

Company Registration Number: 08358124 (England & Wales)

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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INFINITY ACADEMIES TRUST LTD
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Westaway B Brickles S Morley Rev. S Holt P Thompson
Trustees	S Westaway, Chair of Trustees D Bruce (resigned 17 May 2021) T C Wellberry S P Griffiths R E Chipperfield S J Brackenbury D C R Mcloughlin (appointed 23 June 2021) W Norrie (appointed 19 May 2021)
Company registered number	08358124
Company name	Infinity Academies Trust
Principal and registered office	St Nicholas Ce Primary Academy Woad Farm Road Boston Lincolnshire PE21 0EF
Chief executive officer	Gavin Booth
Senior management team	G Booth, Chief Executive Officer A Clarke, Executive Headteacher - Spilsby Primary Academy & Gipse Bridge Academy J Sharples, Headteacher - St Thomas Primary Academy S Paul, Headteacher - Wyberton Primary Academy J Hawkesworth, Finance and HR Director & School Business Manager for St Thomas' CE Primary Academy, St Nicholas CE Primary Academy & Wyberton Primary Academy F Booth, Headteacher - St Nicholas CE Primary Academy A Raistrick, Executive Headteacher - Pinchbeck East Primary Academy & Spalding Primary Academy P Ainsworth, Education Director M Dales, Operations Director
Independent auditor	Streets Audit LLP Chartered Accountants and Statutory Auditor Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW

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

Bankers	Lloyds Bank Plc 60 Market Street Eckington Sheffield S21 4JH
Solicitors	Duncan Pickering 4 Southfields Bourne PE10 9TZ

INFINITY ACADEMIES TRUST LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and 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 operated 7 primary academies in East England, St Thomas CE Primary Academy, Wyberton Primary Academy, Spilsby Primary Academy, Gipsey Bridge Academy, St Nicholas CE Primary Academy, Pinchbeck East Primary Academy and Spalding Primary Academy. Its current academies have a combined pupil capacity of 1995 and had a roll of 1930 in the latest school census.

Structure, governance and management

a. Constitution

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

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust

The Trustees of Infinity Academies Trust Ltd are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Infinity Academies Trust.

Details of the Trustees who served during the , 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 granted an indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has a limit of £10,000,000. The cost of this insurance is included in the total insurance cost and is not identifiable.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. The Trust may have up to 18 trustees which should include at least 2 parent trustees unless these are represented on a Local Governing Board.

The articles of association require that the Members of the Academy Trust shall comprise:

- (a) the signatories to the Memorandum, who shall be:
 - (i) the Diocesan Board of Education acting corporately by hand of its Director; and
 - (ii) two individual members of the Diocesan Board of Education nominated by it for the purpose;
- (b) the chairman of the Directors; and
- (c) any person appointed under Article 16.

The Board of Trustees may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

No additional trustees were appointed nor made by the Secretary of State in the year.

e. Policies adopted for the induction and training of Trustees

New Trustees are provided with a comprehensive induction pack containing information on the following:

- Structure of the Trust
- Induction
- Trustee/Governor Profile and Skills Audit
- Allowances
- Code of Practice
- Terms of Reference for the Members
- Terms of Reference for Trustees
- Terms of Reference for the Finance, Audit and Strategy Team
- Terms of Reference for Local Governing Board (Academy Development Committee)
- Policy Management
- Trustee and ADC Meeting Schedule
- Member, Trustee and ADC Governor contact list
- Trustee and ADC Roles Links, Inputs and Outputs
- Key Roles of the governing board

Annual skills audits are completed and training sourced as appropriate to fill any shortfall in competency.

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

Structure, governance and management (continued)

f. Organisational structure

The constitution of the board of trustees is set out in the articles of association. The chair is elected annually. Trustees work collectively to assure the strategic intentions of the Multi Academy Trust. The Trustees appoint Headteachers to take responsibility for the day to day management of the constituent academies and designate an Accounting officer.

The Trust has the following committees and governing bodies in place:

Board of Trustees:

S Westaway, Chair of Trustees
D Bruce (resigned 19 May 2021)
S. Brackenbury
S. Griffiths
R. Chipperfield
T C Welberry
W Norrie (appointed 19 May 2021)
D McLoughlin (appointed 23 June 2021)

East Lindsey Local Governing Board (Gipsey Bridge Academy & Spilsby Primary Academy):

A Clarke M Standbrook
S Knight
L Daniels
K Kirk
H Gatens
S King
B Atkinson
N Turner
J Shaw
N Daniels

Boston Local Governing Board (St Thomas' CE Primary Academy, St Nicholas CE Primary Academy and Wyberton Primary Academy):

S Brackenbury
P Daubney
G Hodgson
A Kerr
Revd J Robertson
A Smith
M Swain
C Lee
Rev S Sarvananthan
L Smith
Fr J Underhill

South Holland Local Governing Board (Pinchbeck East Primary Academy & Spalding Primary Academy):

H Banks
D Shaw
Rev D Sweeting
S Stanyer
A Miller

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

Structure, governance and management (continued)

S Gilbert
C McCallum
L Beesley

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

The Chief Executive Officer's pay is benchmarked against other similar sized trusts with a leadership scale range in accordance within the pay and conditions document. The scale is subject to performance management.

The Trust Finance Officer's pay is determined against the LCC pay and conditions and using Performance Management.

The Headteachers' pay is in accordance with the pay and conditions document and the performance management is in accordance with government legislation.

Objectives and activities

a. Objects and aims

The Trust's principal object is to advance, for the public benefit, 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.

The aim of the Trust is to provide a quality education in a caring and disciplined community:

- By maintaining the Trust's reputation for excellent examination results
- By allowing pupils of all abilities to attain their full potential and develop their own special qualities
- By offering a wide range of extracurricular activities and sports
- By maintaining the high standards and expectations of the Trust
- By developing a positive attitude towards equal opportunities for all, regardless of sex, religion or personal difficulties
- By expecting pupils to value all members of the Trust's community and its environment
- By allowing pupils to acquire attitudes and skills which enable them to give purposes to their lives and to make a contribution to the wider community

b. Objectives, strategies and activities

The main objectives, strategies and activities of the Trust are summarised below:

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care. The Trust carries out regular reviews of its academies to ensure the quality of Teaching & Learning. These focus on key areas to ensure that all pupils at its academies receive the best possible outcomes.
- To raise the standard of educational achievement of all pupils. The Trust uses performance data to compare the performance of its academies against national benchmarks. Key strategic plans are in place within the academies to raise standards in any areas identified for improvement.
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review. The Trust carries out regular reviews of its academies to ensure the quality of Teaching & Learning and carries out action research projects to ensure that the curriculum is new and innovative and meeting the needs of its pupils.
- To provide value for money for the funds expected. The Trust has clear financial procedures in place to

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

Objectives and activities (continued)

ensure the monies are well spent and that best value is sought at all times. The Trustees regularly review financial statements from the academies and agree future priorities.

- To comply with all appropriate statutory and curriculum requirements. The academies publish their curriculum online as required by the DfE alongside statutory policies. Trustees review these policies at regular intervals.
- To maintain close links with industry and commerce. The Trust is constantly looking to build links with local businesses and the academies seek to raise children's aspirations through enterprise projects.
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness. The Trust uses a variety of control measures including both internal and external auditors.

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)'. Given the activities of the Trust and the student population that it services, the Trustees consider that the Trust's aims are demonstrably to the public benefit.

Strategic report

Achievements and performance

a. Key performance indicators

The Trust uses the following performance indicators:

- Ofsted Reports.
- Trust Reviews linked to Teaching & Learning, Safeguarding and Finance.
- Feedback from External Education Consultants.
- Key Stage and Year groups' achievement and attainment results.
- Pupil Numbers.
- Feedback from Parental Questionnaires including Parent View.
- Pupil Interviews.
- Reporting to the Local Governing Body.
- The budget is not in deficit.

b. Going concern

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

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

Strategic report (continued)

Financial review

a. Reserves policy

Subject to ESFA's constraints on permitted balances, the Trust's policy is to carry forward a prudent level of resources. At the 31 August 2021 the Trust had £2,383,529 (2020: £1,620,640) in reserves, excluding fixed asset and pension funds. The total funds carried forward at 31 August 2021 were £19,246,215 (2020: £10,872,095). In the year ended 31 August 2021 the Trust made an overall surplus of £9,062,120 (2020: £1,368,189), excluding actuarial gains or losses on pension liabilities but including the transfer on conversion of £9,572,106 (2020: £1,639,665).

The policy of the academy was reviewed by the trustees and is to maintain a level of reserves equivalent to one month's GAG share. This is so that the trust can continue to operate for at least an academic term, at any given point in time, while balancing the financial and educational risk. The desired level of reserves was deemed by the trustees to be at least £695,000. At 31 August 2021 the Trust held sufficient reserves to meet such requirements.

b. Investment policy

The Trust operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit.

c. Principal risks and uncertainties

Information is still awaited on future funding for the Trust beyond the next financial year. The impact of national funding spending cuts and of redirected funding streams into the pupil premium for example, may have an adverse effect on grant funding. The Trustees are fully aware of this and predicted changes have been factored in to future budget forecasts and spending decisions.

d. Financial Risk Management Objectives and Policies

Sufficient cash is held in reserve to enable the Trust to support any financial issues that it may experience. Review of monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, it is not considered to impact the Trust on the basis that this is not an immediately crystallizing liability.

Fundraising

The Trustees set, and then monitor, the Trust's overall approach to fundraising. The plan takes account of risks, the Trust's values and its relationships with donors and the wider public, as well as its income needs and expectations. Day to day activities, and their management, are delegated to paid members of staff.

The Trust's approach to fundraising is guided by:

- acting in the best interests of the Trust
- managing the Trust's resources responsibly, which includes protecting and safeguarding its reputation
- acting with reasonable care and skill

Where appropriate the Trust will work with professional fundraisers, ensuring that the remuneration to the external partner is not excessive in relation to the funds raised.

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

Plans for future periods

The Infinity Trust has added two new schools to the trust in this financial year (20/21), and hope to add two more schools in 21/22 assisting with conversion if required. The following financial year (22/23) it is intended to take on two more schools/academies. Each new member of the MAT will contribute to the Trust fund with a percentage of their GAG to allow for costs to be covered and support to be delivered. As a minimum, this will be 5% to cover running costs.

Sufficient cash is held in reserve to enable the Trust to support any financial issues that it may experience.

Review of monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, and each Academy now expected to make an annual lump sum contribution, it is not considered to impact on the Trust.

Funds held as custodian on behalf of others

There are no funds held as Custodian Trustee on behalf of others for the period.

Disclosure of information to auditor


Insofar as the Trustees are aware:


- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Auditor

The auditor, Streets Audit LLP, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2021 and signed on its behalf by:


S Westaway
(Chair of Trustees)


S J Brackenbury
(Trustee)

INFINITY ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 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
S Westaway, Chair of Trustees	5	5
D Bruce (resigned 19 May 2021)	3	3
S J Brackenbury	5	5
S P Griffiths	5	5
R E Chipperfield	5	5
T C Wellberry	5	5
W Norrie	1	2
D C R Mcloughlin	1	1

The Finance, Audit, Risk and Strategy Committee is a sub-committee of the main board of Trustees. Its purpose is to support the Accounting Officer in their day to day running of the financial affairs of the Multi Academy Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Westaway	5	5
S J Brackenby	5	5
T C Wellberry	3	3
W Norrie	1	1

INFINITY ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Chief Executive Officer 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:

- careful scrutiny of the budgets provided for review.
- ensuring that the procurement process has been complied with across the Trust.

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 has been in place in Infinity Academies Trust Ltd for 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 Audit Lincolnshire as internal auditor.

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

- testing of payroll/purchase systems
- testing of control account/bank reconciliations

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 Trustees' financial responsibilities.

During the year the Trust's Chief Financial Officer has liaised with the School Business Managers to offer advice and support.

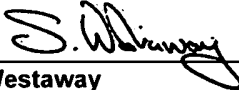
Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- 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 audit and risk 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 on 15 December 2021 and signed on their behalf by:



S Westaway
Chair of Trustees



G Booth
Accounting Officer

INFINITY ACADEMIES TRUST LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Infinity Academies Trust Ltd I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 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.



G Booth
Accounting Officer
Date: 15/12/2021

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INFINITY ACADEMIES TRUST LTD
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

Company law requires the Trustees to prepare financial statements for each financial . 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:

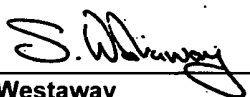
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 15 December 2021 and signed on its behalf by:


S Westaway
(Chair of Trustees)


S J Brackenbury
(Trustee)

INFINITY ACADEMIES TRUST LTD
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD**

Opinion

We have audited the financial statements of Infinity Academies Trust Ltd (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 Auditor's 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.

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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD (CONTINUED)**

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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD (CONTINUED)**

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, SORP 2015 (FRS 102), taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- reviewed Trustee meeting minutes for evidence of appropriate decision-making and management controls.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INFINITY ACADEMIES TRUST LTD (CONTINUED)**

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Linda Lord (Senior Statutory Auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants and Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 16/12/2021

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INFINITY
ACADEMIES TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Infinity Academies Trust Ltd during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Infinity Academies Trust Ltd's funding agreement with the Secretary of State for Education dated 1 February 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.

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.

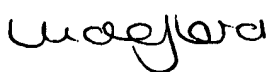
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

Conclusion

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



Linda Lord BSc BFP FCA TEP
Streets Audit LLP
Chartered Accountants and Statutory Auditor

Date: 16/12/2021

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2020</i> <i>£</i>
	Note					
Income from:						
Donations and capital grants:	3					
On conversion		-	(412,701)	9,984,807	9,572,106	1,639,655
Other donations and capital grants		19,893	26,534	110,039	156,466	43,153
Charitable activities		151,413	8,092,298	-	8,243,711	5,776,955
Investments	5	784	-	-	784	3,007
Total income		172,090	7,706,131	10,094,846	17,973,067	7,462,770
Expenditure on:						
Charitable activities	7	126,569	8,432,151	352,227	8,910,947	6,094,581
Total expenditure		126,569	8,432,151	352,227	8,910,947	6,094,581
Net income/(expenditure)		45,521	(726,020)	9,742,619	9,062,120	1,368,189
Transfers between funds	18	19,814	(47,426)	27,612	-	-
Net movement in funds before other recognised gains/(losses)		65,335	(773,446)	9,770,231	9,062,120	1,368,189
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(688,000)	-	(688,000)	(242,000)
Net movement in funds		65,335	(1,461,446)	9,770,231	8,374,120	1,126,189

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

	Unrestricted funds 2021	Restricted funds 2021	Restricted fixed asset funds 2021	Total funds 2021	As restated Total funds 2020
Note	£	£	£	£	£
Reconciliation of funds:					
Total funds brought forward	521,247	(2,348,607)	12,699,455	10,872,095	9,745,906
Net movement in funds	65,335	(1,461,446)	9,770,231	8,374,120	1,126,189
Total funds carried forward	586,582	(3,810,053)	22,469,686	19,246,215	10,872,095

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

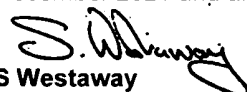
The notes on pages 26 to 53 form part of these financial statements.

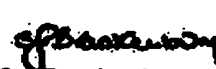
INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08358124

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	22,243,718	12,550,401
Current assets			
Debtors	15	876,934	155,817
Cash at bank and in hand		2,320,771	1,978,047
		<u>3,197,705</u>	<u>2,133,864</u>
Creditors: amounts falling due within one year	16	(588,208)	(364,170)
Net current assets		<u>2,609,497</u>	<u>1,769,694</u>
Total assets less current liabilities		<u>24,853,215</u>	<u>14,320,095</u>
Defined benefit pension scheme liability	26	(5,607,000)	(3,448,000)
Total net assets		<u><u>19,246,215</u></u>	<u><u>10,872,095</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	22,469,686	12,699,455
Restricted income funds	18	1,796,947	1,099,393
		<u>24,266,633</u>	<u>13,798,848</u>
Restricted funds excluding pension asset	18	24,266,633	13,798,848
Pension reserve	18	(5,607,000)	(3,448,000)
Total restricted funds	18	<u>18,659,633</u>	<u>10,350,848</u>
Unrestricted income funds	18	<u>586,582</u>	<u>521,247</u>
Total funds		<u><u>19,246,215</u></u>	<u><u>10,872,095</u></u>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 15 December 2021 and are signed on their behalf, by:


S Westaway
 (Chair of Trustees)


S J Brackenbury
 (Trustee)

The notes on pages 26 to 53 form part of these financial statements.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	280,490	663,542
Cash flows from investing activities	21	62,234	11,853
Change in cash and cash equivalents in the year		342,724	675,395
Cash and cash equivalents at the beginning of the year		1,978,047	1,302,652
Cash and cash equivalents at the end of the year	22, 23	2,320,771	1,978,047

The notes on pages 26 to 53 form part of these financial statements

INFINITY ACADEMIES TRUST LTD
(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.

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.

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 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

The UK has experienced a pandemic of the coronavirus during the year. The Academy has been able to adapt its teaching and learning methods since March 2020 but the academy's day to day activities have been significantly affected. Whilst the Academy is continuing to develop new ways of working in a covid-secure environment, the long-term effects of the pandemic on the academy, and its future prospects, cannot be fully quantified. The governors remain committed to the protection of the academy's activities and believe that they will be able to continue to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the 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.

- **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.

- **Transfer on conversion**

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

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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.

- **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.

1.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 bases:

Long Term Leasehold Property	- 50 years straight line
Plant and machinery	- 3 years straight line basis

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.

Land included in Long Term Leasehold Property is not depreciated.

1.7 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.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

The 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 15. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 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.

1.12 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.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

**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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations					
Transfer on conversion from Local Authority	-	(412,701)	9,984,807	9,572,106	1,639,655
Total on conversion	-	(412,701)	9,984,807	9,572,106	1,639,655
Donations	19,893	26,534	60,000	106,427	10,238
Capital Grants	-	-	50,039	50,039	32,915
Total grants and donations	19,893	26,534	110,039	156,466	43,153
Total 2021	19,893	(386,167)	10,094,846	9,728,572	1,682,808
<i>Total 2020</i>	<i>8,388</i>	<i>(156,728)</i>	<i>1,831,148</i>	<i>1,682,808</i>	

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

4. Charitable Activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,231,953	6,231,953	4,506,907
Other DfE/ESFA grants			
GAG Start Up Grant	50,000	50,000	-
Rates Relief	13,941	13,941	25,421
Pupil Premium	444,112	444,112	363,430
UIFSM	154,352	154,352	117,608
Teachers Pay & Pension	261,443	261,443	129,109
PE & Sports	105,781	105,781	89,980
	7,261,582	7,261,582	5,232,455
Other Government grants			
SEN	389,524	389,524	68,448
Early Years Funding	107,358	107,358	89,775
Reorganisation Funding	71,125	71,125	-
Other LA Funding	111,036	111,036	234,487
	679,043	679,043	392,710
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	151,673	151,673	954
	151,673	151,673	954
Total 2021	8,092,298	8,092,298	5,626,119
<i>Total 2020</i>	<i>5,626,119</i>	<i>5,626,119</i>	

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 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.

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	784	784	3,007
<i>Total 2020</i>	<i>3,007</i>	<i>3,007</i>	

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Direct costs:					
Direct costs	5,436,016	-	360,363	5,796,379	3,978,658
Allocated support costs	1,417,479	645,691	1,051,398	3,114,568	2,115,923
Total 2021	6,853,495	645,691	1,411,761	8,910,947	6,094,581
<i>Total 2020</i>	<i>4,676,544</i>	<i>438,404</i>	<i>979,633</i>	<i>6,094,581</i>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs	126,569	8,784,378	8,910,947	6,094,581
<i>Total 2020</i>	<i>-</i>	<i>6,094,581</i>	<i>6,094,581</i>	

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs	5,796,379	3,114,568	8,910,947	6,094,581
<i>Total 2020</i>	<u>3,978,658</u>	<u>2,115,923</u>	<u>6,094,581</u>	

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Pension costs	21,000	21,000
Staff costs	5,436,016	3,765,661
Educational Supplies	289,412	146,367
Educational Consultancy	49,951	45,630
Total 2021	<u>5,796,379</u>	<u>3,978,658</u>

INFINITY ACADEMIES TRUST LTD
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Direct costs 2021 £	Total funds 2021 £	Total funds 2020 £
Pension costs	41,000	41,000	36,000
Staff costs	1,417,479	1,417,479	910,883
Depreciation	340,078	340,078	262,586
Repairs and maintenance	305,613	305,613	175,818
Cleaning	65,551	65,551	70,992
Utilities	80,614	80,614	51,992
Rates	27,521	27,521	32,491
Rent	13,756	13,756	7,980
Office costs	22,631	22,631	14,597
Insurance	117,472	117,472	62,492
Licences & Subscriptions	90,547	90,547	47,934
Recruitment	12,031	12,031	9,879
Catering	320,231	320,231	186,173
Legal & Professional	113,760	113,760	141,388
ICT costs	77,919	77,919	63,574
Other	41,609	41,609	19,586
Bank charges	1,469	1,469	807
Staff training	25,287	25,287	20,751
Total 2021	3,114,568	3,114,568	2,115,923
<i>Total 2020</i>	<i>2,115,923</i>	<i>2,115,923</i>	

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	3,557	3,557
Depreciation of tangible fixed assets	340,078	262,586
Fees paid to auditor for:		
- audit	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,788,802	3,232,656
Social security costs	409,955	275,792
Pension costs	1,592,125	1,073,061
	<u>6,790,882</u>	<u>4,581,509</u>
Agency staff costs	62,613	95,035
	<u>6,853,495</u>	<u>4,676,544</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teaching Staff	71	42
Administration and Support Staff	154	95
Management	6	5
	<u>231</u>	<u>142</u>

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10. Staff (continued)

c. 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	1	1
In the band £80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

d. 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 - 9 members (2020: 7) was £651,372 (2020 - £404,812).

11. Central services

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

- financial services
- educational support services
- governance services; and
- other services as they arise

The Trust charges for these services on the following basis:

4% for schools in the trust as at 1 September 2020 and 5% for those joining at 1 March 2021 (2020: 2%) of the ESFA General Annual Grant Funding.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Gipsey Bridge	18,475	8,632
Spilsby	35,544	16,621
St Thomas	60,600	28,474
Wyberton	33,480	15,921
St Nicholas	37,052	20,246
Spalding	42,368	-
Pinchbeck	37,694	-
Total	<u>265,213</u>	<u>89,894</u>

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12. Trustees' remuneration and expenses

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

During the year, retirement benefits were accruing to no Trustees (2020 - 2) in respect of defined benefit pension schemes.

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

13. Trustees' and Officers' insurance

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

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

14. Tangible fixed assets

	Long-term leasehold property £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2020	13,030,000	115,520	13,145,520
Additions	81,895	11,500	93,395
Acquired on conversion	9,940,000	-	9,940,000
At 31 August 2021	<u>23,051,895</u>	<u>127,020</u>	<u>23,178,915</u>
Depreciation			
At 1 September 2020	507,810	87,309	595,119
Charge for the year	326,927	13,151	340,078
At 31 August 2021	<u>834,737</u>	<u>100,460</u>	<u>935,197</u>
Net book value			
At 31 August 2021	<u>22,217,158</u>	<u>26,560</u>	<u>22,243,718</u>
At 31 August 2020	<u>12,522,190</u>	<u>28,211</u>	<u>12,550,401</u>

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

The land and buildings at the Gipsey Bridge site from which the Academy operates are owned by the Lincoln Diocesan Trust and Board of Finance Limited and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy and, consequently, the value of these assets has not been recognised in the financial statements.

Spisby Primary converted to academy status on 1 April 2016. The assets of the school were subject to a formal valuation on conversion. An appropriate percentage of the insurance valuation, as determined by the trustees of the academy, has been included in fixed assets.

The addition on conversion of the acquisition of the leasehold interests in St Thomas' CE Primary School and Wyberton Primary Academy. Independent valuations were conducted by Kier Business Services Limited in December 2019. The value of the interest at St Thomas' CE Primary School was considered to be £6,450,000 including £270,000 of land. The value of the interest at Wyberton Primary Academy was considered to be £2,050,000 including £152,000 of land. Buildings have been depreciated over 50 years straight line in accordance with the academy trust's depreciation policy. Land is not depreciated.

The addition on conversion of the acquisition of the leasehold interests in St Nicholas CE Primary Academy. Independent valuations were conducted by Kier Business Services Limited in August 2020. The value of the interest at St Nicholas CE Primary Academy was considered to be £1,580,000 including £150,000 of land. Buildings have been depreciated over 50 years straight line in accordance with the academy trust's depreciation policy. Land is not depreciated.

The addition on conversion of the acquisition of the leasehold interests in Spalding Primary Academy & Pinchbeck East CofE Primary Academy. Independent valuations were conducted by Kier Business Services Limited in April 2021. The value of the interest at Spalding Primary Academy was considered to be £5,120,000 including £345,000 of land. The value of the interest at Pinchbeck East CofE Primary Academy was considered to be £4,820,000 including £345,000 of land. Buildings have been depreciated over 50 years straight line in accordance with the academy trust's depreciation policy. Land is not depreciated.

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	1,368	1,301
Other debtors	77,441	25,027
Prepayments and accrued income	798,125	129,489
	<u>876,934</u>	<u>155,817</u>

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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	220,492	164,347
Other taxation and social security	204,376	110,451
Accruals and deferred income	163,340	89,372
	<u>588,208</u>	<u>364,170</u>

17. Accruals and deferred income

	2021 £	2020 £
Deferred income at 1 September 2020	77,288	54,045
Resources deferred during the year	146,343	77,288
Amounts released from previous periods	(77,288)	(54,045)
Deferred income at 31 August 2021	<u>146,343</u>	<u>77,288</u>

Deferred income brought and carried forward relates to income received in advance of the year ended 31 August 2021 and is in respect of Universal Infant Free School Meals funding and Rates Relief.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	521,247	172,090	(126,569)	19,814	-	586,582
Restricted general funds						
General Annual Grant (GAG)	909,840	6,527,379	(5,663,102)	(27,612)	-	1,746,505
Other DfE/ESFA Grants	165,748	1,399,280	(1,529,586)	-	-	35,442
Government grants	-	683,144	(683,144)	-	-	-
Other income	23,805	26,328	(15,319)	(19,814)	-	15,000
Pension reserve	(3,448,000)	(930,000)	(541,000)	-	(688,000)	(5,607,000)
	<u>(2,348,607)</u>	<u>7,706,131</u>	<u>(8,432,151)</u>	<u>(47,426)</u>	<u>(688,000)</u>	<u>(3,810,053)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	12,550,401	9,940,000	(340,078)	93,395	-	22,243,718
Devolved Formula Capital Grants	149,054	94,846	(12,149)	(5,783)	-	225,968
SEND Programme Funding	-	60,000	-	(60,000)	-	-
	<u>12,699,455</u>	<u>10,094,846</u>	<u>(352,227)</u>	<u>27,612</u>	<u>-</u>	<u>22,469,686</u>
Total Restricted funds	<u>10,350,848</u>	<u>17,800,977</u>	<u>(8,784,378)</u>	<u>(19,814)</u>	<u>(688,000)</u>	<u>18,659,633</u>

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

Total funds	10,872,095	17,973,067	(8,910,947)	-	(688,000)	19,246,215
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The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds:

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the trustees. These are not currently designated for particular purposes.

Restricted funds:

General Annual Grant (GAG) must be used for the normal running costs of the academy. A transfer of £27,612 has been made from this fund to restricted fixed assets to reflect monies used to purchase capital assets.

Other ESFA Income is made up of grants for insurance costs and rates relief. It includes Pupil Premium, which may be spent for the educational benefit of pupils registered at that 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. In addition, other ESFA income includes Universal Infant Free School Meals income which must be used to provide all pupils in reception, year 1 and year 2 with a free school lunch.

Other Government Grants are received to help make special educational provision to meet children's Special Educational Needs.

Pension Reserve represents the current deficit balance of the pension scheme.

The Restricted Fixed Asset Fund represents the net book value of fixed assets held by the academy.

Other income comprises restricted donations and consultancy income from a variety of sources. A transfer of £19,814 has been recognised between other income and unrestricted income to reflect school fund income which is not considered to be restricted.

Devolved Formula Capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes. A transfer of £5,783 has been made from this fund to reflect monies used to purchase capital assets.

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

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	392,664	128,583	-	-	-	521,247

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18. Statement of funds (continued)

**Restricted
general funds**

General Annual Grant (GAG)	629,945	4,650,048	(4,358,599)	(11,554)	-	909,840
Other DfE/ESFA Grants	156,954	739,828	(731,034)	-	-	165,748
Government grants	-	394,560	(394,560)	-	-	-
Other income	2,004	34,603	(12,802)	-	-	23,805
Pension reserve	(2,555,000)	(316,000)	(335,000)	-	(242,000)	(3,448,000)
	<u>(1,766,097)</u>	<u>5,503,039</u>	<u>(5,831,995)</u>	<u>(11,554)</u>	<u>(242,000)</u>	<u>(2,348,607)</u>

**Restricted
fixed asset
funds**

Restricted Fixed Asset Funds	11,046,395	1,730,000	(262,586)	36,592	-	12,550,401
Devolved Formula Capital Grants	72,944	101,148	-	(25,038)	-	149,054
	<u>11,119,339</u>	<u>1,831,148</u>	<u>(262,586)</u>	<u>11,554</u>	<u>-</u>	<u>12,699,455</u>

**Total
Restricted
funds**

	<u>9,353,242</u>	<u>7,334,187</u>	<u>(6,094,581)</u>	<u>-</u>	<u>(242,000)</u>	<u>10,350,848</u>
Total funds	<u>9,745,906</u>	<u>7,462,770</u>	<u>(6,094,581)</u>	<u>-</u>	<u>(242,000)</u>	<u>10,872,095</u>

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

Total funds analysis by academy

Fund balances for each academy at 31 August 2021 and 31 August 2020 were zero, hence a breakdown by academy is not included in these accounts.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Central Services	181,417	588,639	4,409	234,097	1,008,562	205,894
Gipsey Bridge Academy	313,968	82,319	45,862	101,183	543,332	535,801
Spilsby Primary Academy	821,475	177,867	30,218	186,726	1,216,286	1,175,057
St Thomas Primary Academy	1,255,037	218,804	60,665	243,697	1,778,203	1,717,114
Wyberton Primary Academy	702,505	139,172	34,977	188,309	1,064,963	1,081,276
St Nicholas Primary Academy	751,756	127,250	33,026	213,640	1,125,672	1,116,853
Spalding Primary Academy	718,122	86,562	31,986	127,204	963,874	-
Pinchbeck Primary Academy	634,518	118,368	23,172	93,919	869,977	-
Trust	5,378,798	1,538,981	264,315	1,388,775	8,570,869	5,831,995

Central Services- Other Support costs includes net costs of £541,000 in respect of the LGPS pension scheme which cannot be attributed between the individual academies in the trust. In the prior year, the equivalent cost of £335,000 has been attributed between the individual academies.

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	22,243,718	22,243,718
Current assets	592,329	2,379,408	225,968	3,197,705
Creditors due within one year	(5,747)	(582,461)	-	(588,208)
Provisions for liabilities and charges	-	(5,607,000)	-	(5,607,000)
Total	586,582	(3,810,053)	22,469,686	19,246,215

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	12,550,401	12,550,401
Current assets	521,247	1,463,563	149,054	2,133,864
Creditors due within one year	-	(364,170)	-	(364,170)
Provisions for liabilities and charges	-	(3,448,000)	-	(3,448,000)
Total	521,247	(2,348,607)	12,699,455	10,872,095

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	9,062,120	1,368,189
Adjustments for:		
Fixed Assets transferred on conversion	(9,940,000)	(1,730,000)
Depreciation	340,078	262,586
Capital grants from DfE and other capital income	(154,845)	(32,915)
Interest receivable	(784)	(3,007)
Defined benefit pension scheme obligation inherited	930,000	316,000
Defined benefit pension scheme cost less contributions payable	541,000	335,000
(Increase)/Decrease in debtors	(721,117)	(21,863)
Increase/(Decrease) in creditors	224,038	169,552
Net cash provided by operating activities	280,490	663,542

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	784	3,007
Purchase of tangible fixed assets	(93,395)	(24,069)
Capital grants from DfE Group	94,845	32,915
Capital funding received from LA	60,000	-
Net cash provided by investing activities	62,234	11,853

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,320,771	1,978,047
Total cash and cash equivalents	2,320,771	1,978,047

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**NOTES TO THE FINANCIAL STATEMENTS
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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	1,978,047	342,724	2,320,771
	<u>1,978,047</u>	<u>342,724</u>	<u>2,320,771</u>

24. Conversion to an academy trust

On 1st March 2021 Spalding Primary Academy & Pinchbeck East Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Infinity Academies Trust Ltd from Lincolnshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	9,940,000	9,940,000
Current assets			
Cash - representing budget surplus on LA funds	517,299	44,807	562,106
Non-current liabilities			
Pension Scheme Liability	(930,000)	-	(930,000)
Net (liabilities)/assets	<u>(412,701)</u>	<u>9,984,807</u>	<u>9,572,106</u>

25. Contingent liabilities

In the event of the constituent academies of Infinity Academies Trust ceasing to operate as academies, provisions are included in the funding agreements relating to the clawback of assets and monies paid to the constituent academies.

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NOTES TO THE FINANCIAL STATEMENTS
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26. 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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £53,859 were payable to the schemes at 31 August 2021 (2020 - £14,595) 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.

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.

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FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £695,000 (2020 - £480,000).

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 £506,000 (2020 - £390,000), of which employer's contributions totalled £410,000 (2020 - £315,000) and employees' contributions totalled £ 96,000 (2020 - £75,000). The agreed contribution rates for future years are 20.9 to 25.5 per cent for employers and a variable per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.2	2.5
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.4
Females	23.6	23.7
<i>Retiring in 20 years</i>		
Males	22.0	22.4
Females	25.1	25.2

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

26. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate -0.5%	1,285,000	801,000
Salary increase rate +0.5%	120,000	111,000
Pension increase rate +0.5%	1,145,000	673,000

Share of scheme assets

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

	2021 £	2020 £
Equities	3,495,000	1,771,000
Corporate bonds	694,000	513,000
Property	504,000	257,000
Cash and other liquid assets	186,000	26,000
Total market value of assets	4,879,000	2,567,000

The actual return on scheme assets was £721,000 (2020 - £85,000).

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

	2021 £	2020 £
Current service cost	(887,000)	(593,000)
Interest income	58,000	43,000
Interest cost	(120,000)	(100,000)
Total amount recognised in the Statement of Financial Activities	(949,000)	(650,000)

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26. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	6,014,000	4,368,000
Transferred in on existing academies joining the trust	1,936,000	604,000
Current service cost	887,000	593,000
Interest cost	120,000	100,000
Employee contributions	96,000	75,000
Actuarial losses	1,351,000	284,000
Benefits paid	82,000	(10,000)
At 31 August	10,486,000	6,014,000

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

	2021 £	2020 £
At 1 September	2,566,000	1,813,000
Transferred in on existing academies joining the trust	1,006,000	288,000
Interest income	58,000	43,000
Actuarial gains	663,000	42,000
Employer contributions	408,000	315,000
Employee contributions	96,000	75,000
Benefits paid	82,000	(10,000)
At 31 August	4,879,000	2,566,000

27. 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 £	2020 £
Not later than 1 year	4,073	4,747
Later than 1 year and not later than 5 years	1,218	5,291
	5,291	10,038

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28. 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.

29. 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 2019 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 9.

In addition, there are members of staff who are related to members of key management personnel. These relationships have been appropriately disclosed to trustees and relevant key management personnel are not involved in ongoing pay discussions or decisions directly related to these staff members.