

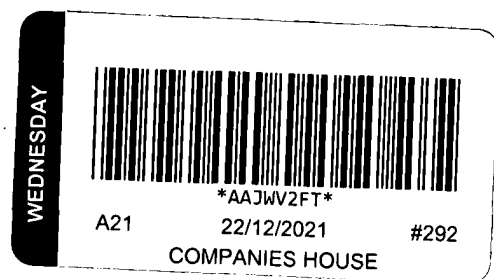
Aurum Academies Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Forrester Boyd
Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ



Aurum Academies Trust

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Aurum Academies Trust

Reference and Administrative Details

Members	S Baker K E Caldwell J Robinson
Trustees (Directors)	S Baker, Chair of Governing Body A Hudson J O'Rourke, Headteacher J Robinson K Swann (resigned 21 September 2020) T Harris (appointed 21 September 2020)
Governors	R Chard C Taylor K Robinson J Sewell
Senior Management Team	J O'Rourke, Headteacher and Accounting Officer K Robinson, KS2 Leader C Taylor, KS1 Leader A McGowan, EYFS Leader C Jenkinson, KS2 Leader
Principal and Registered Office	School Lane Washingborough Lincolnshire LN4 1BW
Company Registration Number	07971651
Auditors	Forrester Boyd Waynflete House 139 Eastgate Louth Lincolnshire LN11 9QQ
Bankers	Lloyds Bank plc 202 High Street Lincoln Lincolnshire LN5 7AP

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021

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

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 1st March 2012. The company registration number is 7971651.

The Academy Trust converted to a multi-academy trust in March 2015 and changed name from Washingborough Academy Ltd to Aurum Academies Trust Ltd.

Four members act as the trustees for the charitable activities of Aurum Academies Trust and a number of governors are the directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Principal activities

The Academy Trust's objects are specifically restricted for the public benefit to advancing education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Method of recruitment and appointment or election of Trustees

The Governors are appointed by the Members and Governing Body and are responsible for the day to day management of the Academy, exercising all the powers of the Members as stated in Article 94. The Members and Governors who were in office during the period 1st September 2020 to 31st August 2021 are given on page 1.

Full details relating to the appointment and removal of Governors are contained in the Articles of Association with a brief summary given below.

The governing body shall be made up of a minimum of 4 governors, with their term of office being 4 years (except for the Headteacher). Subject to remaining eligible any Governor may be re-appointed or re-elected.

Up to 4 Staff Governors (including the Head Teacher) may be appointed by such processes as the Members may determine providing that the number of Staff Governors does not exceed one third of the total number of Governors. The Head Teacher is treated as an ex officio Governor.

A minimum of 2 Parent Governors shall be elected by parents of registered pupils at the Academy and the Parent Governors must be a parent of a pupil at the Academy when they were elected. The Governors may appoint Co-opted Governors as required.

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy, The Secretary of State has not appointed any additional Governors.

During the period under review the Governors held 6 formal Full Governing Body meetings.

Attendance at these meetings by the governors is given within the Governance Statement on page 9.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Arrangements for setting pay and remuneration of key management personnel

Key management staff within the trust are all on standard teaching contracts and are paid in line with the national teaching pay scales. The governing body agree the pay scale bands for each individual's contract and any movement between bands is in line with the trusts performance related pay policy.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to leadership and teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have identified no areas of major risk requiring attention during the period.

Connected organisations, including related party relationships

There were no transactions with connected organisations or related parties during the period.

Organisational structure

The Governing Body manages its responsibilities within 6 full governing body meetings each year. Where necessary, sub-committees are established to manage specific activities. No sub-committees were established during the period.

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Objectives and activities

Objects and aims

The main objectives of the Academy Trust are to maintain and improve educational standards:

- to always endeavour to promote a high standard of quality of education
- to challenge and monitor the performance of the Academy
- to manage the academy trust finances and property
- to employ a high calibre of staff that will empower children with their learning

Public benefit

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

In setting objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Achievements and performance

Due to the COVID-19 pandemic, there were no formal STA results within the period. However, teacher assessment data shows that the Academy continues to perform better than the National Average, with good progress being made in all areas of the curriculum.

The most recent Ofsted inspection was in November 2017 and was rated as:

- Overall effectiveness - Good
- Effectiveness of leadership and management - Good
- Quality of teaching, learning and assessment - Good
- Personal development, behaviour and welfare - Outstanding
- Outcomes for pupils - Good
- Early years provisions - Outstanding
- Overall effectiveness – Good

Attainment and progress figures can be found listed on -

<https://www.compare-school-performance.service.gov.uk/school/137977/washingborough-academy/primary>

Key performance indicators

	19/20	20/21
Pupil Achievement KS1	67%	14%
Pupil Achievement KS2	68%	69%
Attendance	N/A (COVID-19)	n/a (COVID-19)
Pupil Premium Effectiveness	Non PP / PP	Non PP / PP
Pupil Achievement Combined (Reading, Writing, Maths) KS2	70% / 57% (4 out of 7)	74% / 45.5% (5 out of 11)
Pupil Achievement Combined (Reading, Writing, Maths) KS1	73% / 25% (1 out of 4)	24% / 0% (0 out of 3)

- The 2019/20 and 2020/21 performance data is derived from teacher assessments as no statutory tests were carried out due to the COVID-19 pandemic.
- The KS1 pupil achievement in 20/21 is low due to limited evidence being available as a result of the COVID-19 pandemic

Going concern

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

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Financial review

The majority of the income and expenditure of the Academy is similar to that of a school. For Academies the General Annual Grant (GAG) consists mainly of the funding for pupils aged between 4 and 11 based on the "replication" of the Local Authority's funding formula.

In addition to the educational operations of the Academy Trust four other, but related, operations have been performed, these are:

- Provision of Nursery facilities for children aged between 3 and the point they start school
- Provision of catering services, providing hot meals for pupils and staff at Washingborough Academy.
- Provision of wrap around school care in the form of a 'breakfast club' and 'after school club'.
- Letting of school premises for various extended provision and community activities

Reserves policy

The governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of available working capital should be one month's typical expenditure (approx. £115k), in line with ESFA guidance. This is to provide sufficient working capital to cover any delays between invoicing and cash receipt, delay's in receiving GAG funding and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Available working capital in this case is defined as free reserves (total funds less the amount held in fixed assets and the restricted pension fund) plus the value of outstanding loan liabilities. This definition compensates for distortions caused by these amounts, which date from the period prior to conversion to an academy.

The Academy's level of available working capital at 31 August 2021 was £156,689.

Steps are also being taken to eliminate the pension scheme deficit, as contributions have increased since converting to an Academy. It is possible that the deficit can influence the cashflow of the academy, as it may mean the contributions will have to change again in the future.

The academy held fund balances at 31 August 2021 of £1,846,173 comprising £2,601,484 of restricted fixed asset funds, a restricted general fund of £51,858, unrestricted funds of £104,831 and a pension reserve deficit of £912,000.

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Financial and risk management objectives and policies

As noted in the 'Risk Management' section above, the Governors have completed a number of systems to assess risks that the school faces and they have introduced systems and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Members and Governors have reviewed current examples of best practice and have:

- set policies on internal controls which cover the following:

- the type of risks the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained.

- clarified the responsibility of the Senior Leadership Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;

- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;

- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;

- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and

- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken.

Investment policy

The Academy has an Investment Policy which is fully adhered to and all current investments are in short-term interest earning, low risk savings accounts.

Fundraising

The Academy has secured additional income during the period through the letting of Academy premises to local organisations associated with children's activities.

Aurum Academies Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Auditor


Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30 November 2021 and signed on its behalf by:



S Baker
Chair of Trustees



J O'Rourke
Accounting Officer

Aurum Academies Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Aurum Academies 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.

The Board of Trustees has delegated the day-to-day responsibility to J O'Rourke, 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 Aurum Academies 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 governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Trustee	Meetings attended	Out of a possible
S Baker	6	6
T Harris	6	6
J O'Rourke	6	6
K Swann	1	1
C Taylor	6	6
R Chard	5	6
J Sewell	6	6
A Hudson	6	6
J Robinson	6	6
K Robinson	1	6

Review of value for money

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

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

- Introduced 'MyConcern' for safeguarding reporting. This cloud based system allows improved reporting of concerns in a much more efficient manner than the previous paper based system, resulting in improved transparency.
- Moved to an Ofsted recognised cloud based system for the Academy Single Central Register (SCR), which significantly reduces the risk of error and admin time.
- Moved assessments onto Arbor from O-Track, so now using one system, resulting in reduced teacher hours to enter data and a financial saving.

Aurum Academies Trust

Governance Statement (continued)

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

The Academy 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 governing body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and decided to carry out an internal audit each year, conducted by a member of the governing body.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

An internal review was undertaken in July 2021 and the findings will be reviewed by the trust and any improvement actions implemented during the 21/22 period.

Aurum Academies Trust

Governance Statement (continued)

Review of effectiveness

As Accounting Officer, J O'Rourke 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 ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 on 30 November 2021 and signed on its behalf by:



S Baker
Trustee



J O'Rourke
Accounting officer
Trustee

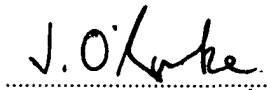
Aurum Academies Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Aurum Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2021.

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



J O'Rourke
Accounting Officer

30 November 2021

Aurum Academies Trust

Statement of Trustees' Responsibilities

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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency;
- 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; and
- 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 on 30 November 2021 and signed on its behalf by:



S Baker
Chair of Trustees

Aurum Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Aurum Academies Trust

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Provisions Available for Audits of Small Entities, in the circumstances set out in the accounting policies to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Aurum Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Aurum Academies Trust (continued)

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

We have nothing to report in respect of the following matters where 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 Statement of Trustees' Responsibilities [set out on page 13], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2020 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Aurum Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Aurum Academies Trust (continued)

Use of our report

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



Adam Millson ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

30 November 2021

Aurum Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Aurum Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 June 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 Aurum Academies Trust during the period 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 Aurum Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Aurum Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aurum Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aurum Academies Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Aurum Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 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 from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming the activities of the academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representations from the Accounting Officer and Key Management Personnel.

Aurum Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Aurum Academies Trust and the Education and Skills Funding Agency (continued)

Conclusion

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



Adam Millson ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Chartered Accountants

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

30 November 2021

Aurum Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	2	7,330	-	7,032	14,362
Other trading activities	4	51,467	13,552	-	65,019
Investments	5	29	-	-	29
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,254,251	-	1,254,251
Other income	6	5,595	-	-	5,595
Total		64,421	1,267,803	7,032	1,339,256
Expenditure on:					
Raising funds	7	28,183	37,505	-	65,688
<i>Charitable activities:</i>					
Academy trust educational operations	8	3,181	1,309,183	304,055	1,616,419
Total		31,364	1,346,688	304,055	1,682,107
Net income/(expenditure)		33,057	(78,885)	(297,023)	(342,851)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(105,000)	-	(105,000)
Net movement in funds/(deficit)		33,057	(183,885)	(297,023)	(447,851)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		71,774	(676,257)	2,898,507	2,294,024
Total funds/(deficit) carried forward at 31 August 2021		104,831	(860,142)	2,601,484	1,846,173

Aurum Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	12,506	23,184	223,858	259,548
Other trading activities	4	55,987	-	-	55,987
Investments	5	71	-	-	71
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,093,264	-	1,093,264
Other income	6	2,577	-	-	2,577
Total		71,141	1,116,448	223,858	1,411,447
Expenditure on:					
Raising funds	7	26,716	26,761	-	53,477
<i>Charitable activities:</i>					
Academy trust educational operations	8	12,256	1,204,170	90,068	1,306,494
Total		38,972	1,230,931	90,068	1,359,971
Net income/(expenditure)		32,169	(114,483)	133,790	51,476
Transfers between funds		(45,653)	30,065	15,588	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(188,000)	-	(188,000)
Net movement in (deficit)/funds		(13,484)	(272,418)	149,378	(136,524)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		85,258	(403,839)	2,749,129	2,430,548
Total funds/(deficit) carried forward at 31 August 2020		71,774	(676,257)	2,898,507	2,294,024

Aurum Academies Trust
(Registration number: 07971651)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	2,601,484	2,681,701
Current assets			
Debtors	13	60,658	172,398
Cash at bank and in hand		<u>176,737</u>	<u>208,624</u>
		237,395	381,022
Creditors: Amounts falling due within one year	14	<u>(80,706)</u>	<u>(53,783)</u>
Net current assets		<u>156,689</u>	<u>327,239</u>
Total assets less current liabilities		2,758,173	3,008,940
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>(1,916)</u>
Net assets excluding pension liability		2,758,173	3,007,024
Pension scheme liability	25	<u>(912,000)</u>	<u>(713,000)</u>
Net assets including pension liability		<u><u>1,846,173</u></u>	<u><u>2,294,024</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		51,858	36,743
Restricted fixed asset fund		2,601,484	2,898,507
Restricted pension fund		<u>(912,000)</u>	<u>(713,000)</u>
		1,741,342	2,222,250
Unrestricted funds			
Unrestricted general fund		<u>104,831</u>	<u>71,774</u>
Total funds		<u><u>1,846,173</u></u>	<u><u>2,294,024</u></u>

The financial statements on pages 19 to 41 were approved by the Trustees, and authorised for issue on 30 November 2021 and signed on their behalf by:



.....
S Baker
Chair of Trustees

Aurum Academies Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Net cash outflow from operating activities	19	(33,244)	(141,415)
Cash flows from financing activities	20	(3,812)	(3,783)
Cash flows from investing activities	21	<u>5,169</u>	<u>208,341</u>
(Decrease)/increase in cash in the year	22	<u>(31,887)</u>	<u>63,143</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

General Information

The Academy Trust is a company limited by guarantee and is an exempt charity registered in England & Wales. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07971651.

The address of its registered office is:

School Lane
Washingborough
Lincolnshire
LN4 1BW

These financial statements cover the individual entity, Aurum Academies Trust.

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

Basis of preparation

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

These financial statements have been prepared in sterling, the functional currency, and are rounded to the nearest pound.

Going concern

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

Specifically in connection with the current economic climate, the Trustees have considered the impact of COVID-19 on the Trust and they are satisfied that the Trust has sufficient financial headroom to continue trading for at least the next twelve months. For this reasons the financial statements have been prepared on a going concern basis.

Income

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

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

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

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are exclusive of VAT except where irrecoverable.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Fixtures and fittings	10%/20%/33% Straight Line
IT equipment	33% Straight Line
Buildings	2% Straight Line

Liabilities

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

Provisions

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

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term..

Taxation

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

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

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2016 has been used by the actuary in valuing the pensions liability at 31/08/2021. 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.

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Educational trips and visits	2,050	-	2,050	8,822
Capital grants	-	7,032	7,032	223,858
Other donations	5,280	-	5,280	26,868
	<u>7,330</u>	<u>7,032</u>	<u>14,362</u>	<u>259,548</u>

The income from donations and capital grants was £14,362 (2020: £259,548) which was allocated between the funds as follows; £7,330 unrestricted funds (2020: £12,506), £Nil restricted funds (2020: £23,184), £7,032 restricted fixed asset funds (2020: £223,858) and £Nil endowment funds (2020: £Nil).

3 Funding for Academy's educational operations

	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA revenue grants			
General Annual Grant	967,500	967,500	852,088
Pupil premium	62,388	62,388	60,161
Rates relief	2,240	2,240	8,072
Teacher's pay grant	13,165	13,165	12,875
PE and sports grant	18,210	18,210	18,170
Universal Infant Free School Meals	30,511	30,511	31,654
Teacher's pension grant	37,201	37,201	36,382
Other ESFA grants	4,500	4,500	459
	<u>1,135,715</u>	<u>1,135,715</u>	<u>1,019,861</u>
Other government grants			
EYFS Income	54,641	54,641	45,077
SEN funding	33,707	33,707	27,776
Other LA grants	7,648	7,648	-
	<u>95,996</u>	<u>95,996</u>	<u>72,853</u>
Covid-19 additional funding (DfE/ESFA)			
Coronavirus exceptional support	22,540	22,540	550
Total grants	<u>1,254,251</u>	<u>1,254,251</u>	<u>1,093,264</u>

The Trust received £22,540 (2020: £550) of COVID emergency funding and costs incurred in respect of this funding totalled £22,540 (2020: £550).

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

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	1,477	-	1,477	5,204
Catering income	19,874	-	19,874	11,838
School shop sales	-	-	-	434
Other sales	2,600	-	2,600	4,594
Nursery Income	2,226	-	2,226	1,635
After School Club Income	16,450	-	16,450	19,898
Learn4Earth	-	13,552	13,552	-
Breakfast Club Income	8,840	-	8,840	12,384
	<u>51,467</u>	<u>13,552</u>	<u>65,019</u>	<u>55,987</u>

5 Investment income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Bank Interest	<u>29</u>	<u>29</u>	<u>71</u>

6 Other income

	Unrestricted funds £	Total 2021 £	Total 2020 £
FIT Income	<u>5,595</u>	<u>5,595</u>	<u>2,577</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Expenditure

	Non Pay Expenditure			2020/21	2019/20
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	65,688	-	-	65,688	53,477
Academy's educational operations					
Direct costs	771,868	-	63,941	835,809	770,990
Allocated support costs	258,950	404,206	117,454	780,610	535,504
	<u>1,096,506</u>	<u>404,206</u>	<u>181,395</u>	<u>1,682,107</u>	<u>1,359,971</u>

Net income/(expenditure) for the year includes:

	2020/21	2019/20
	£	£
Operating leases - plant and machinery	1,098	1,098
Fees payable to auditor - audit	4,250	4,200
- other audit services	910	690
Depreciation	<u>82,109</u>	<u>83,016</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Charitable activities

	Total 2021 £	Total 2020 £
Direct costs - educational operations		
Teaching and educational support staff costs	771,868	692,589
Technology costs	3,724	6,045
Educational supplies	38,915	33,954
Staff development	4,706	8,821
Other direct costs	16,596	29,581
	<u>835,809</u>	<u>770,990</u>
Support costs - educational operations		
Support staff costs	175,950	172,028
LGPS Service cost adjustment	83,000	83,000
Depreciation	82,109	83,016
Technology costs	2,309	1,777
Maintenance of premises and equipment	240,784	27,227
Cleaning	27,871	22,173
Rent, rates and utilities	29,610	24,862
Insurance	23,832	20,354
Recruitment and support	460	250
Security and transport	131	325
Catering	28,248	17,325
Bank interest and charges	303	1,659
Interest on defined benefit pension scheme	11,000	9,000
Professional fees	34,689	30,389
Other support costs	34,678	37,229
Governance costs	5,636	4,890
	<u>780,610</u>	<u>535,504</u>
Total direct and support costs	<u>1,616,419</u>	<u>1,306,494</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Staff

Staff costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	766,499	686,363
Social security costs	55,671	56,333
Pension costs	261,572	237,887
	<u>1,083,742</u>	<u>980,583</u>
Supply teacher costs	12,764	20,511
	<u>1,096,506</u>	<u>1,001,094</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2021 No	2020 No
Charitable Activities		
Teachers	13	8
Support staff	29	25
Management	2	4
	<u>44</u>	<u>37</u>

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

	2021 No	2020 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £248,567 (2020: £268,511).

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Related party transactions - trustees' remuneration and expenses

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

J O'Rourke (Headteacher):

Remuneration: £70,000 - £75,000 (2020 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2020 - £15,000 - £20,000)

A Hudson (Teaching support staff):

Remuneration: £20,000 - £25,000 (2020 - £20,000 - £25,000)

Employer's pension contributions: £0 - £5,000 (2020 - £0 - £5,000)

During the year ended 31 August 2021, travel and expenses totalling £266 (2020 - £320) were reimbursed to 2 trustee (2020 - 1).

Other related party transactions involving the trustees are set out in note 26.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the year ended 31 August 2021 was £584 (2020 - £151).

The cost of this insurance is included in the total insurance cost.

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2020	3,100,000	199,327	49,106	3,348,433
Additions	-	-	1,891	1,891
At 31 August 2021	3,100,000	199,327	50,997	3,350,324
Depreciation				
At 1 September 2020	471,670	160,586	34,475	666,731
Charge for the year	56,040	19,347	6,722	82,109
At 31 August 2021	527,710	179,933	41,197	748,840
Net book value				
At 31 August 2021	2,572,290	19,394	9,800	2,601,484
At 31 August 2020	2,628,330	38,741	14,631	2,681,702

13 Debtors

	2021 £	2020 £
Trade debtors	1,161	1,395
Prepayments	22,226	23,415
Accrued grant and other income	13,614	139,784
VAT recoverable	18,690	7,804
Other debtors	4,967	-
	<u>60,658</u>	<u>172,398</u>

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	36,567	33,932
Other taxation and social security	14,102	11,460
Other creditors	469	36
Loans	1,916	3,812
Accruals	27,652	4,543
	<u>80,706</u>	<u>53,783</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Creditors: amounts falling due within one year (continued)

Included within other creditors due within one year is a loan of £1,916 from ESFA which is provided on the following terms: A loan of £37,000 was advanced on 14th November 2011, to be repaid within 10 years. The annual interest rate of the loan is 0.75%. Fixed repayments are paid half yearly in arrears including the principal and interest.

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Solar Panel Loan	-	1,916

Included within other creditors due after 1 year is a loan of £Nil from ESFA which is provided on the following terms: A loan of £37,000 was advanced on 14th November 2011, to be repaid within 10 years. The annual interest rate of the loan is 0.75%. Fixed repayments are paid half yearly in arrears including the principal and interest.

16 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	967,500	(944,814)	-	22,686
Pupil Premium	9,700	62,388	(60,714)	-	11,374
Early Years Foundation Stage	-	54,641	(54,641)	-	-
Universal Infant Free School Meals	18,465	30,511	(31,178)	-	17,798
Erasmus and Demeter Income	8,578	-	(8,578)	-	-
Other DfE / ESFA Grants	-	75,316	(75,316)	-	-
Other LA Grants	-	41,355	(41,355)	-	-
Learn4Earth Income	-	13,552	(13,552)	-	-
Coronavirus exceptional support	-	22,540	(22,540)	-	-
	<u>36,743</u>	<u>1,267,803</u>	<u>(1,252,688)</u>	<u>-</u>	<u>51,858</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	2,678,372	-	(79,674)	-	2,598,698
Devolved Formula Capital	3,329	7,032	(7,575)	-	2,786
Condition Improvement Fund	216,806	-	(216,806)	-	-
	<u>2,898,507</u>	<u>7,032</u>	<u>(304,055)</u>	<u>-</u>	<u>2,601,484</u>
Restricted pension funds					
Restricted Pension Reserve	(713,000)	-	(94,000)	(105,000)	(912,000)
Total restricted funds	<u>2,222,250</u>	<u>1,274,835</u>	<u>(1,650,743)</u>	<u>(105,000)</u>	<u>1,741,342</u>
Unrestricted funds					
Unrestricted general funds	<u>71,774</u>	<u>64,421</u>	<u>(31,364)</u>	<u>-</u>	<u>104,831</u>
Total funds	<u>2,294,024</u>	<u>1,339,256</u>	<u>(1,682,107)</u>	<u>(105,000)</u>	<u>1,846,173</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	5	852,088	(882,158)	30,065	-
Pupil Premium	10,260	60,161	(60,721)	-	9,700
Early Years Foundation Stage	-	45,077	(45,077)	-	-
Universal Infant Free School Meals	18,896	31,654	(32,085)	-	18,465
Erasmus and Demeter Income	-	23,184	(14,606)	-	8,578
Other DfE / ESFA Grants	-	76,508	(76,508)	-	-
Other LA Grants	-	27,776	(27,776)	-	-
	<u>29,161</u>	<u>1,116,448</u>	<u>(1,138,931)</u>	<u>30,065</u>	<u>36,743</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	2,743,885	-	(81,101)	15,588	2,678,372
Devolved Formula Capital	5,244	7,052	(8,967)	-	3,329
Condition Improvement Fund	-	216,806	-	-	216,806
	<u>2,749,129</u>	<u>223,858</u>	<u>(90,068)</u>	<u>15,588</u>	<u>2,898,507</u>
Restricted pension funds					
Restricted Pension Reserve	<u>(433,000)</u>	<u>-</u>	<u>(92,000)</u>	<u>(188,000)</u>	<u>(713,000)</u>
Total restricted funds	2,345,290	1,340,306	(1,320,999)	(142,347)	2,222,250
Unrestricted funds					
Unrestricted general funds	<u>85,258</u>	<u>71,141</u>	<u>(38,972)</u>	<u>(45,653)</u>	<u>71,774</u>
Total funds	<u>2,430,548</u>	<u>1,411,447</u>	<u>(1,359,971)</u>	<u>(188,000)</u>	<u>2,294,024</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. The Academy Trust was not subject to a limit on GAG carry forward.

Pupil Premium may be spent for the educational benefit of pupils registered at the school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved Formula Capital is allocated direct by the DfE and must be spent on capital purposes.

The pension reserve recognises the school's current deficit position in respect of the Local Government Pension Scheme.

Universal Infant Free School Meals income must be used to provide all pupils in reception, year 1 and year 2 with a free school lunch.

The Condition Improvement Fund (CIF) was granted to the Academy Trust for fire safety and compliance works required on the premises.

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,601,484	2,601,484
Current assets	104,831	132,564	-	237,395
Current liabilities	-	(80,706)	-	(80,706)
Pension scheme liability	-	(912,000)	-	(912,000)
Total net assets	<u>104,831</u>	<u>(860,142)</u>	<u>2,601,484</u>	<u>1,846,173</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,681,701	2,681,701
Current assets	71,774	92,442	216,806	381,022
Current liabilities	-	(53,783)	-	(53,783)
Creditors over 1 year	-	(1,916)	-	(1,916)
Pension scheme liability	-	(713,000)	-	(713,000)
Total net assets	<u>71,774</u>	<u>(676,257)</u>	<u>2,898,507</u>	<u>2,294,024</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Financial commitments

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	1,098	1,098
Amounts due between one and five years	1,372	2,470
	<u>2,470</u>	<u>3,568</u>

19 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2021 £	2020 £
Net (expenditure)/income	(342,851)	51,476
Depreciation	82,109	83,016
Capital grants from DfE	(7,032)	(223,858)
Interest receivable	(29)	(71)
LGPS interest on defined benefit pension scheme	11,000	9,000
LGPS service cost adjustment	83,000	83,000
Decrease/(increase) in debtors	111,740	(111,908)
Increase/(decrease) in creditors	28,819	(32,070)
Net cash outflow from operating activities	<u>(33,244)</u>	<u>(141,415)</u>

20 Cash flows from financing activities

	2020/21 £	2019/20 £
Repayments of borrowing	<u>(3,812)</u>	<u>(3,783)</u>
Net cash used in financing activities	<u>(3,812)</u>	<u>(3,783)</u>

21 Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(1,891)	(15,588)
Capital grants from DfE	7,031	223,858
Interest received	29	71
Net cash inflow from capital expenditure and financial investment	<u>5,169</u>	<u>208,341</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	176,737	208,624
Total cash and cash equivalents	<u>176,737</u>	<u>208,624</u>

23 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non-cash changes £	At 31 August 2021 £
Cash	208,624	-	-	208,624
Loans falling due within one year	(3,812)	1,924	(29)	(1,917)
Loans falling due after more than one year	(1,917)	1,924	(7)	-
	<u>(5,729)</u>	<u>3,848</u>	<u>(36)</u>	<u>(1,917)</u>
Total	<u>202,895</u>	<u>3,848</u>	<u>(36)</u>	<u>206,707</u>

24 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.

25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both 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.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- 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 period amounted to £101,240 (2020: £93,127).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £91,234 (2020 - £75,185), of which employer's contributions totalled £71,234 (2020 - £58,185) and employees' contributions totalled £20,000 (2020 - £17,000). The agreed contribution rates for future years are 27.3% per cent for employers and on average 5% to 7% 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	3.20	2.50
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.70</u>

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

	2021	2020
Retiring today		
Males retiring today	21.20	21.40
Females retiring today	23.60	23.70
Retiring in 20 years		
Males retiring in 20 years	22.00	22.40
Females retiring in 20 years	<u>25.10</u>	<u>25.20</u>

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	1,725,000	1,773,000	1,823,000
Projected service cost	194,000	200,000	205,000
	<u>+ 0.1%</u>	<u>0.0%</u>	<u>- 0.1%</u>
Adjustment to rate of inflation	£	£	£
Present value of total obligation	1,813,000	1,773,000	1,734,000
Projected service cost	205,000	200,000	195,000
	<u>+ 0.1%</u>	<u>0.0%</u>	<u>- 0.1%</u>
Adjustment to rate of salary growth	£	£	£
Present value of total obligation	1,781,000	1,773,000	1,765,000
Projected service cost	200,000	200,000	200,000
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
Adjustment to mortality age rating assumption	£	£	£
Present value of total obligation	1,850,000	1,773,000	1,700,000
Projected service cost	209,000	200,000	191,000

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

	2021	2020
	£	£
Equities	617,000	470,580
Other bonds	122,000	136,400
Property	89,000	68,200
Cash and other liquid assets	33,000	6,820
Total market value of assets	<u>861,000</u>	<u>682,000</u>

The actual return on scheme assets was £146,000 (2020 - £47,000).

Aurum Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	(161,000)	(142,000)
Interest income	12,000	11,000
Interest cost	<u>(23,000)</u>	<u>(20,000)</u>
Total amount recognized in the SOFA	<u>(172,000)</u>	<u>(151,000)</u>

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

	2021 £	2020 £
At start of period	1,395,000	997,000
Current service cost	161,000	142,000
Interest cost	23,000	20,000
Employee contributions	20,000	17,000
Actuarial (gain)/loss	239,000	224,000
Benefits paid	<u>(65,000)</u>	<u>(5,000)</u>
At 31 August	<u>1,773,000</u>	<u>1,395,000</u>

Changes in the fair value of academy's share of scheme assets:

	2021 £	2020 £
At 1 September	682,000	564,000
Interest income	12,000	11,000
Actuarial gains	134,000	36,000
Employer contributions	78,000	59,000
Employee contributions	20,000	17,000
Benefits paid	<u>(65,000)</u>	<u>(5,000)</u>
At 31 August	<u>861,000</u>	<u>682,000</u>

26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted at arm's length where the value of the transactions is below the ESFA's de minimis limit. Any transactions above the limit will be reviewed to ensure that they are conducted on a non-profit basis. In either case the transactions will be conducted in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.