain, manage and develop an Academy offering a broad curriculum with an emphasis on, but in no way limited to, the STEM subjects. The Academy aims to be an important centre for the teaching of science and computer science in East London by developing its subject specialism. Our sixth form is focused on the delivery of the sciences, including computer science and mathematics 'A' Levels. We will continue to broaden our subject offer as we grow. However, our aim is to be the foremost science school in East London through the strength of our teaching in the sciences and mathematics. More broadly, the Academy aims to offer the majority of its pupils the chance to achieve an EBacc at 16 by offering a range of good qualifications at GCSE including an emphasis on language and humanities.

ELSS also offers a unique wide ranging enrichment curriculum, which aims to broaden the outlook of every child. It is hoped that the easing of Covid restrictions will enable this to resume soon, and a highlight for all was the Enrichment Week offer in the final week of the summer term, 2021. In the meantime, the school has a thriving Duke of Edinburgh Awards Scheme with a large cohort of Year 9 offered the Bronze Award and planned expedition visits in the Spring term of 2022.

It should be noted that during the period of the pandemic the school was committed to offering a continuing service to all our pupils through a strong offer of online learning through video links and online assignments. This reduced in the summer of 2021 as the school began to operate again as it had before the pandemic. We also offered a continuous on site provision for pupils of key workers and those with particular needs.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trustees have worked with the DfE / ESFA over the course of the year to address the FNTI status that originated from the ESFA Investigation which took place in early 2020 between January and March.

The board have initiated reviews and have worked with the school to redress the financial situation. The Trustees are working with the school to address all issues raised and are committed to improving governance in light of all recommendations.

The Academy produced its fourth set of GCSE results this year under COVID restrictions. The results reflected an improving performance overall with continuous improvement in identified priority areas from previous years and an exceptional EBacc entry. Mathematics made a significant improvement. The sciences are a real strength. The Sixth Form produced its second set of A-level results which showed very good progress against prior achievement and the school continues to improve its range of university destinations and courses chosen by successful students. The number of pupils achieving university entry grades was extremely high.

The school has recently learned of the resignation of the principal and Trustees are now developing their plans for his replacement. In addition, the school has recently received an unfavourable Ofsted report, judging the school to be inadequate and requiring special measures. The interim principal and leadership team are committed to responding to this report and working with all stakeholders to serve the long-term interests of the school as well as preparing for MAT membership in line with school ethos and values.

During the year the Trust has worked towards these aims by:

- developing Safeguarding procedures and policies
- improving the curriculum offer for all pupils
- securing high quality academic and support staff
- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care
- focusing on improving pupil attendance
- raising the standard of educational achievement of all pupils
- developing resilient, resourceful students
- adapting and applying skills for flexible life-long learning
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review
- providing value for money for the funds expended
- conducting the Academy's business in accordance with the highest standards of integrity
- payment towards school accredited charities

Our success in fulfilling our aims can be measured by:

- progress towards Ofsted report improvements especially on Safeguarding measures
- FNTI improvements measured by a specific Action Plan
- improved governance

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

d. Subsequent events

Subsequent to the balance sheet date OFSTED published the results of a full inspection that took place between 23rd and 25th June 2021 which graded the school as inadequate.

Strategic report

Achievements and performance

The school is pleased with its performance in exam results, summarised below.

GCSE Results 2020-2021

The results achieved were Centre Assessed Grades due to COVID-19.

KS4 Attainment 8 was 6.4, significantly above national average.

KS4 Progress 8 was 0.23, in line with national average.

	<u>2021</u>
Grade 5 and above English & Maths	73%
Grade 4 and above English & Maths	87%
Ebacc (Grade 5 and above)	45%
Grade 5 and above English (Lit or Lang)	81%
Grade 4 and above English (Lit or Lang)	91%
Grade 5 and above Mathematics	78%
Grade 4 and above Mathematics	92%
Ebacc Entry	84%

A-Level Results 2020-2021

A-level	Comp Sci	Econ	Eng Lit	Hist	Latin	Bio	Chem	Maths	F. Maths	Philosophy	Physics
A/A*	50%	40%	50%	66%	100%	44%	23%	32%	66%	0%	50%
A-C	100%	70%	100%	100%	100%	94%	55%	68%	100%	100%	90%
A-E	100%	100%	100%	100%	100%	100%	86%	96%	100%	100%	100%

a. Key performance indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

- Pupil enrolment both in the new intake and across the School. Pupil's numbers have increased overall from 551 to 633 with the new intake at a similar level (114).
- Financial matters.
It has been a challenging year for the Trust but this is now being addressed as detailed in the going concern section of this report.
- GCSE and A-level results.
The results were considered good and further details are given in the previous section.

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Board of Trustees intend to transfer the operations and activities of the Trust into another legal entity within 12 months of approving the annual report and financial statements for the year ended 31 August 2021. As a result the accounts have been prepared on the basis that the Academy is no longer a going concern. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The school continues to work towards the removal of the FNTI Report issued in December 2020. The Trustees have worked with the Academy Trust's senior leadership team to redress the financial situation. Significant savings have been identified in the report and the school has worked hard to ensure these are achieved wherever practicable. The budgeted out-turn for the year ended 31 August 2021 is an in year operational surplus of £266k thereby reducing the carried forward deficit to £26k. The Academy plans to have surplus reserves in the next 2 years.

The school has delivered a robust and sustainable financial plan giving the school a projected five-year budget which remains in surplus throughout that period, pays back the outstanding clawback, ensures sufficient income from pupil numbers in a realistic projection, leading up to the first year of occupation of our new site in 2024. The staff numbers have been grown carefully, including reasonable pay increments and salaries. The school has also given itself plenty of room to adopt new strategies going forwards. This includes adoption of larger class sizes in the new school. Overhead costs have been restricted to essential items for the time being and are only budgeted to rise over the five-year forecast where a robust business case can be made.

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

Strategic report (continued)

Achievements and performance (continued)

The Board of Trustees and Executive Management Team have implemented new financial procedures to ensure;

- A new CFO appointment to oversee and monitor finances
- Regular cash flow movements and forecasts are prepared and communicated,
- Management information is shared, reviewed and challenged on a regular basis,
- Budgets produced are rigorously reviewed to ensure they are based on accurate information and realistic assumptions,
- Regular comparison of actual performance against budgets takes place.

These measures provide those charged with governance with confidence that the finances of the Academy are being managed robustly across the three sites (while awaiting permanent site) and ensures that any potential financial shortfalls would be identified early so remedial action could be made on a timely basis.

The Trustees continue to monitor the situation closely and are committed to delivering the plan as detailed above and restoring the Academy Trust's financial health. As a result of the above, the Trustees consider that the financial statements should be prepared on a going concern basis.

Financial review

The principal funding for the operation of the school is provided by the Education, Skills and Funding Agency in the form of the 'General Annual Grant'. A formal agreement is in place for this. They are also responsible for Pupil premium income and the reimbursement of the rental costs of the school's premises. Other funding is provided by local authorities.

Monthly accounts are produced and these are shared with the Trustees as appropriate. In accordance with the Trust's five year plan, income is examined for robustness and sustainability and expenditure is regularly reviewed to ensure value for money.

For the year ended 31 August 2021 the Trust received £5,551,118 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £5,284,892 including capital projects. The Trust brought forward from 19/20, a £489,924 deficit in restricted funds (excluding the LGPS pension liability) and £nil of unrestricted. The carry forward for 20/21 is a £26,006 deficit of restricted funds and £nil of unrestricted.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £955,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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

a. Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the CFO. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy Trust plans to build up a substantial reserve, with a target of £1m over a 5 year period, to meet any eventuality and to prepare for future capital projects.

Although, there is still a claw-back balance of £347,790, this is being managed according to the payment schedule agreed with the ESFA within our cash flow budget. The school has projected within its cashflow to pay the total sum owed over the next two years. This will not impact on the standard of learning and teaching at the Academy. The Academy does not foresee any problem in continuing its payment schedule as agreed.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £Nil.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was (£26,006).

The cash balance of the Trust has been healthy all year, ending the year with a balance of £817,852.

b. Investment policy

There is no specific investment policy in operation at present until the Academy Trust has established a firmer financial base under the compliance oversight of the CFO.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

The Trustees have reviewed and identified the major risks to which the Academy Trust is exposed to and systems and procedures have been established to manage those risks. The key risks and uncertainties are summarised below:

1. Ofsted report means lack of demand for places Mitigation: The Academy received offers close to four times the PAN of 120 each year. The number of first choice places is consistent over the last three years. In order to proactively mitigate the risk of low intake the Academy runs an effective marketing and community outreach operation throughout the year and is liaising with primary schools and the local authority. In order to increase numbers in the sixth-form, the Academy is focusing on core science subjects and setting ambitious academic targets. Sixth form pupil numbers are forecast to improve significantly in the forthcoming year. There is a significant risk of this level of selection dropping based on the poor Ofsted report but this has been modelled out as a worst case scenario on the financial side and is manageable. This will be done primarily through reducing staff and collapsing class sizes as well as targeted marketing and primary school and (for 6th form) secondary school liaison.
2. Uncertainty around the operating costs Mitigation: This is being managed through strategic, finance planning and robust monitoring of the Academy Budget. The expenses being managed within an extremely tight budget and a robust system of centralised spending which is overseen by the finance committee. All expenses are staged throughout the year and are tied in with the claw back payment schedule on a controlled and long-term basis.
A 5-year plan has been agreed with the ESFA, who oversee the monthly accounts and 5-year forecast, outlining a realistic plan to sustainably achieve budget expectations and improve pupil recruitment. Temporary site set up and maintenance are being managed within a very tight and centralised spending which is overseen by the finance committee.
The Trustees and the Principal maintain a rigorous and effective set of financial procedures to support their overall financial and risk management objectives.
3. Temporary sites

Leases for Clock Mill, Lockkeepers and Bridge House sites have been extended to 2024 to cover a move to permanent site. Lease for the sixth form site at Eastlea is to be renegotiated with Newham Community Schools Trust in the forthcoming year.
4. Development of permanent site

The estimated completion date for the final site is in 2024. The building schedule is beyond the Trusts control and there is a risk that the completion date is delayed. The final site will have a larger capacity for pupils than the current temporary sites, and will be more efficient and effective than the current arrangement. Impact of a delay has been modelled in the Trust's long-range financial plans and there is sufficient flexibility in the plans to adjust to any delay.
5. Reputational risk

The unfavourable Ofsted inspection alongside the resignation of the principal could cause reputational damage to the Trust. These could still have a key impact even without the mitigating factors below and a designated media response strategy.

Trustees monitor academic targets through holding SLT to account for performance of each department. Pupils are tested each term for an ongoing assessment of progress and achievement. The school has data and capability to intervene with individual pupils where necessary. Behaviour and Attitudes, Personal Development, Leadership and Management, and Safeguarding are regularly scrutinised by the Trust in committees throughout the year. The school has deployed an improvement plan that is highly accountable to secure rapid improvement under RSC and ESFA scrutiny and may involve a fast transition to MAT oversight. Additional expertise has been sought to secure improvement on key areas of SLT strategy.

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

6. Performance risk

The school performed well through lockdown. COVID-19 enforced lockdowns has led to many lessons being taught online. The school adopted the use of MS Teams and Zoom very quickly to allow a thorough curriculum to be delivered during in these adverse circumstances. This could be reintroduced again if required. This included regular testing and assessment and pastoral support throughout lockdown.

If GCSE and A-level results were to show unfavourable academic progress against national standards then the Trustees would act to secure additional resources and monitoring of performance. This would involve bringing in outside partners for quality assurance.

7. Financial Risk

The principal financial risk is a reduction in pupil enrolment which would reduce income following the poor Ofsted result as stated in point 1 above. The board also operates an audit and risk committee to scrutinise key decisions. If such an event were to happen, the Trust has prepared contingency plans to reduce staff and overhead costs in-year and avoid an end of year deficit. The development of suitable MAT partnerships is also part of the consideration.

8. Risk associated with personnel

The School has a very committed and strong staff team including a robust teacher training system, which means that our staff feel supported and are able to develop in terms of their careers and can envision themselves working with us as they grow and develop with the school. Covid has affected the ability of some staff to sustain their commitment to the school.

Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated. The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be reviewed by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

Fundraising

There are fundraising activities undertaken by the Academy Trust and relevant payments have been made to two designated charities.

Streamlined energy and carbon reporting

As the Trust's energy usage is below 40,000kWh they are exempt from providing details of streamlined energy and carbon reporting.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods

Our aim is to teach a high-quality academic curriculum to all pupils regardless of background or ability. In turn this should contribute to the creation of confident, ambitious and successful pupils who are able to pursue their dreams on the world stage. East London Science School has a distinctive set of educational principles which we try and adhere to as much as possible in order to make this vision a reality.

We hope to make rapid and sustained progress on accessing the new site once building commences.

The Trust has resolved to work with the Regional Schools Commissioner to find a suitable strong Multi-Academy Trust (MAT) to join. A suitable MAT will be able to provide support for rapid school improvement to address the issues identified in the most recent Ofsted report, while supporting the values, ethos, and culture of the school.

Funds held as custodian on behalf of others

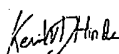
The Academy Trust does not hold any funds as custodian on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 31 Dec 2021 and signed on its behalf by:



K. Hinde (Dec 31, 2021, 12:02pm)
Chair Of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between East London Science School Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 10 times during the year.

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

Trustee	Meetings attended	Out of a possible
A Atashzai, Chair of Trustees to 7 May 2021	6	6
K Hinde, Chair of Trustees from 8 May 2021	10	10
C Atwell	4	5
D Carun	9	10
D Perks	6	6
H Pizzey	8	8
J Brian	4	6
M Taylor, Interim Principal	5	10
M Spiers	7	7
N Borzenko, Vice Chair from 8 June 2021	7	8
R Tratt	10	10
S Anderson	10	10
S Worth	5	6
R Harries	2	2

During the reporting period, the Trust commissioned an external review of governance from the National Governance Association. The first review took place in September 2020 with a follow-up 12 months later. The review in 2020 identified some serious deficiencies in the skills, capability and structure of the Board, and as a result the Board has taken a number of actions to address the issues, including;

1. Adoption of the new DfE model Articles of Association and Funding Agreement
2. The Principal is no longer a Member of the Trust, creating a clear separation of powers
3. Recruiting six new Trustees with experience in law, HR, inclusion, accountancy & audit, and education
4. Review of all of the Trust's policies
5. Holding a whole-day strategy meeting in January 2021
6. Creation of a detailed governance action plan to address all other issues identified

A follow-up review in September 2021 noted the progress that had been made with taking forward the recommendations, and that the newly-strengthened board has the potential to effect outstanding governance. In 2021-2022 the board will seek to appoint an additional Trustee with experience in education at a senior level, to broaden its understanding of the educational landscape.

Following the resignation of the previous Chair of Trustees, Adam Atashzai, in May 2021, the Trustees

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

appointed Kevin Hinde to be the new Chair and Nikita Borzenko to be Vice-Chair.

The Board has established a number of committees in order to provide detailed oversight of key responsibilities, as follows;

Curriculum: to advise the Board on matters relating to the curriculum, teaching and learning in the school. The committee supports the development of the school's curriculum offer, in relation to its academic ethos and helps to assess the quality of teaching and learning within the school.

Pay & Performance: to set and review policy on pay and performance, and review the operation and outcomes of those policies.

Attendance, Behaviour, Exclusions: to investigate and analyse the effectiveness of the school's approach to attendance, behaviour and exclusions, and report back to the board

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide financial scrutiny, presenting a draft of the annual budget, monitoring income and expenditure, monitoring effectiveness of financial procedures, ensuring value for money in contracts.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Atashzai	2	4
N Borzenko	5	5
K Hinde	6	6
D Perks	5	5
R Tratt	6	6

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to direct the trust's programme of internal scrutiny and report to the board on the adequacy of the trust's financial and other controls and management of risks.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Atashzai	1	2
N Borzenko	2	3
K Hinde	3	3
D Perks	1	2
R Tratt	3	3

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Ensuring a significant reduction in the monies owed for school meals, through actions taken by the school business manager
- Identifying a number of smaller items of expenditure that were no longer necessary, through monthly scrutiny of expenditure details
- Using benchmark data to evaluate the school's expenditure on admin, teaching and management roles.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control in East London Science School Trust was being developed following the issues raised in the FNTI issued by the ESFA throughout the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ UHY Hacker Young as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included the following:

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Management information reports;
- Premises issues;
- Fixed assets; and
- Fraud, theft and bribery

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

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes 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:



K. Hinde (Dec 31, 2021, 12:02pm)

Chair of Trustees

Date: 31 Dec 2021



Mark Taylor (Dec 31, 2021, 1:44pm)

M Taylor

Accounting Officer

31 Dec 2021

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of East London Science School Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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

Matter 1 - Business and pecuniary interest - Section 2.50

During the year the Academy Trust did not comply with section 2.50 of the Academies Financial Handbook as certain related party disclosures and pecuniary interest forms were not prepared and disclosed on the Trust website.

Matter 2 - Breach of Financial Notice to Improve – Condition 9

The Trust must send the ESFA all monthly management accounts and cashflow forecasts, this was not done for two months during the year ended 31 August 2021.

Matter 3 – Insufficient controls in place – Section 2.4 and 2.7 of the Academies Financial Handbook

The Trust's own financial regulations were not followed in regard to the procurement and tender process of a large purchase, several instances of unauthorised expenditure on the school's bank debit card and the inability to provide invoices to support expenditure in two instances. This showed a failure to apply regularity, propriety and value for money in the organisation's activities.

Matter 4 – Failure to maintain a fixed asset register – Section 2.7 of the Academies Financial Handbook

The Trust failed to manage and oversee assets, and maintain a fixed assets register. No changes had been made to the fixed asset register since the previous financial period. It was noted that many items currently on the register were fully depreciated and were acquired many years ago.



Mark Taylor (Dec 31, 2021, 1:44pm)

M Taylor

Accounting Officer

Date:

31 Dec 2021

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

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



Kevin Hinde (Dec 31, 2021, 12:02pm)

Chair of Trustees

Date: 31 Dec 2021

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST

Opinion

We have audited the financial statements of East London Science School Trust (the '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 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 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.

Emphasis of matter - Basis of preparation

We draw attention to Note 1.2 of the financial statements, which describes the basis of preparation of the financial statements. The Trustees are intending to transfer the operations, assets and liabilities of the Trust and cease operating within 12 months of the date on which the financial statements are approved. As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities are expected to be transferred at their carrying amounts. Our opinion is not modified in respect of this matter.

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

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

EAST LONDON SCIENCE SCHOOL TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the senior management team including the Accounting Office regarding laws and regulations applicable to the Academy and obtained the report details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed the terms of the Financial Notice to Improve imposed on the Trust by the ESFA. We reviewed evidence of compliance with each condition.
- We have reviewed any correspondence with the ESFA / DfE and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters to the Regulator if necessary.

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

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

EAST LONDON SCIENCE SCHOOL TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST
LONDON SCIENCE SCHOOL TRUST (CONTINUED)**

Use of our report

This Report is made solely to the Trust 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 Trust 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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Mr Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 7 January 2022

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST LONDON SCIENCE SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by East London Science School Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of East London Science School Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of East London Science School Trust's funding agreement with the Secretary of State for Education dated 2 September 2013 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 LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST
LONDON SCIENCE SCHOOL TRUST 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST
LONDON SCIENCE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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

Matter 1 - Business and pecuniary interest - Section 2.50

During the year the Academy Trust did not comply with section 2.50 of the Academies Financial Handbook as certain related party disclosures and pecuniary interest forms were not prepared and disclosed on the Trust website.

Matter 2 - Breach of Financial Notice to Improve – Condition 9

The Trust must send the ESFA all monthly management accounts and cashflow forecasts, this was not done for two months during the year ended 31 August 2021.

Matter 3 – Insufficient controls in place – Section 2.4 and 2.7 of the Academies Financial Handbook

The Trust's own financial regulations were not followed in regard to the procurement and tender process of a large purchase, several instances of unauthorised expenditure on the school's bank debit card and the inability to provide invoices to support expenditure in two instances. This showed a failure to apply regularity, propriety and value for money in the organisation's activities.

Matter 4 – Failure to maintain a fixed asset register – Section 2.7 of the Academies Financial Handbook

The Trust failed to manage and oversee assets, and maintain a fixed assets register. No changes had been made to the fixed asset register since the previous financial period. It was noted that many items currently on the register were fully depreciated and were acquired many years ago.

Reporting Accountant
Price Bailey LLP
Chartered Accountants

Date: 7 January 2022

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	(4,449)	(4,449)	46,391
Other trading activities	5	23,352	-	-	23,352	4,212
Investments	6	70	-	-	70	339
Charitable activities	4	2,097	5,530,048	-	5,532,145	4,956,644
Total income		25,519	5,530,048	(4,449)	5,551,118	5,007,586
Expenditure on:						
Charitable activities	7	25,519	5,181,847	77,526	5,284,892	5,573,196
Total expenditure		25,519	5,181,847	77,526	5,284,892	5,573,196
Net income/(expenditure)		-	348,201	(81,975)	266,226	(565,610)
Transfers between funds	18	-	(60,283)	60,283	-	-
Net movement in funds before other recognised losses		-	287,918	(21,692)	266,226	(565,610)
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	25	-	(210,000)	-	(210,000)	(16,000)
Net movement in funds		-	77,918	(21,692)	56,226	(581,610)
Reconciliation of funds:						
Total funds brought forward		-	(1,058,924)	145,448	(913,476)	(331,866)
Net movement in funds		-	77,918	(21,692)	56,226	(581,610)
Total funds carried forward		-	(981,006)	123,756	(857,250)	(913,476)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 53 form part of these financial statements.

EAST LONDON SCIENCE SCHOOL TRUST

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07962059

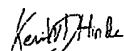
**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	13	123,756	145,448
		<u>123,756</u>	<u>145,448</u>
Current assets			
Debtors	14	246,347	98,923
Cash at bank and in hand		817,852	126,102
		<u>1,064,199</u>	<u>225,025</u>
Creditors: amounts falling due within one year	15	(1,028,306)	(367,147)
Net current assets / liabilities		<u>35,893</u>	<u>(142,122)</u>
Creditors: amounts falling due after more than one year	16	(61,899)	(347,802)
Net assets / liabilities excluding pension liability		<u>97,750</u>	<u>(344,476)</u>
Defined benefit pension scheme liability	25	(955,000)	(569,000)
Total net liabilities		<u><u>(857,250)</u></u>	<u><u>(913,476)</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	123,756	145,448
Restricted income funds	18	(26,006)	(489,924)
Pension reserve	18	(955,000)	(569,000)
Total restricted funds	18	<u>(857,250)</u>	<u>(913,476)</u>
Unrestricted income funds	18	<u>-</u>	<u>-</u>
Total funds		<u><u>(857,250)</u></u>	<u><u>(913,476)</u></u>

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07962059

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 26 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



KvHinde (Dec 31, 2021, 12:02pm)

Chair of Trustees

Date: 31 Dec 2021

The notes on pages 30 to 53 form part of these financial statements.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	738,060	89,577
Cash flows from investing activities	21	(46,310)	230
Change in cash and cash equivalents in the year		691,750	89,807
Cash and cash equivalents at the beginning of the year		126,102	36,295
Cash and cash equivalents at the end of the year	22, 23	<u>817,852</u>	<u>126,102</u>

The notes on pages 30 to 53 form part of these financial statements

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is The Clock Mill, Three Mill Lane, London, E3 3DU.

1.1 Basis of preparation of financial statements

The financial statements of the 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.

The Academy's functional and presentational currency is Pounds Sterling.

East London Science School Trust meets the definition of a public benefit entity under FRS 102.

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 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. As the Trustees intend to transfer the operations, assets and liabilities of the Trust to another suitable trust within one year, it will cease to operate following the date of transfer. As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities will be transferred from the Trust at their carrying amounts.

EAST LONDON SCIENCE SCHOOL TRUST
(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 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.

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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

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1. Accounting policies (continued)

1.6 Taxation

The 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 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.

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	10%
Furniture and equipment	-	5%
Computer equipment	-	5%

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.

1.8 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.

1.9 Cash at bank and in hand

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.11 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 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 Fund accounting

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

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

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

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

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

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

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

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Capital Grants	(4,449)	(4,449)	46,391
Total 2020	46,391	46,391	

In 2020, income receivable from capital grants was £46,391, all of which related to restricted fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Trust's Educational Operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,964,327	3,964,327	3,669,071
Other DfE/ESFA grants				
Teachers pension grant	-	130,846	130,846	101,031
Teachers pay grant	-	46,309	46,309	72,909
Free school meals	-	12,150	12,150	10,120
Pupil premium	-	198,989	198,989	159,499
Funding for the Building lease	-	833,894	833,894	850,014
Other DfE / EFA grants	-	110,480	110,480	5,045
	-	5,296,995	5,296,995	4,867,689
Other Government grants				
Local Authority grants	-	144,550	144,550	60,720
	-	144,550	144,550	60,720
Catering and facilities hire	2,097	-	2,097	28,235
COVID-19 additional funding (DfE/ESFA)				
Covid Catch-up grant	-	53,043	53,043	-
Covid Mass testing grant	-	35,460	35,460	-
	-	88,503	88,503	-
	2,097	5,530,048	5,532,145	4,956,644
Total 2020 as restated	2,515	4,954,129	4,956,644	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the trust's funding for Teachers pension grant, Teachers pay grant, Free school meals, funding for the building lease and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

In 2020, income from DfE / ESFA grants was £4,867,689, all of which was restricted.

In 2020, income from other Government grants was £60,720, all of which was restricted.

In 2021, the Trust received £53,043 of funding for catch-up premium and costs incurred in respect of this funding totalled £53,043.

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	23,352	23,352	4,212
Total 2020	4,212	4,212	

In 2020, other income was £4,212, £3,178 of which was unrestricted, £1,034 of which was restricted.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	70	70	339

In 2020, investment income was £339, all of which was unrestricted.

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	As restated Total 2020 £
Provision for Education					
Direct costs	2,292,252	-	206,824	2,499,076	3,361,973
Support costs	1,248,244	1,171,299	366,273	2,785,816	2,211,223
Total 2021	3,540,496	1,171,299	573,097	5,284,892	5,573,196
Total 2020 as restated	3,592,071	1,131,231	849,894	5,573,196	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

In 2020, of total expenditure £nil was on unrestricted funds, £5,431,550 was on restricted funds and £134,119 was on restricted fixed asset funds.

In 2020 direct costs consisted of £3,020,157 staff costs and £341,816 other costs.

In 2020 support costs consisted of £571,914 staff costs, £1,131,231 premises costs and £508,078 other costs.

The prior year adjustment detailed in note 17 had the effect of reducing the 2020 premises costs by £115,417.

8. Charitable Activities

	2021 £	As restated 2020 £
Direct costs	2,499,076	3,361,973
Support costs	2,785,816	2,211,223
Total	<u>5,284,892</u>	<u>5,573,196</u>
	2021 £	As restated 2020 £
Analysis of support costs		
Support staff costs	1,248,244	571,914
Depreciation	63,623	141,647
Technology costs	35,190	94,847
Premises costs (excluding depreciation)	1,107,676	1,140,613
Governance costs	32,652	16,500
Legal costs	4,765	9,907
Other support costs	293,666	235,795
Total	<u>2,785,816</u>	<u>2,211,223</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	As restated 2020 £
Operating lease rentals	865,104	809,966
Depreciation of tangible fixed assets	63,623	141,647
Fees paid to auditors for:		
- audit	14,500	8,500
- other services	6,050	3,000
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,499,562	2,528,596
Social security costs	264,859	258,829
Pension costs	637,952	788,074
	<u>3,402,373</u>	<u>3,575,499</u>
Agency staff costs	138,123	-
Staff restructuring costs	-	16,572
	<u>3,540,496</u>	<u>3,592,071</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	-	16,572
	<u> </u>	<u> </u>
	<u> </u>	<u>16,572</u>

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

During the year the Trust made no non-statutory staff severance payments.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	39	42
Administration and support	27	34
	66	76

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	2
In the band £100,001 - £110,000	1	1
	6	5

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £933,200 (2020 - £677,908).

11. Trustees' remuneration and expenses

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

		2021 £	2020 £
D Perks	Remuneration	105,000 -	105,000 -
		110,000	110,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
S Anderson	Remuneration	35,000 -	35,000 -
		40,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses (continued)

M Taylor (appointed 8 June 2021)	Remuneration	20,000 - 25,000	nil
	Pension contributions paid	5,000 - 10,000	nil
H Underwood (resigned 28 April 2020)	Remuneration	nil	40,000 - 45,000
	Pension contributions paid	nil	10,000 - 15,000

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

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020 (as previously stated)	1,289,258	270,318	702,310	2,261,886
Prior Year Adjustment	(38,805)	38,805	-	-
At 1 September 2020 (as restated)	1,250,453	309,123	702,310	2,261,886
Additions	-	-	41,931	41,931
At 31 August 2021	1,250,453	309,123	744,241	2,303,817
Depreciation				
At 1 September 2020 (as previously stated)	814,358	236,774	621,450	1,672,582
Prior Year Adjustment	436,095	7,761	-	443,856
At 1 September 2020 (as restated)	1,250,453	244,535	621,450	2,116,438
Charge for the year	-	17,626	45,997	63,623
At 31 August 2021	1,250,453	262,161	667,447	2,180,061

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Net book value				
At 31 August 2021	-	46,962	76,794	123,756
At 31 August 2020 (as restated)	-	64,588	80,860	145,448

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	9,602	10,042
Other debtors	23,775	66,900
Prepayments and accrued income	158,831	21,981
VAT recoverable	54,139	-
	<u>246,347</u>	<u>98,923</u>

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15. Creditors: Amounts falling due within one year

	2021 £	As restated 2020 £
GAG clawback	285,891	110,354
Trade creditors	167,746	87,759
Other taxation and social security	116,102	137,163
Other creditors	5,882	5,871
Accruals and deferred income	452,685	26,000
	<u>1,028,306</u>	<u>367,147</u>

The comparative information was restated to re-disclose the GAG clawback into creditors due within one year and creditors due after more than one year. The long term creditor can now be seen in note 16.

	2021 £	2020 £
Deferred income at 1 September 2020	14,500	25,561
Resources deferred during the year	-	14,500
Amounts released from previous periods	(14,500)	(25,561)
	<u>-</u>	<u>14,500</u>

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

	2021 £	As restated 2020 £
GAG Clawback	61,899	347,802

17. Prior year adjustments

A prior year adjustment has been made in relation to the brought forward funds from 2019, impacting the carry forward funds in 2020 a reduction of £559,274 in the fixed asset fund as well as an reduction to the depreciation charge in 2020 of £115,417. This was because non-moveable leasehold improvement relating to the Lockkeepers property which is held under lease was being depreciated over a period longer than the remaining term on the lease which expired on 30th August 2020. Therefore an adjustment has been made to adjust the depreciation charge in both 2019 and 2020 to bring the net book value of the Long-term leasehold property to nil by 30th August 2020.

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

	As Restated Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted	-	25,519	(25,519)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	(489,924)	3,964,327	(3,440,126)	(60,283)	-	(26,006)
Other DfE/ESFA grants	-	1,421,171	(1,421,171)	-	-	-
Other Government grants	-	144,550	(144,550)	-	-	-
Pension reserve	(569,000)	-	(176,000)	-	(210,000)	(955,000)
	<u>(1,058,924)</u>	<u>5,530,048</u>	<u>(5,181,847)</u>	<u>(60,283)</u>	<u>(210,000)</u>	<u>(981,006)</u>
Restricted fixed asset funds						
Devolved Formula Capital	-	13,903	(13,903)	-	-	-
Other ESFA capital grants	-	(18,352)	-	18,352	-	-
Restricted fixed asset fund	145,448	-	(63,623)	41,931	-	123,756
	<u>145,448</u>	<u>(4,449)</u>	<u>(77,526)</u>	<u>60,283</u>	<u>-</u>	<u>123,756</u>
Total Restricted funds	<u>(913,476)</u>	<u>5,525,599</u>	<u>(5,259,373)</u>	<u>-</u>	<u>(210,000)</u>	<u>(857,250)</u>
Total funds	<u>(913,476)</u>	<u>5,551,118</u>	<u>(5,284,892)</u>	<u>-</u>	<u>(210,000)</u>	<u>(857,250)</u>

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

General Annual Grant: This fund is for the purpose of running the Trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit

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18. Statement of funds (continued)

on the amount of GAG it could carry forward at 31 August 2021.

Other DfE / ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other Government grants: This fund has also arisen from funding received from the Local Authority mainly for Special Educational Needs.

Pension reserve: This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds: These funds have arisen from the fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Trust. All assets held are specifically for the use of the Trust.

Unrestricted funds: These have arisen from activities carried out by the Trust for raising funds and are unrelated to any form of Government assistance and therefore the Trust can choose to spend it however it chooses.

Devolved formula capital: This represents capital grants received from the DfE/ESFA to be used on capital projects or repairs.

Other ESFA capital grants: This also represents capital grants received from the DfE/ESFA to be used on capital projects or repairs.

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted	-	6,032	-	(6,032)	-	-
Restricted general funds						
General Annual Grant (GAG)	(181,988)	3,669,071	(3,990,457)	13,450	-	(489,924)
Other DfE/ESFA grants	-	1,126,593	(1,126,593)	-	-	-
Pupil premium	-	159,499	(159,499)	-	-	-
Pension reserve	(398,000)	-	(155,000)	-	(16,000)	(569,000)
	<u>(579,988)</u>	<u>4,955,163</u>	<u>(5,431,549)</u>	<u>13,450</u>	<u>(16,000)</u>	<u>(1,058,924)</u>
Restricted fixed asset funds						
Restricted Fixed asset funds	<u>248,122</u>	<u>46,391</u>	<u>(141,647)</u>	<u>(7,418)</u>	<u>-</u>	<u>145,448</u>
Total Restricted funds	<u>(331,866)</u>	<u>5,001,554</u>	<u>(5,573,196)</u>	<u>6,032</u>	<u>(16,000)</u>	<u>(913,476)</u>
Total funds	<u><u>(331,866)</u></u>	<u><u>5,007,586</u></u>	<u><u>(5,573,196)</u></u>	<u><u>-</u></u>	<u><u>(16,000)</u></u>	<u><u>(913,476)</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	123,756	123,756
Current assets	1,064,199	-	1,064,199
Creditors due within one year	(1,028,306)	-	(1,028,306)
Creditors due in more than one year	(61,899)	-	(61,899)
Provisions for liabilities and charges	(955,000)	-	(955,000)
Total	(981,006)	123,756	(857,250)

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	As restated Total funds 2020 £
Tangible fixed assets	-	145,448	145,448
Current assets	225,025	-	225,025
Creditors due within one year	(367,147)	-	(367,147)
Creditors due in more than one year	(347,802)	-	(347,802)
Provisions for liabilities and charges	(569,000)	-	(569,000)
Total	(1,058,924)	145,448	(913,476)

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	As restated 2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	266,226	(565,610)
Adjustments for:		
Depreciation	63,623	141,647
Capital grants from DfE and other capital income	4,449	(46,391)
Interest receivable	(70)	(339)
FRS17 adjustment	176,000	155,000
(Increase)/decrease in debtors	(123,877)	259,923
Increase in creditors	351,709	145,347
Net cash provided by operating activities	738,060	89,577

21. Cash flows from investing activities

	2021 £	As restated 2020 £
Dividends, interest and rents from investments	70	339
Purchase of tangible fixed assets	(41,931)	(46,500)
Capital grants from DfE Group	(4,449)	46,391
Net cash (used in)/provided by investing activities	(46,310)	230

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	817,852	126,102
Total cash and cash equivalents	817,852	126,102

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23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	126,102	691,750	817,852
Debt due within 1 year	(110,354)	(175,537)	(285,891)
	<u>15,748</u>	<u>516,213</u>	<u>531,961</u>

24. Contingent liabilities

The Trust currently occupies a property under a leasehold agreement which could give rise to a future liability for the cost of reinstatement works of alterations made to the property. The Trust will only be required to cover the cost of reinstatement if requested by the landlord. The Trustees have received assurance from the Department for Education that it would cover any such costs.

25. Pension commitments

The 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 The London Pension Fund Authority. 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.

Contributions amounting to £52,302 were payable to the schemes at 31 August 2021 (2020 - £Nil) and are included within creditors.

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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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 £363,663 (2020 - £516,342).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £127,000 (2020 - £129,000), of which employer's contributions totalled £90,000 (2020 - £84,000) and employees' contributions totalled £ 37,000 (2020 - £35,000). The agreed contribution rates for future years are per cent for employers and 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.

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.85	3.20
Rate of increase for pensions in payment/inflation	2.85	2.20
Discount rate for scheme liabilities	1.70	1.65

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25. Pension commitments (continued)

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
Retiring today		
Males	21.4	21.3
Females	24.0	23.9
Retiring in 20 years		
Males	22.9	22.8
Females	25.6	25.5

As at the 31st August 2021 the Academy has a pension liability of £955,000 (2020 - £569,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	50	1,032
Discount rate -0.1%	(48)	(1,095)
Mortality assumption - 1 year increase	70	1,105
Mortality assumption - 1 year decrease	(67)	(1,023)
CPI rate +0.1%	49	-
CPI rate -0.1%	(48)	-

Share of scheme assets

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

	2021 £	2020 £
Equities	417,000	261,000
Gilts	56,000	25,000
Corporate bonds	-	48,000
Property	66,000	47,000
Cash and other liquid assets	38,000	34,000
Alternative assets	106,000	79,000
Total market value of assets	683,000	494,000

The actual return on scheme assets was £67,000 (2020 - £15,000).

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25. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	257,000	233,000
Interest income	9,000	9,000
Interest cost	(18,000)	(15,000)
Total amount recognised in the Statement of Financial Activities	248,000	227,000

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

	2021 £	2020 £
At 1 September	1,063,000	791,000
Interest cost	18,000	15,000
Actuarial losses/(gains)	268,000	(8,000)
Benefits paid	(5,000)	(3,000)
Current service costs	257,000	233,000
Contributions by scheme participants	37,000	35,000
At 31 August	1,638,000	1,063,000

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

	2021 £	2020 £
At 1 September	494,000	393,000
Interest income	9,000	9,000
Actuarial gains/(losses)	58,000	(24,000)
Employer contributions	90,000	84,000
Benefits paid	(5,000)	(3,000)
Contributions by scheme participants	37,000	35,000
At 31 August	683,000	494,000

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26. Operating lease commitments

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

	2021 £	As restated 2020 £
Not later than 1 year	934,645	85,850
Later than 1 year and not later than 5 years	954,352	15,788
	<u>1,888,997</u>	<u>101,638</u>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11. In the prior year the Trust sponsored an event held by the Academy of Ideas Limited at a cost of £14,000 no amounts were owed to this company at the year end.