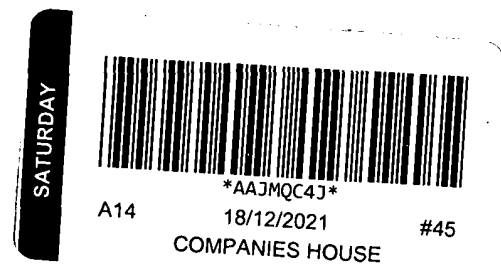


Company Registration No. 08722556 (England and Wales)

FRIARS MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



FRIARS MULTI ACADEMY TRUST

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FRIARS MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr J Turnbull (Chairman)
Mr G Kirkman
Mrs S Ijewsky (Head Teacher)
Mrs A Curchin
Mrs L Morgan
Mrs S Payne

Members

Mr J Turnbull
Mr R Lancaster
Mrs P Norton (Resigned on 22/01/21)
Mr S Warwick
Mrs D Withers MBE

Senior leadership team

- Executive Head Teacher	Mrs S Ijewsky
- Head Teacher - Chelveston Road School	Mr M Adams
- Chief Financial Officer	Mrs A Basra
- Deputy Head Teacher - Friars Academy	Mr D Gay
- Assistant Head Teacher - Friars Academy	Mrs R Stockham
- Assistant Head Teacher - Friars Academy	Mr C Wragg
- Chief Operations Officer	Mrs S Downhill

Company registration number

08722556 (England and Wales)

Registered office

Friars Close
Wellingborough
Northamptonshire
NN8 2LA

Independent auditor

Ellacotts Audit Services Limited
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

FRIARS MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 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.

During the year, the Trust operated a single special secondary school, Friars Academy, whilst also undertaking preparations for the opening of a second special secondary school, Chelveston Road School.

Friars Academy is located in and serves the catchment area of Wellingborough, within Northamptonshire, for pupils aged 11 to 18. The school has a pupil capacity of 145 and had a roll of 150 pupils in the January 2021 school census.

Construction of Chelveston Road School in Rushden, Northamptonshire, completed in late August 2021 with the school opening its doors to an intake of year 7 students from 6 September 2021.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Governors are members of the Local Governing Body. The Trustees of Friars Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Friars Multi Academy Trust. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

In accordance with article 5 of the charitable company's Articles of Association third party indemnity provision is in place with Risk Protection Arrangement (RPA) for Academies to an unlimited value of for any one claim and in the aggregate in any one period.

Method of recruitment and appointment or election of Local Governors

In accordance with the Governance plan, the composition of the Local Governing Body shall be as follows:

- Head of School
- 1 x elected member of staff
- 1 x elected parent governor
- 3 x community governors approved by the Board

Academies may also appoint co-opted Governors with specialist knowledge or experience whose fixed term may be less than 4 years. Governors may be appointed by the Secretary of State if deemed fit.

Policies and procedures adopted for the induction and training of Governors

New Trustees and Governors are issued with a handbook which includes terms of Reference for all the committees, a description of the role of a Trustee or Governor and code of conduct. Trustees will also receive a copy of the Academy Trust's Funding Agreement, the Articles of Association, timetable of meetings and copies of all policy documents. All Trustees and Governors are issued with a Trust email address. It is recommended that new Trustees and Governors attend training within 6 months of appointment.

FRIARS MULTI ACADEMY TRUST

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

Organisational structure

The structure of Friars Academy consists of three senior levels:

- 1) The Governing Body
- 2) The Head Teacher
- 3) The Senior Leadership Team (SLT) which includes the Executive Head Teacher, Deputy Head Teacher, Assistant Head Teachers, the Trust's Chief Finance Officer and the Chief Operations Officer, together with any fixed term secondees as the SLT see fit.

The aim of this management structure is to distribute responsibility and accountability and encourage involvement in decision making at all levels such that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Academy's policies and approving the annual budget and medium term plan, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and personnel.

The Head Teacher and SLT control the Academy at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

Method of Recruitment and Appointment to the Trust Board

In accordance with the charitable company's Articles of Association, the Trust shall have a minimum of three Trustees and members. At 31 August 2021 the Trust comprised:

4 x Members (including the Chair of the Board)

6 x Trustees (Directors) (including the Chair of the Board and the Executive Head teacher)

When recruiting to Director posts, Members will take into account the outcomes of a regular skills audit of the Trust's Board of Trustees as well as the need to ensure that there is a balance of skills and experience necessary to provide effective discussion and challenge at Board level.

Organisational Structure

The Board of Trustees has established the following sub-committees:

- Local Governing Bodies for each academy within the Trust;
- Finance, Human Resources, Estates and Audit Committee; and
- Teaching & Learning Committee.

The committees have their own terms of reference detailing the responsibilities discharged to the committees, to the Executive Head Teacher (the Accounting Officer) and to the SLT. The terms of reference and meeting frequency for each committee is reviewed and approved by the Board of Trustees annually.

FRIARS MULTI ACADEMY TRUST

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

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Key Management Personnel to be the Governors of the Academy and the Senior Leadership Team who are in charge of directing, controlling, running and operating the Academy on a day to day basis. The pay of the Senior Leadership Team is reviewed annually and where appropriate, increased in line with average earnings. The Trust benchmark the pay of the Senior Leadership Team against national pay scale levels and other schools. The Head Teacher and other staff governors who are part of the Senior Leadership Team only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. The aggregate remuneration and benefits of Key Management Personnel for services to the Trust were £460,296 (2020: £534,688).

All other Trustees and Governors give their time freely and none other than the Head Teacher and staff Governors received remuneration during the year. Details of Trustee expenses and related party transactions are disclosed in note 9 to the accounts.

Trade Unions

The Academy had 3 staff representatives as at 31 August 2021. The working time lost to enable them to carry out their union duties during the period was a total of 12 hours throughout the year.

Related parties and other connected charities and organisations

Friars Academy has well established links with local businesses and other organisations as part of the Academy's work experience programme. The academy works with local charities including The Daylight Centre for the homeless, Cransley Hospice, NC TLC and the Castle Theatre. Local businesses the academy liaises with include Ensafe, who are our lead Enterprise adviser, Cummins Diesel, TNT, Co-Op, Whitworths and Morrisons, who provide work experience and support to enhance the provision for our students and to make mutually beneficial contributions to community cohesion.

The Trust does not operate a regulated fund-raising scheme nor does it employ or use the services of a professional fund-raiser.

Objectives and activities

Objects and aims

As set out in the Articles of Association the Academy's Trust's object is specifically restricted to the following:

- a) To advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs offering a broad and balanced curriculum ("the Special Academy").
- b) To promote for the benefit of the inhabitants of Wellingborough and the surrounding area the provision of the facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social economic circumstances of for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

FRIARS MULTI ACADEMY TRUST

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

Our Curriculum objectives will strive to:

- 1) Give students broad and balanced opportunities to enhance their learning skills and to develop their independence.
- 2) Give students the tools to learn by underpinning the curriculum with social and emotional aspects of learning (SEAL) and personal, social, health education (PSHCE) to ensure readiness to learn.
- 3) Prepare the students for their next stages in the future.
- 4) At key stage 3 our model is very much a primary one with the majority of the students' time spent with a teacher who is also the form tutor. As the students' progress through the school to key stage 4, they move to a more specialised timetable with an increased number of staff members who are subject specialists, and additional challenges are offered as appropriate to each individual. Alongside this, we intersperse 'theme weeks' and national events days which provide opportunities for creative project based learning.

The Academy achieves these objectives through:

- Ensuring progress data is secure and interventions are appropriately used in order to enhance the learning experience for all students;
- Placing focus on reading and writing across the curriculum;
- Enhancing the creativity of the curriculum – through research and development;
- Enhancing good teaching practices by establishing learning communities and links to other schools;
- Developing the student voice through ambassadors, an anti-bullying group, the school council and prefects
- Enhancing links and communication with parents through the 'Achievement for All' project, website, twitter, text messaging and 'evening with' events;
- Developing school to school support and sustainable school growth through Teaching School's Alliance; and
- Establish business links.

Public benefit

The Board of Trustees have complied with their duty to have due regard to the guidance on public benefit in exercising their powers and duties as published by the Charity Commission. The key aim of the Board of Trustees is the advancement of non-selective secondary education through the provision of a broad curriculum, pastoral care and enrichment for the students at Friars Multi Academy Trust. The public benefit of this provision is identifiable in the educational attainment of our students as published on our website annually.

Education at Friars Multi Academy Trust schools is open to all young people from 11 to 18 in the areas which they serve regardless of race, gender, religion, sexual orientation, social class and ability.

Strategic report

Performance

Our aim to provide an outstanding experience which fully prepares students for adulthood has continued to be a focus with our "Every child, Every chance, Every day" motivation. Outcomes for students are very positive as seen by both the academic results and the transitions to future destinations. Prior to lockdown, outcomes for all students were generally higher than target predictions with Looked After Children ('LAC') and Pupil Premium students outperforming the main cohort. Whilst there has been an impact on progress as a result of Covid-19, examination results were wholly positive for the year. The percentage of the Academy's post 16 students not in education, employment or training ('NEET') continues to be significantly lower than the county average as a result of targeted support for students and their families. 97% of our key stage 4 students had confirmed destinations for September, with 3% (one student) awaiting a final outcome.

FRIARS MULTI ACADEMY TRUST

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

Key performance indicators

The Board of Trustees has delegated financial management to the Finance, Human Resources, Estates and Audit Committee. The committee meets a minimum of 3 times per year to consider performance against budget, approve the annual budget, consider the medium term financial plan, consider the external auditor quarterly reports, consider financial developments, oversee contracts and procurement and to review finance policies.

The key performance indicators are:

- Staff costs as a percentage of General Annual Grant (GAG) income;
- Monthly variances against budget;
- Revised outturn forecasts;
- Cash flow forecasts;
- Final outturn against projected outturn; and
- Restricted and unrestricted funds carried forward.

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, the Board of Trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of Trusts income was obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant, the use of which was restricted to particular purposes.

The grant received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the 12 months ended 31 August 2021, the net income for the period was £12,297,733 (2020: net income of £195,875).

At 31 August 2021 the net book value of tangible assets was £14,469,611 (2020: £2,414,226). The assets were used exclusively for providing education and the associated support services to the students of Friars Multi Academy Trust.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance shows a net liability position of £2,108,000 (2020: £1,495,000).

COVID 19 has had limited impact on the Trusts financial performance with the additional costs incurred on, for example, cleaning supplies being offset by savings made by reduced spend on curriculum materials during the second lockdown period and curriculum trips throughout the year.

FRIARS MULTI ACADEMY TRUST

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

Reserves policy

The Board of Trustees has deemed that the appropriate level of cash reserves should enable Friars Multi Academy Trust to continue its rolling programme of improvements and in particular at least ensure that wages and salary expenses can be met in full on a monthly basis.

As at 31 August 2021 the Trusts level of free reserves (total funds less the amount held in fixed assets or other restricted funds) was £794,722 compared to £746,385 in 2020. The balance of restricted funds, which are not available for general purposes of the Academy amounted to £1,028,960 at 31 August 2021, compared to £587,740 in 2020.

Unrestricted funds have been set aside to achieve the Trusts future plans as detailed on page 9 whilst ensuring that sufficient balances remain in reserves to ensure the buildings continue to be well maintained and that wages and salary expenses can be met in full on a monthly basis.

The Trust has also agreed plans for the prudent use of retained earnings in order to mitigate its key financial risks and maintain the efficient working of its communications infrastructure as the MAT expands.

As noted on page 6, due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard 102, the Academy is recognising a significant pension fund deficit at 31 August 2021 of £2,108,000 (2020: £1,495,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. Friars Academy is currently making payments of £131,000 per annum towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of the deficit has no direct impact on the free reserves of the Academy Trust.

Investment policy and powers

The Board of Trustees, Finance, Human Resources, Estates and Audit Committee aims to manage the cash balances of the Trust and the Academy to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation:

- To ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements;
- To minimise the risk of loss in the capital value of any cash funds invested;
- To protect, as far as possible, the capital value of any invested funds against inflation; and
- To optimise returns on any invested funds.

The Trust's Investment Policy is to invest surplus cash reserves with a reputable Investment Company or high street bank with a high credit rating. Under the guidance of Ellacotts Wealth Planning Limited, an ethical, low risk portfolio has been created for the Trust. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

Surpluses may be invested for periods of between six weeks and three years provided that funds can be withdrawn before the investment term albeit with an interest penalty. Investments are reviewed at least every three months by the Chief Finance Officer. The policy is reviewed every two years by the Finance, Human Resources, Estates and Audit Committee.

FRIARS MULTI ACADEMY TRUST

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

Principal risks and uncertainties

The Trust maintains a Risk Register that identifies the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. The risk register is approved and monitored by the Finance, Human Resources, Estates and Audit Committee in consultation with the Board of Trustees and the Local Governing Body.

The principal risks facing the Trust are detailed below. The Governing Body has implemented a number of systems to assess and reduce risks that the Trust faces, especially in operational areas in relation to teaching, health and safety (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the Academy site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as outlined in the Governance Statement.

The Board of Trustees assesses the principal risks facing the Academy as follows:

- 1) The Academy is unable to meet annual financial commitments due to the unpredictability of funding;
- 2) The Academy experiences intermittent failure of electronic communications;
- 3) The Academy loses expertise and knowledge through resignation of key staff or extended absence from post;
- 4) The Academy suffers loss of equipment due to burglary; and
- 5) The Academy suffers significant loss of reputation as a result of physical or emotional harm to a student.

Achievements for this period

Despite continued disruption caused by COVID 19 lockdowns and restrictions during the year, there were no delays or disruption to the construction of the new school. Construction of Chelveston Road School was practically complete in late August 2021 and opened to an intake of year 7 pupils in September 2021. The school opened fully staffed and equipped, an achievement which reflects the tremendous efforts of the central trust team and the designated head at the new school.

Staff and pupils at Friars Academy faced the second COVID lockdown, ongoing restrictions and new testing requirements with resilience. The testing requirements and operational restrictions placed additional pressures on staff throughout the academy but each member of staff rose to the challenge to ensure there were minimal impacts on teaching and learning and in particular the well-being of students. During the year, the academy continued to provide quality education both on site and remotely with significant support provided to both families and staff during the lockdown period.

To ensure the improvement and maintenance of buildings two significant projects were completed during the year to replace the boiler and roof at Friars Academy. The costs of these were partly funded by condition improvement fund (CIF) grants received from the Department for Education.

Plans for future periods

Going forwards the Trust will support the growth of Chelveston Road to full capacity and actively seek opportunities for collaboration and synergies across the two schools. Central processes and procedures will also be reviewed on a regular on-going basis to ensure they remain appropriate and efficient.

Additional focus is to be placed on the Trust capital plans in future years to ensure alignment with the individual academy development plans and overall trust aims, ensuring the risk of failing to invest for the future are mitigated. In order to inform the development and capital plans the SLT will continue to review the benefits of new equipment, technology and software which may enhance teaching and learning whether it be face to face or remote. Furthermore, the SLT will continually review the maintenance requirements of school buildings and equipment to ensure compliance with current health and safety regulations and guidance.

FRIARS MULTI ACADEMY TRUST

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

Funds held as custodian trustee on behalf of others

The Academy does not hold any funds as Custodian Trustees on behalf of other Charities.

Auditor

In so far as the Trustees are aware:

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

A resolution proposing that Ellacotts Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 09/12/21 and signed on its behalf by:



Mr J Turnbull
Chairman

FRIARS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Friars Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr J Turnbull (Chairman)	3	3
Mr G Kirkman	2	3
Mrs S Ijewsky (Head Teacher)	3	3
Mrs A Curchin	3	3
Mrs L Morgan	2	3
Mrs S Payne	3	3

In addition to these meetings, the Board maintains effective oversight of funds via review of monthly management figures and a programme of work performed by the Trusts external auditor in addition to internal scrutiny reports received from the Finance Director/Trustee.

Trustees have evaluated their effectiveness this year and have retained the system of allocating responsibility according to the expertise and interests of individual Trustees.

Reviews of the effectiveness of meetings and sub-committee meetings are also routinely carried out to identify any procedural changes that would be useful in running the business of the Trustees more effectively and efficiently.

The Board has established two sub-committees with delegated responsibilities for:

- a) Finance, human resources, estates and audit and;
- b) Teaching and learning.

The establishment of the sub-committees has allowed the Board of Trustees to retain its strategic focus. It has also allowed the Trustees to streamline the process of developing and approving policies.

The Trustees completed their annual skills audit during the year and identified an ongoing gap for a Trustee with a legal background. An additional trustee has since been recruited to address this gap, commencing their role with the Trust with effect from 1 September 2021.

Review of value for money

As Accounting Officer the Executive Head Teacher 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.

FRIARS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

The 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 Friars Multi Academy Trust for the period 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 period 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, Human Resources, Estates and Audit 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;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trustees instead appointed Mrs S Payne, a non-employed Trustee and qualified accountant, to undertake a programme of internal scrutiny work throughout the academic year.

The internal scrutiny worked consisted of a range of checks being performed on the Trust's financial systems and procedures. The non-employed trustee reports to the Board through the Finance, Human Resources, Estates and Audit Committee on a quarterly basis on the operation of systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

Review of effectiveness

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

- the additional program of work performed by the Boards non employed and suitably qualified trustee; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.


FRIARS MULTI ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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

Approved by order of the Board of Trustees on 09/12/21 and signed on its behalf by:



Mr J Turnbull
Chairman



Mrs S Ijewsky
Head Teacher and Accounting Officer

FRIARS MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Friars Multi Academy Trust 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 academy 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's Board of Trustees are able to identify any material irregular or improper use of 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.



Mrs S Ijewsky
Accounting Officer

09/12/21

FRIARS MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

In preparing these financial statements, the Trustees are required to:

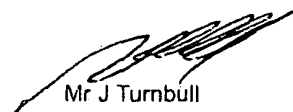
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFADfE 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 04/12/21 and signed on its behalf by:



Mr J Turnbull
Chairman

FRIARS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of Friars Multi Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 & 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;
- 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 & 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information, which comprises the information included in the Trustees' annual report other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

FRIARS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions 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 incorporated strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 incorporated strategic report and the directors' report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 14, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company, or have no realistic alternative but to do so.

FRIARS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also perform the following procedures:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 company'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 company'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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Charlotte Toemaes BSc FCA (Senior Statutory Auditor)
for and on behalf of Ellacotts Audit Services Limited

**Chartered Accountants &
Statutory Auditor**
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA

Date: 14/12/21

FRIARS MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education & 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 Friars Multi Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Friars Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Friars Multi Academy Trust's funding agreement with the Secretary of State for Education dated 21 January 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 period 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.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

FRIARS MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

Ellacotts Audit Services Ltd

Reporting Accountant

Ellacotts Audit Services Limited

Chartered Accountants & Business Advisers

Countrywide House

23 West Bar

Banbury

Oxfordshire

OX16 9SA

England

Dated: 14/12/21.....

FRIARS MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

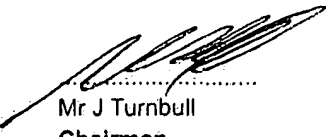
	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	387	12,075,927	12,076,314	168,330
Charitable activities:						
- Funding for educational operations	4	-	3,374,599	-	3,374,599	3,031,130
Other trading activities	5	-	30,495	-	30,495	93,377
Investments	6	128	-	-	128	582
Total		128	3,405,481	12,075,927	15,481,536	3,293,419
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	3,056,223	127,580	3,183,803	3,097,544
Total	7	-	3,056,223	127,580	3,183,803	3,097,544
Net income		128	349,258	11,948,347	12,297,733	195,875
Transfers between funds	18	-	(107,038)	107,038	-	-
Other recognised gains						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(414,000)	-	(414,000)	137,000
Unrealised gain / (loss) on investments	14	48,209	-	-	48,209	-
Net movement in funds		48,337	(171,780)	12,055,385	11,931,942	332,875
Reconciliation of funds						
Total funds brought forward		746,385	(907,260)	2,414,226	2,253,351	1,920,476
Total funds carried forward		794,722	(1,079,040)	14,469,611	14,185,293	2,253,351

FRIARS MULTI ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		14,469,611		2,414,226
Current assets					
Debtors	13	66,531		230,396	
Investments	14	440,173		-	
Cash at bank and in hand		1,624,228		1,461,922	
		<u>2,130,932</u>		<u>1,692,318</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(298,374)		(358,193)	
Net current assets			<u>1,832,558</u>		<u>1,334,125</u>
Total assets less current liabilities			<u>16,302,169</u>		<u>3,748,351</u>
Creditors: amounts falling due after more than one year	16	(8,876)			-
Net assets before defined benefit pension scheme liability			<u>16,293,293</u>		<u>3,748,351</u>
Defined benefit pension scheme liability	20	(2,108,000)		(1,495,000)	
Total net assets			<u>14,185,293</u>		<u>2,253,351</u>
Funds of the Trust:					
Restricted funds	18				
- Fixed asset funds			14,469,611		2,414,226
- Restricted income funds			1,028,960		587,740
- Pension reserve			(2,108,000)		(1,495,000)
Total restricted funds			<u>13,390,571</u>		<u>1,506,966</u>
Unrestricted income funds	18		<u>794,722</u>		<u>746,385</u>
Total funds			<u>14,185,293</u>		<u>2,253,351</u>

The financial statements on pages 20 to 42 were approved by the Trustees and authorised for issue on 01/12/21 and are signed on their behalf by:


Mr J Turnbull
Chairman

Company Number 08722556

FRIARS MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21	535,885		562,924	
Unrealised gain / (loss) on investments		48,209		-	
		<u>584,094</u>		<u>562,924</u>	
Cash flows from investing activities					
Investment income		128		582	
Capital grants from DfE Group		117,352		(137,231)	
Capital funding received from sponsors and others		12,075,927		166,941	
Purchase of tangible fixed assets		(12,184,086)		(260,856)	
Purchase of investments		(440,173)		-	
Proceeds from sale of tangible fixed assets		1,120		-	
		<u>(429,732)</u>		<u>(230,564)</u>	
Cash flows from financing activities					
Repayment of long term bank loan		10,144		-	
Finance costs		(2,200)		(309)	
		<u>7,944</u>		<u>(309)</u>	
Net cash provided by/(used in) financing activities					
		<u>162,306</u>		<u>332,051</u>	
Net increase in cash and cash equivalents in the reporting period					
Cash and cash equivalents at beginning of the year		1,461,922		1,129,871	
Cash and cash equivalents at end of the year		<u><u>1,624,228</u></u>		<u><u>1,461,922</u></u>	

FRIARS MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Friars Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

Friars Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

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 receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line
Motor vehicles	12 years straight line

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

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

1.6 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.

1.7 Provisions

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

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

1.8 Leasing and hire purchase commitments

Rentals under operating leases are charged on a straight-line basis over the lease term.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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 and the assets are held separately from those of the Trust.

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 projected unit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded 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.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful lives of fixed assets - depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Academy's accounting policies. Useful lives are regularly reviewed and should they shorten, then depreciation charges would increase in the financial statements and the carrying amounts of the fixed assets would reduce accordingly.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Private sponsorship	-	387	387	1,389
Donated fixed assets	-	11,721,925	11,721,925	-
Capital grants	-	354,002	354,002	166,941
	-	12,076,314	12,076,314	168,330

The income from donations and capital grants was £12,076,314 (2020: £168,330) of which £387 was restricted (2020: £1,389) and £12,075,927 was restricted fixed assets (2020: £166,941).

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,530,500	1,530,500	1,525,456
Other DfE/ESFA grants:				
Pupil premium	-	77,127	77,127	112,147
Start up grants	-	92,298	92,298	-
Others	-	221,901	221,901	115,073
	-	1,921,826	1,921,826	1,752,676
Other government grants				
Local authority grants	-	1,437,528	1,437,528	1,278,455
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	15,245	15,245	-
Total funding	-	3,374,599	3,374,599	3,031,131

The income from funding for educational operations was £3,374,599 (2020: £3,031,131) of which £3,374,599 was restricted (2020: £3,031,131).

The Academy Trust received £15,245 of funding for catch-up premium and costs incurred in respect of this funding totalled £15,245, with a balance of £Nil to be spent in 2021/22.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Parental contributions to student visits and events	-	373	373	3,445
Other income	-	30,122	30,122	89,932
	-	30,495	30,495	93,377

The income from other trading activities was £30,495 (2020: £93,377) of which £- was unrestricted (2020: £107) and £30,495 was restricted (2020: £93,270).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	128	-	128	582

The income from funding for investment income was £128 (2020: £582) of which £128 was unrestricted (2020: £582).

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	2,231,180	-	67,309	2,298,489	2,273,467
- Allocated support costs	510,263	215,562	159,489	885,314	824,076
	2,741,443	215,562	226,798	3,183,803	3,097,543

Net Income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	6,250	6,050
- Other services	4,250	10,325
Operating lease rentals	3,945	1,433
Depreciation of tangible fixed assets	127,580	162,818
Bank and loan interest	2,200	309
Net interest on defined benefit pension liability	27,000	27,000

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	2021	2020
	£	£
All from restricted funds:		
Direct costs		
Educational operations	2,298,489	2,273,467
Support costs		
Educational operations	885,314	824,076
	<u>3,183,803</u>	<u>3,097,543</u>

The expenditure on charitable activities was £3,183,803 (2020: £3,097,543) of which £3,056,223 was restricted (2020: £2,934,725) and £127,580 was restricted fixed assets (2020: £162,818).

	2021	2020
	£	£
Analysis of support costs		
Support staff costs	517,045	513,457
Depreciation	127,580	48,639
Technology costs	34,081	9,175
Premises costs	87,982	125,057
Legal costs	31,855	40,568
Other support costs	77,146	69,879
Governance costs	9,625	17,301
	<u>885,314</u>	<u>824,076</u>

9 Staff

Staff costs

Staff costs during the year were:

	2021	2020
	£	£
Wages and salaries	1,946,172	1,847,048
Social security costs	180,674	169,590
Pension costs	614,597	595,914
Staff costs - employees	<u>2,741,443</u>	<u>2,612,552</u>
	2,741,443	2,612,552
Staff development and other staff costs	6,782	5,494
Total staff expenditure	<u>2,748,225</u>	<u>2,618,046</u>

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff (Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	28	27
Administration and support	38	44
Management	7	8
	<u>73</u>	<u>79</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

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) received by key management personnel for their services to the Trust was £460,296 (2020: £534,688).

10 Trustees' remuneration and expenses

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. During the year, travel and subsistence payments totalling £9 (2020: £170) were reimbursed to Trustees.

The value of Trustees' remuneration was as follows:

Mrs S Ijewsky (Head Teacher and Governor)

Remuneration £95,001 - £100,000 (2020: £90,001 - £95,000)

Employers pension contributions £20,001 - £25,000 (2020: £20,001 - £25,000)

Other related party transactions involving the Trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal, commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 is included within insurance in the Statement of Financial Activities.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	2,157,708	93,076	818,483	81,478	3,150,745
Additions	11,716,386	136,056	331,644	-	12,184,086
Disposals	-	(24,612)	(1,400)	-	(26,012)
At 31 August 2021	13,874,094	204,520	1,148,727	81,478	15,308,819
Depreciation					
At 1 September 2020	294,232	52,880	348,573	40,834	736,519
On disposals	-	(24,612)	(280)	-	(24,892)
Charge for the year	42,967	14,071	51,161	19,382	127,581
At 31 August 2021	337,199	42,339	399,454	60,216	839,208
Net book value					
At 31 August 2021	13,536,895	162,181	749,273	21,262	14,469,611
At 31 August 2020	1,863,476	40,196	469,910	40,644	2,414,226

13 Debtors

	2021 £	2020 £
Trade debtors	-	6,233
VAT recoverable	5,553	43,044
Prepayments and accrued income	60,978	181,121
	<u>66,531</u>	<u>230,398</u>

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Current asset investments

	2021 £
Cost or valuation	
At 1 September 2020	-
Additions	452,180
Valuation changes	48,209
Disposals	(60,216)
At 31 August 2021	440,173
Carrying amount	
At 31 August 2021	440,173
At 31 August 2020	-

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Government loans	1,268	-
Trade creditors	58,320	159,878
Other taxation and social security	96,370	91,458
Other creditors	135	-
Accruals and deferred income	142,281	106,857
	298,374	358,193

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Government loans	8,876	-

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16	Creditors: amounts falling due after more than one year	(Continued)	
		2021	2020
		£	£
	Analysis of loans		
	Wholly repayable	10,144	-
	Less: included in current liabilities	(1,268)	-
		<u>8,876</u>	<u>-</u>
	Amounts included above	<u>8,876</u>	<u>-</u>
	Loan maturity		
	Debt due in one year or less	1,268	-
	Due in more than one year but not more than two years	1,268	-
	Due in more than two years but not more than five years	3,804	-
	Due in more than five years	3,804	-
		<u>10,144</u>	<u>-</u>
17	Deferred income	2021	2020
		£	£
	Deferred income is included within:		
	Creditors due within one year	105,906	53,830
		<u>105,906</u>	<u>53,830</u>
	Deferred income at 1 September 2020	53,830	61,296
	Released from previous years	(53,830)	(61,296)
	Resources deferred in the year	105,906	53,830
		<u>105,906</u>	<u>53,830</u>
	Deferred income at 31 August 2021	<u>105,906</u>	<u>53,830</u>

At the balance sheet date the Trust was holding funds received in advance in respect of its devolved capital grant and parental contributions received in advance of educational visits planned for 2020/21.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	587,740	1,530,500	(927,393)	(161,887)	1,028,960
Start up grants	-	92,298	(92,298)	-	-
Pupil premium	-	77,127	(77,127)	-	-
Catch-up premium	-	15,245	(15,245)	-	-
Other DfE/ESFA grants	-	221,901	(221,901)	-	-
Other government grants	-	1,437,528	(1,437,528)	-	-
Other restricted funds	-	30,882	(85,731)	54,849	-
Pension reserve	(1,495,000)	-	(199,000)	(414,000)	(2,108,000)
	<u>(907,260)</u>	<u>3,405,481</u>	<u>(3,056,223)</u>	<u>(521,038)</u>	<u>(1,079,040)</u>
Restricted fixed asset funds					
Inherited on conversion	2,184,100	-	-	-	2,184,100
DfE group capital grants	230,126	354,002	(127,580)	107,038	563,586
Private sector capital sponsorship	-	11,721,925	-	-	11,721,925
	<u>2,414,226</u>	<u>12,075,927</u>	<u>(127,580)</u>	<u>107,038</u>	<u>14,469,611</u>
Total restricted funds	<u>1,506,966</u>	<u>15,481,408</u>	<u>(3,183,803)</u>	<u>(414,000)</u>	<u>13,390,571</u>
Unrestricted funds					
General funds	746,385	128	-	-	746,513
Investment Revaluation Reserve	-	-	-	48,209	48,209
	<u>746,385</u>	<u>128</u>	<u>-</u>	<u>48,209</u>	<u>794,722</u>
Total funds	<u>2,253,351</u>	<u>15,481,536</u>	<u>(3,183,803)</u>	<u>(365,791)</u>	<u>14,185,293</u>

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

General Annual Grant (GAG)

The General Annual Grant (GAG) has been provided by the ESFA/DfE in order to fund the normal running costs of the Trust. During the period the Trust's GAG expenditure exceeded GAG income. Where the GAG income exceeds GAG expenditure, the balance will be carried forward to use in future years and enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA Grants

This represents various grants from local and national government bodies for the provision of specific services to pupils of Friars Academy.

Pension Reserve

The restricted Pension reserve represents the deficit on the Trust's share of the Local Government Pension Scheme as at 31 August 2021.

Other Restricted Funds

Other Restricted Funds include funding from the sale of uniforms and education related goods, exam fee income and income for educational supplies and services. These funds will be applied in 2021/22.

Restricted Fixed Assets

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for specific purpose. The transfer of £107,038 represents the costs of acquired tangible fixed assets funded through GAG income.

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	271,592	1,525,456	(1,128,052)	(81,254)	587,742
Pupil premium	-	112,147	(112,147)	-	-
Other DfE/ESFA grants	-	115,073	(115,073)	-	-
Other government grants	-	1,278,455	(1,278,455)	-	-
Other restricted funds	-	94,659	(81,998)	(12,661)	-
Pension reserve	(1,413,000)	-	(219,000)	137,000	(1,495,000)
	<u>(1,141,408)</u>	<u>3,125,790</u>	<u>(2,934,725)</u>	<u>43,085</u>	<u>(907,258)</u>
Restricted fixed asset funds					
Transfer on conversion	2,285,976	-	(101,876)	-	2,184,100
DfE group capital grants	30,212	166,941	(60,942)	93,915	230,126
	<u>2,316,188</u>	<u>166,941</u>	<u>(162,818)</u>	<u>93,915</u>	<u>2,414,226</u>
Total restricted funds	<u>1,174,780</u>	<u>3,292,731</u>	<u>(3,097,543)</u>	<u>137,000</u>	<u>1,506,968</u>
Unrestricted funds					
General funds	<u>745,696</u>	<u>689</u>	<u>-</u>	<u>-</u>	<u>746,385</u>
Total funds	<u>1,920,476</u>	<u>3,293,420</u>	<u>(3,097,543)</u>	<u>137,000</u>	<u>2,253,353</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	14,469,611	14,469,611
Current assets	794,722	1,336,210	-	2,130,932
Creditors falling due within one year	-	(298,374)	-	(298,374)
Creditors falling due after one year	-	(8,876)	-	(8,876)
Defined benefit pension liability	-	(2,108,000)	-	(2,108,000)
Total net assets	<u>794,722</u>	<u>(1,079,040)</u>	<u>14,469,611</u>	<u>14,185,293</u>

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,414,226	2,414,226
Current assets	746,385	945,935	-	1,692,320
Creditors falling due within one year	-	(358,193)	-	(358,193)
Defined benefit pension liability	-	(1,495,000)	-	(1,495,000)
Total net assets	746,385	(907,258)	2,414,226	2,253,353

20 Pension and similar obligations

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 Northamptonshire 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £Nil (2020: £Nil) were payable to the schemes at 31 August 2021.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both 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 next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £309,654 (2020: £276,314).

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

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

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 contributions are as noted below. The agreed contribution rates for future years are 21.6% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2021 £	2020 £
Employer's contributions	136,000	138,000
Employees' contributions	39,000	38,000
Total contributions	175,000	176,000

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.4	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	21.7	21.5
- Females	24.1	23.7
Retiring in 20 years		
- Males	22.8	22.3
- Females	25.8	25.1

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 August 2021:	Approximate % Increase to Employer Liability	Approximate monetary amounts £'s
0.1% decrease in Real Discount Rate	3%	110,000
0.1% increase in the Salary Increase Rate	0%	4,000
0.1% increase in the Pension Increase Rate	2%	105,000

The Trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	1,509,000	1,212,000
Bonds	450,000	281,000
Cash	23,000	53,000
Property	270,000	211,000
Total market value of assets	2,252,000	1,757,000

The actual return on scheme assets was £360,000 (2020: £100,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	308,000	330,000
Interest income	(31,000)	(29,000)
Interest cost	58,000	56,000
Total operating charge	335,000	357,000

Changes in the present value of defined benefit obligations

	2021 £
At 1 September 2020	3,252,000
Current service cost	308,000
Interest cost	58,000
Employee contributions	39,000
Actuarial loss/(gain)	743,000
Benefits paid	(40,000)
At 31 August 2021	4,360,000

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Changes in the fair value of the Trust's share of scheme assets

	2021 £
At 1 September 2020	1,757,000
Interest income	31,000
Actuarial gain	329,000
Employer contributions	136,000
Employee contributions	39,000
Benefits paid	(40,000)
At 31 August 2021	<u>2,252,000</u>

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

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	12,297,733	195,877
Adjusted for:		
Capital grants from DfE and other capital income	(12,075,927)	(166,941)
Investment income receivable	(128)	(582)
Finance costs payable	2,200	309
Defined benefit pension costs less contributions payable	172,000	192,000
Defined benefit pension scheme finance cost	27,000	27,000
Depreciation of tangible fixed assets	127,580	162,818
Decrease in debtors	46,516	1,668
(Decrease)/increase in creditors	(61,089)	150,775
Net cash provided by operating activities	<u>535,885</u>	<u>562,924</u>

FRIARS MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Commitments under operating leases

At 31 August 2021 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2021 £	2020 £
Amounts due within one year	3,887	664
Amounts due between one and five years	5,831	-
	<u>9,718</u>	<u>664</u>

In addition to the above, on conversion Friars Academy committed to a 125 year lease of the land it occupies from Northamptonshire County Council for a peppercorn rent.

23 Capital commitments

The Trust had no capital commitments in existence at the current year end (2020: none).

24 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

There were no transactions with related parties during the year ended 31 August 2021 which require disclosure.

In the opinion of the Trustees, there is no ultimate controlling party.

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.