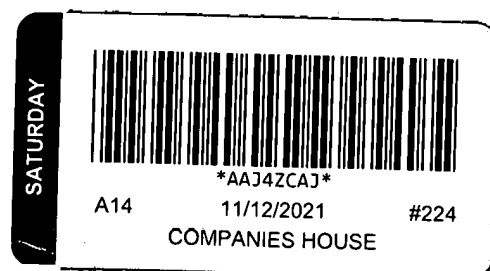


REGISTERED COMPANY NUMBER: 07343725 (England and Wales)

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
FULSTON MANOR ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE



FULSTON MANOR ACADEMIES TRUST

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 19
Governance Statement	20 to 25
Statement on Regularity, Propriety and Compliance	26
Statement of Trustees' Responsibilities	27
Report of the Independent Auditors	28 to 31
Independent Accountant's Report on Regularity	32 to 33
Statement of Financial Activities	34 to 35
Balance Sheet	36 to 37
Cash Flow Statement	38
Notes to the Cash Flow Statement	39
Notes to the Financial Statements	40 to 65

FULSTON MANOR ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

MEMBERS:

T Lawry
K West
K Pidduck
D Robinson
R Couzins

TRUSTEES

D Robinson (resigned 31.8.21) *
A G Brookes * Executive Headteacher (resigned 31.8.21)
L O'Sullivan * Chair
P Crouch
J A Fassenfelt * Vice Chair (resigned 2.6.21)
M L Mckeeman
S Burden Executive Headteacher
N Davies Chair Of Lgb
M J Gilbert
P Hatt Chair of LGB
T Cadwallader Head Of School (appointed 19.5.21)

* members of the finance and general purpose committee

SENIOR MANAGEMENT TEAM:

S Burden * (Executive Head, Accounting Officer) (from 01/09/21)
T Cadwallader (Head of School - South Avenue Primary)
G Bowden (Deputy Head - Fulston Manor School)
S Francis (HR and Business Director)
M Gash (Deputy Head (Fulston Manor))
A G Brookes * (Executive Head, Accounting Officer) (resigned 31.8.21)

REGISTERED OFFICE

Fulston Manor School
Brenchley Road
Sittingbourne
Kent
ME0 4EG

REGISTERED COMPANY NUMBER 07343725 (England and Wales)

INDEPENDENT AUDITORS

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements for the year ended 31 August 2021. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's articles of association and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

The Trust operates 1 primary and 1 secondary Academy in Sittingbourne, Kent. Its academies have a combined pupil capacity of 1,758 and had a roll of 1,781 in the school census of Autumn 2021.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

Objectives and aims

Principal Activities

The principle activity of Fulston Manor Academies Trust is to provide education for students of different abilities and achieves this by providing a state education, free of charge, to pupils aged 5 to 19.

Objects and Aims

In accordance with the Articles of Association, Fulston Manor Academies Trust the company's object ("the Object") is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")

- to promote for the benefit of the inhabitants of the areas served by the Academies the provision of 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 and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives

The main objectives of the Trust during the year ended 31 August 2021 are summarised below:

- to deliver high quality education and care to all pupils of the Academies within the Trust;
- to raise standards and achievement;
- to reengage all students in education following the national lockdowns put in place due to COVID;
- to ensure a safe environment for all stakeholders to protect against COVID transmission;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness; and
- to bid for further CIF work at both South Avenue and Fulston Manor School.

Objectives, Strategies and Activities

The Trust's main strategy is encompassed in its mission statement which is:

'TO CHANGE FOR THE BETTER THE LIVES AND LIFE CHANCES OF ALL MEMBERS OF OUR COMMUNITY. WE ALSO RECOGNISE OUR WIDER RESPONSIBILITIES WITHIN AND BEYOND THE LOCAL AREA TO WORK POSITIVELY AND COOPERATIVELY WITH OTHERS IN ORDER TO SUPPORT SUCH CHANGES ELSEWHERE'.

The Trust produces an annual Academies Trust Development Plan, which details how it intends to achieve the aims and objectives for the period. The activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- use of catch up funding to effectively close gaps in lost learning;

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

- support of students, staff and parents and guardians in returning to education post lockdowns;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- co-operation and sharing resources with local schools;
- a system of after school clubs allow students to explore new areas in a practical and project orientated way;
- a careers advisory programme to help students obtain employment or move on to higher education.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of Fulston Manor Academies Trust is the advancement of education within the local community.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

- Fulston Manor School

The academic year 2020 to 2021 started with the hopes that the impacts of COVID would be mitigated in schools and that students would be able to return to both schools and have a less interrupted academic year. Both schools began the year with students in 'bubbles' and restricted movement across the site as per the government guidance. After October half term both were hit with significant numbers of positive cases leading to significant pressures on staffing and large numbers of students doing remote learning from home. Both schools had remote provision in place through platforms that students and parents could access, parental feedback from this has been positive. Students at Fulston had to have two weeks of remote provision in November due to public health advice, following an outbreak of what became known as the Kent variant (Swale was the epicentre for this variant). The school hosted Open Days, presentation evening and 6th form open evenings all online as virtual tours. The school was asked to prepare for mass testing over the December break but this then turned into another national lockdown with students being taught remotely from January to 8th March. Over 60 students continued to attend the school site each day to access the key worker and vulnerable group provision. Safeguarding and welfare checks were made weekly with tutors making contact with students on a regular basis. From March to June the school prepared for TAGs in line with the national cancellations of examinations again, all teachers were involved in these processes and the senior team creating the policies and checking exercises. It was very pleasing that the number of students going on to higher education from the 6th form remained high in August, with the school's first entrant to Oxford. The 6th form continue to have positive relationships with local universities, with support from Canterbury Christ Church University on results day to help students with next steps. Students collecting GCSE results went on to a wide range of post 16 options, from 6th forms, Post 16 Colleges to a range of Apprenticeships. The NEET figures therefore remained below the average for the area continuing to show the impact the school has in the local area where many students are first generation entrants to Post 16 and Higher Education.

Despite the online tours and parents being unable to visit the school, the school again had over 950 applications for Year 7 places and over 300 for first preferences for the PAN of 210. Applications for 6th form included over 60 students arriving from other schools to enter the 6th form this academic year.

The Head of School continued to chair the local In Year Fair Access Panel and continues to forge relationships with other schools across the area despite the difficulties of collaborative work with COVID. We are also continuing our extensive involvement with Kent Association of Headteachers (KAH). The Executive Headteacher for the Trust continued as Chair of KAH and worked across the network in Kent to support schools throughout the current pandemic. He has worked collaboratively with other associations nationally and with the DFE to support school leaders to ensure students return safely to school. The Head of School at Fulston also represents Swale Headteachers on the East Kent Board. We are continuing to work with the local grammar schools as part of our partnership arrangements.

The school continued to carry out charity fund raising activities, with Comic Relief and Demelza being the charities the school supported in the last year as well as local organisations including the Swale Food Bank.

- South Avenue Primary School

South Avenue Primary School has now completed its seventh year as a Primary school, and continues to have a positive reputation within the local community. The senior leadership at the primary school had to change during the academic year having an impact on staffing structures, the Acting Head of School was appointed formally in May 2021.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

South Avenue school started the academic year 2020-21, using the guidance from the DfE, with year group bubbles in place, a one-way system put in place across the school for drop off and pick up times so that all stakeholders did not have to come face-to-face with each other, the school had a staggered start and finish to the school day so that we reduced the amount of people on school site at any time. Lunchtimes were reduced by 15 minutes to help us fit in all lunches without taking over 2 hours. Within the first two days back in September 2020, we had a family who had tested positive for Covid. This meant we had to close two-year groups and put in place home learning and free school meal deliveries. This time we used the catering company in place, Nourish', to provide our FSMs for the two year groups. We decided that we did not like what they had provided and looked into changing this for any future bubble closures/isolations. In term 2, we were hit again with an outbreak of Covid. Both online learning and FSM were issued to all those who were needed to isolate. Those isolating were phoned by staff to ensure that they were happy with the learning and that everything was okay at home. Laptops were issued to children where they were struggling to complete work. We moved Year R tours to online only and the Christmas Nativities were planned to be recorded and put onto DVDs for the parents. We had over 135 applications for our year R 2021 start, where 75 were for first choice. This led us to have 3 appeals when the final decisions in April were sent out to parents. However, due to natural movement and parents being happy with their second choice, these three were offered places without having to go to appeal.

Towards the end of Term 2 we had heard that the local lockdown we had - due to the Kent variant we were a level 4 area and may be part of another national lockdown in January. We decided to keep to our learning platform - Seesaw - but decided that staff would use voiceover, PowerPoints and the opportunity to meet with the teacher/TA as our delivery. This was positively received by parents.

During the lockdown January 2021 - March 2021, we continued to use our learning platform to deliver our curriculum. Our Key Worker children numbers had increased from the first lockdown (we were limited to the amount of children in during the first lockdown to no more than 15 to group), which added pressure and stress to staff as they were having to plan lessons for those in school and then be adapting them so that were accessible for those at home. We issued laptops to families that needed them due to them having no laptop or several children at home and not enough laptops. FSM vouchers were sent home.

All national assessments were cancelled for the year. This meant that on the return from lockdown 2, we were able to focus on Year 5. We put in extra support that allowed them to divide into smaller groups for English and Maths and to start interventions. We used the Catch-up funding to employ additional staff for the delivery of Phonics intervention in KS1 and English and Maths interventions in Year 3, 4 and some in 5. Year 6 focused on getting the children ready for Year 7.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

Staff costs as a percentage of income (excluding restricted fixed asset funds):

Fulston Manor School	2021	2020
Teaching staff	59%	58%
Educational support staff	9%	6%
Other support staff	11%	15%
Total staffing	79%	78%

South Avenue School	2021	2019
Teaching staff	40%	43%
Educational support staff	30%	27%
Other support staff	7.5%	9%
Total staffing	77.5%	79%

FMAT	2021	2019
Teaching staff	12%	11%
Educational support staff	20%	23%
Other support staff	40%	47%
Total staffing	72%	82%

Promoting the success of the Charitable company

The Trust Business Team produce regular reports for the Local Governing Bodies of each academy and for the Strategic Board covering all aspects of finance and premises.

As is the remit of the Boards the Trustees and Governors hold the schools to account on these matters and scrutinise the figures and assumptions behind them.

The Leadership Groups of the academies are involved in long term financial planning to ensure that where reserves fall outside of the Trust policy and either fall below 5% or exceed 8% that a plan is in place and presented to the board for investment of the funds or recovery of the reserves. This would include investing in capital projects or providing additional resources in line with the Trust's educational purpose or would involve a cost reduction strategy and efficiency savings across the Trust in order to bring the reserves to the required level. In particular capital investment is planned for additional IT hardware to update student access.

Across the Trust there is a consensus from the Strategic Board that where reserves allow individual academies may support each other in such situations.

The Trust is required to complete Budget Forecast Returns for the ESFA including 3-year projections of direction of travel in financial terms. Additionally the Chair of the Strategic Board is presented with consolidated monthly management accounts for their approval.

The Trust ensures that it has adequate risk protection in the form of insurances and is a member of the Risk Protection Arrangement scheme through the ESFA.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STRATEGIC REPORT

Financial review

Financial position

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), capital grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets concerned.

During the year ended 31 August 2021 total expenditure of £11,193,404 (2020: £10,828,410) was funded by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year, including other recognised gains and losses, (excluding restricted fixed asset funds and the LGPS) was £1,672,231 (2020: £114,005 excess of expenditure over income).

The Trust held fund balances at 31 August 2021 of £14,277,702 (2020: £13,523,471) comprising £673,482 (2020: £319,927) of restricted general funds and £313,644 (2020: £315,920) of unrestricted general funds. The unrestricted funds are the academy trust's free reserves.

At 31 August 2021 the net book value of fixed assets was £18,770,630 (2020: £18,326,281) and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

There is a pension reserve deficit of £(7,986,000) (2020: £(6,350,000)). It should be noted however that this deficit will not crystallise within the foreseeable future and that the Trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the Trust's budgets for the year ending 31 August 2021.

The in year surplus is £1,672,231 and agrees to the change in balance of restricted general funds (excluding pension) and unrestricted funds.

COVID funds were received to support students to re-engage with learning, these were spent on a range of areas, including additional staffing in English, Maths tuition, learning resources and rewards to reengage students in learning.

Investment policy and objectives

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. Assets will only be considered with banking institutions which have credit ratings assessed by Fitch and or Moody to show good credit quality. Deposits should be spread by banking institution and be subject to a maximum exposure of £500,000. Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts. The cash flow forecasts will take account of the annual budget and spending plans approved by the Strategic Board Finance and Audit Committee and be updated on a quarterly basis. A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Trust.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

Financial review

Reserves policy

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to any constraint that the level of resources does not exceed the level permitted by the DfE, there are currently no such constraints on the Trust. The Trust Strategic Board has set a target of 7% total reserves (excluding fixed assets and pension reserves) per Academy to be held, based on GAG funding for each given year. In the year to 31 August 2021 this reserves level is £470,000 for Fulston Manor and £115,000 for South Avenue Primary School a total reserves figure of £585,000. The reserves of the Academies Trust before accounting for the pension deficit and fixed assets are £987,126 (2020: £635,847). Free reserves are £313,644 (2020: £315,920) with this being unrestricted funds and restricted general funds (excluding pension reserve) were £673,482 (2020: £319,927).

Where reserves exceed 8% of GAG funding the Academies Trust Strategic Board will review any budgetary constraints and assess if targeted expenditure can improve any operational areas. If it is deemed that the current budget is accurate and manageable any surplus in excess of the 8% threshold shall be allocated to a Capital Reserves fund. The Capital Reserves fund shall be used in conjunction with, but separate to, the Devolved Formula Capital Grant. The Trust HR & Business Director, in conjunction with the Executive Headteacher and Leadership Groups of the academies, should propose a schedule of works to the Academies Trust Strategic Board identifying the need to maintain, improve or replace assets and the related sums required in doing so.

Funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation. Spend of the Capital Reserve Fund should only occur when it has been approved by the Academies Trust Strategic Board

COVID has impacted on the financial position of the Trust in additional spending on cleaning and supply costs for staff and significant decrease to income due to no lettings taking place. Funding received to support learners has been spent on additional staffing supporting students and on resources to help students to catch up.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

Fundraising

The Trust has a very clear policy on fundraising. Every child benefits directly from activities as all money raised goes back to supporting the costs of resources, educational visits and activities. The majority of these funds come from voluntary donations.

School voluntary fund

Parents shall be requested to donate a voluntary contribution per student upon entry into Year 7. (Reduced pro-rata for entries in other years).

The School Voluntary Fund shall be spent both on items that are of benefit to the whole school and on items which benefit individual students, principally those whose families are in financial difficulties. The Fund shall be spent on a variety of items including:

- Contributions to the expenses of teams or individuals in competitions
- Subsidising school visits and other extra-curricular activities, covering all or part of the costs attributable to students whom would otherwise not be able to participate.
- Presentations Evenings, Sports Day, Whole School Events

Fundraising is seen as a legitimate means of improving the Trust's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting schools within the Trust. The Board of Trustees is responsible for ensuring that:

- Correct procedures are in place and followed for fundraising activities
- Expenditure is properly validated
- All funds raised are properly accounted for and audited
- The money is expended in accordance with the objectives agreed with the fund raisers.
- All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness
- All funds received must be given to the Finance Office to be recorded, counted and banked in line with the Trust's financial regulations
- Fundraisers must not exploit their position for personal gain
- Fundraisers shall adhere to all policies and procedures adopted by the Board of Trustees. Donors have the right to obtain complete and timely information on how their funds are used

All fundraising inside or outside the school must be approved by the Headteacher regardless of the sum involved. The Headteacher will report such approvals to the Board of Trustees. In the event a member of Trust staff becoming aware of an external body fund raising on behalf of the Trust, he/she should notify the Headteacher so that the fundraising can be approved (if this has not already occurred) and the Trust can formally accept the donated cash or equipment.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

Principal risks and uncertainties

The Trustees have assessed the main risks to which the Trust is exposed which are summarised below.

For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

Strategic and Reputational - This covers unfavourable OFSTED reports, risk of uncontrollable events and competition from other schools with similar objects and little scope for differentiation.

Finance Risk - the risk of the Academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. The risk that the implementation of the NFF will be delayed.

Safeguarding and child protection - The Trustees continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Failures in Governance and/or management - The risk in this area arises from the potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees regularly review procedures during Finance and Trust meetings to ensure that appropriate measures are in place to mitigate these risks.

Staff - The success of the Academy is reliant on the quality of its staff and staff retention and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

The principal financial risks have been identified and considered by the Trustees. The Trustees are satisfied that within reason, all financial risks have been limited or eliminated by internal policies and procedures.

As the majority of the funding for the Trust is in the form of grants from the Education and Skills Funding Agency, the uncertainty facing future funding is the biggest financial risk that the Trust faces. The Trust therefore has a budget plan for 3 years which is linked to the school improvement plan and takes account of possible downturns in funding wherever possible.

The Trustees ensure that sound economical purchasing decisions are made on a day to day basis and that financial management within the school is carried out by competent and suitably qualified personnel.

Financial and risk management objectives and policies

The main risk to which the Trust is exposed to is making a deficit from unforeseen but necessary expenditure. The Trust manages its cash resources so that all its operating needs are met without the need for short-term borrowing and Trustees review the amount of surplus cash and invest as appropriate so as to maximise interest income.

Where significant financial risk still remains the Trustees have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

Plans for Future Periods

The Trustees' main plans for future periods are:

- To raise attainment and progress for all pupils across the MAT including closing the gaps created through lockdown.
- To retain teaching staff across the MAT and ensure succession planning.
- To ensure the financial sustainability of the MAT
- To develop links between the two schools across the MAT to provide an enriched curriculum to all pupils.
- To develop the Trust to form further links in the wider community and to consider the potential for expansion.

Fulston Manor School is to increase its Year 7 PAN by 15 in 2022 and 2023 following a request by KCC due to significant issues with a lack of spaces in non selective secondary schools in Swale and significant numbers of students travelling to school from the Isle of Sheppey to attend the secondary provisions in Sittingbourne. KCC have agreed to provide capital funding of £1m to enable the school to accommodate this increase.

Both schools will focus on developing links with the community and each other and looking to work with other Trusts on peer to peer support and review of school improvement. COVID continues to have an impact on both schools in terms of current cases but also in terms of the need to ensure the long term impact on students is mitigated as soon as possible with effective use of intervention, planned use for spending and teacher CPD being a priority.

Whilst there are plans to expand the Trust further in the future the current focus is on securing stable success for the schools that are already members. Future plans are also on hold whilst the schools in the Trust recover from the effects of COVID 19 and ensure the Teaching and Learning across the Trust regains the forward motion and focus it concentrated on before the pandemic. Both schools will work more together, including with the commencement of joint provision of music and performing arts work across the schools and with developing CPD and leadership support to the primary school. The judgement of "Good" achieved by South Avenue in 2017 and their significantly improved KS2 outcomes in 2018 and 2019 continue to provide platform for further expansion, the Trust needs to consider building capacity to allow for this to develop further. Collaborative work continues with most primary schools across the area and it is believed that this currently represents the best way of securing area wide educational improvement.

Changes to Post 16 curriculums and the introductions of T Levels and BTEC changes will need to lead to careful planning of 6th form provision to ensure the Trust continues to offer a sustainable curriculum for students across Swale.

FUNDS HELD AS CUSTODIAN TRUSTEES ON BEHALF OF OTHERS

The Trustees hold no funds as custodian trustee.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Trust was incorporated on 12 August 2010 and commenced trading on 1 October 2010. The Trust is a company limited by guarantee with no share capital (registration no: 07343725) and became a Multi Academy Trust on 26 November 2013. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Articles of Association require the members of the Charitable Company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Trust.

The Trust has charitable status for tax purposes under the reference XT35298.

Details of the Trustees who served throughout the year, and to the date these accounts are approved, except as noted are included in the Reference and Administrative Details on page 1.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Members' liability

Each member of the Academy Trust undertakes to contribute to the assets of the 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 cease to be a member.

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every Trustee, officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust has a Board of Members. The Members of the Academy shall comprise:

- A. The signatories to the Memorandum and
- B. Any members appointed by special resolution by the existing members

Termination of membership is subject to provision within the Articles of Association of the Academies Trust Members may resign by written notice provided that at any time the remaining number shall not be less than three.

The strategic board may appoint such number of Trustees as is noted within the Articles of Association of the Academies Trust.

- a) The Trustees will ensure that the people serving on the Board of Trustees have an appropriate range of skills and experience between them and give due attention to succession planning,
- b) There is representation amongst the Trustees or Local Governing Board from the parents of registered pupils at the Academies.

The strategic board may appoint the Headteachers to be Trustees through such process as they may determine.

There shall be a minimum of 3 Trustees but shall not be subject to any maximum. The Chairperson of a Local Governing Body shall be eligible to be a Trustee and only for as long as he remains in office as such. For the avoidance of doubt, The Chief Executive Officer cannot be a chairman of a Local Governing Body.

There shall be a minimum of two Parent Trustees unless there are Local Governing Bodies, which include at least two parent members.

The Chief Executive Officer shall be a Trustee for as long as they remain in office as such.

The term of office for Trustees and Governors is four years, unless resignation of office is given by notice to the Trust or Local Governing Body as appropriate.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Members and Trustees who were in office at 31/8/2021 and served throughout the year, except where shown, are listed on page 1.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The structure of the Trust exists at four levels:

- The Board of Members
- The Trust Board
- The Local Governing Bodies of Fulston Manor School and South Avenue Primary School
- The Senior Leadership Groups of Fulston Manor School and South Avenue Primary School

The Members will maintain a strategic overview of the Trust's performance and adherence to the terms within the Funding Agreement.

The Trust Board, supported by the Local Governing Bodies, is responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and individual school's budgets, making decisions about the direction of the Trust and the schools, capital expenditure and senior staff appointments. The Senior Leadership Teams are responsible for the day-to-day running of the schools.

The management structure in place encourages devolved responsibility and involvement in decision making at all levels of the organisation.

The Leadership Group in the secondary school is made up of, during this period of review, The Executive Headteacher, the Head of School, Deputy Head Teachers, the Trust HR and Business Director and the Assistant Head Teachers. This group oversees the day to day management of the Secondary School implementing policies and plans set by the strategic board. Some members of this group can approve expenditure up to certain limits above which Trustee approval will be required.

The Leadership Group in the South Avenue Primary School is made up of the Head of School and Phase Leaders during the period under review.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel are set as follows:

Role	Recommended	Decision Maker/Reviewer	Appeal
Executive Headteacher	Pay Committee	Pay Committee	Strategic Board Chair
Head Teacher /Head of School	Executive Head Teacher	Pay Committee	Strategic Board
Other Leadership Team Members	School's Head Teacher or Head of School	Pay Committee	Strategic Board

Salaries for support staff are benchmarked by the Trust HR and Business Director against sector data and in accordance with the Academies Trust's Support Staff Pay Policy. Salaries for educational staff are set in accordance with the Academies Trust's Teachers pay policy.

Disclosures in relation to remuneration paid to key management personnel during the year are provided in note 11.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2021.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£
Total cost of facility time	Nil
Total pay bill	7,553,724

Percentage of the total pay bill spent on facility time calculated as:

$$(\text{total cost of facility time} \div \text{total pay bill}) \times 100 \quad 0\%$$

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100 \quad 0\%$$

Related parties and other Connected Charities and Organisations

The Academies Trust does not have any connected organisations.

Where Trustees offer their services to the Academy their interest is recorded on the relevant paperwork and the circumstances discussed by the Board. The Head Teachers are employees of the Charitable Company.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Engagement with employees

In discharging its obligations under The Companies (Miscellaneous Reporting) Regulations 2018 the Trust takes into account the need to consult with employees and to encourage employee involvement in the Trust's performance, amongst other considerations.

The Board regularly receives information and data from the Heads of School with respect to the activities and considerations of each individual academy and its staff. The Board also receives regular reporting on staff absences and Health and Safety and is debriefed by the Heads of School and Trust HR & Business Director as to any underlying issues or considerations, which fall under the Board's remit.

The Leadership Groups of both academies regularly conduct Staff Voice surveys and consult with staff as to any matters arising and report to the Board in the Head of School reports. Staff are encouraged to apply to become Staff Governors of the Local Governing Bodies as vacancies arise and the Trust has an open door policy for its Leadership teams which encourage staff to voice concerns or opinions throughout the year. Staff are also encouraged to speak to their Governor or union representatives to similarly raise concerns or voice opinions.

Throughout the COVID school closures and return to work, staff welfare has been a key consideration. Both schools have followed all government guidance including taking a cautious approach with vulnerable staff and allowing them to remain at home, where possible staff were given opportunities to work from home as much as possible to support their needs and to protect each other. Additional cleaning regimes, a range of screening and protective methods have been put in place to protect staff.

Fulston Manor School continued to work with the Equality and Diversity Committee, comprised of staff members, who not only look to organise events to mark events such as Black History Month or International Women's Day but also to be a conduit for improvement in the representation of our diverse staff community; giving a voice to all. CPD was provided in relation to forming the framework to be an anti racist school.

Staff are encouraged across the academies to view themselves as a family with educational purpose at the heart of their activities. This speaks to our core purpose and staff are encouraged to understand that each and every one of them matters and impacts upon the academies direction and achievements.

The Trust provided benefits to the staff such as a defined benefits healthcare scheme, annual flu jabs, on site parking and subsidised meals. Employee share schemes are outside of the scope of the Trust.

Equal opportunities policy

The Trust is an equal opportunity organisation and is committed to take a positive stand to ensure all stakeholders have a right to equality of opportunity and achievement regardless of race and ethnicity, faith, belief and religion, disability and access, age, sex, sexual orientation, transsexualism, and marital status.

Equality of opportunity is related to all areas of the Trust's work and is a fundamental aspect of the ethos of the Trust. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of both Academies.

Fulston Manor Academies Trust is committed to safeguarding and promoting the welfare of children and young people, and expects all staff and volunteers to share this commitment. All posts are subject to an enhanced Disclosure Application to the Disclosure and Barring Service and checked against the ISA Barred List for children.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Parents are given regular information about their son/daughter's social and academic progress through 6 progress reports a year and one full report a year as well as Parent Evenings, Parent Portals (secure online system) and Newsletters. Regular contact with parents is maintained as and when required.

Employee involvement and employment of the disabled

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Employee Consultation

The Trust's staff are empowered to elect colleagues to sit and serve as Governors. Trustees and Governors regularly meet with staff ranging from attendance at formal board and committee meetings. Members of the LGB are link governors and assigned areas of the school to take a particular review and interest in. Those Governors meet directly with those in charge of each area and discuss progress and areas for development, this is reported back to the LGB. Trustee and Governor visits and general open days where staff can meet and talk to Trustees and Governors.

Engagement with suppliers, customers and others

The Trust is aware that under The Companies (Miscellaneous Reporting) Regulations 2018 its needs to have an awareness of the matters in section 172(1)(a) to (f) of the Companies Act 2006 including the likely consequences of any decision in the long term, the need to foster the company's business relationships with suppliers, customers and others, and the impact of the company's operations on the community and the environment.

The Trust endeavours, where possible, and where it is appropriate to achieve Value for Money, to use local suppliers and tradespeople. By investing in the local community in this way it not only helps to sustain the local economy but also has an impact on the life and job opportunities of the Academies' leavers and the families of the Trust's students.

The Trust Business Team ensures that suppliers are paid in a timely fashion and trade disputes are therefore rare.

The Academies have a good reputation locally both educationally and for their ethos, in making business decisions and in its dealing with businesses and others in the local community.

The Trust works on community projects and supports students who are involved in charitable activities. The Events and Publicity Manager has developed links with local press where achievements both of the students and within the Academies are celebrated.

The Academies work to ensure that where other stakeholders have any concerns these are addressed and action taken.

Prior to the Covid restrictions the Trust was examining ways to reduce the waste produced on the sites and has been looking at environmentally friendly initiatives such as Reverse Vending Machines and waste recycling.

Staff and students at Fulston Manor have been involved in the last few years with the Erasmus project, a European project to foster goodwill and understanding between citizens of European Countries and have worked on some exciting projects including ones with an environmental focus. The project was halted during COVID 19 but has now been restarted with the first visit being hosted at the school and reciprocal trips planned to Iceland and the Czech Republic.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

Energy consumption used to calculate emissions (kWh)	1,575,854
Energy consumption break down (kWh)	
o gas,	1,098,291
o electricity,	477,563
o transport fuel	4,832
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	223,766
Owned transport - mini buses	12,304
Total scope 1	236,070
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	111,339
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	563
Total gross emissions in metric tonnes CO2e	347,972
Intensity ratio	
Tonnes CO2 Per pupil	195.27

Quantification and Reporting Methodology:-

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency South Avenue have had work undertaken following a successful CIF bid to improve heating, lighting and the fire alarm systems.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 1 December 2021 and signed on the board's behalf by:



L O'Sullivan - Trustee

FULSTON MANOR ACADEMIES TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2021**

Scope of Responsibility

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

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

The board of the trustees has delegated the day-to-day responsibility to the Executive Head, 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 Fulston Manor Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

FULSTON MANOR ACADEMIES TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2021**

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Robinson (resigned 31.8.21)	4	5
A G Brookes * (resigned 31.8.21)	5	5
L O'Sullivan * (Chair)	5	5
P Crouch *	5	5
J A Fassenfelt * (resigned 2.6.21)	4	4
M L Mckeeman	2	5
S Burden*	5	5
M J Gilbert*	5	5
N Davies*	4	5
P Hatt*	5	5
T Cadwallader	1	1

*members of the strategic board finance committee

Key changes to the composition of the Board are detailed on page 3 of the Report of the Trustees.

There have been no changes to the composition of the Board of Trustees since the appointments shown in the Reference and Administrative details on page 1.

During the year the Board undertook the following reviews of:

- service terms provided to the Trust.
- attendance records and requirements
- preparation for an Ofsted inspection
- skills and expertise in regards to the DfE's Competency Framework for Governance, assessing how the composition of the Trustees met these requirements
- priorities for improving the school
- school policies

The Trust carries out a skills audit and reviews governance structures on an annual basis. The next review is due in Spring 2021.

Sub committees

The Strategic Board Finance and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- Agree and monitor the Trust budgets to ensure an up-to-date balanced three year budget plan is maintained and resources are allocated in line with strategic priorities with clear links to the Schools' Development Plans and Staffing plans
- To receive and review monitoring reports from each Academy, including cash flow, and approve any significant variances.
- Monitor the implementation of financial procedures within the Trust and each Academy, including segregation of duties.
- Receive monitoring reports from each Academy on buildings and maintenance
- Monitor use of assets and efficient use of financial resources through benchmarking and value for money reviews
- Monitor the Trust Risk register to ensure all significant risks are mitigated
- Scrutinise draft Annual Report and Financial Statements and recommend approval to the Trust Board

FULSTON MANOR ACADEMIES TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at the Finance and Audit Committee meetings in the year were as follows (due to COVID 19 these meetings were held remotely)

Attendance at meetings was as follows:

Trustee/Governor	Meetings attended	Out of possible
Mr A G Brookes (Executive Head Teacher)	4	4
Mr D Robinson (Chair)	3	4
Mrs L O'Sullivan	4	4
Mr P Crouch *	2	4
Mr J Fassenfelt	1	3
Mrs S Burden	4	4
Mr M J Gilbert	4	4
Mrs N Davies	4	4
Ms T Cadwallader	1	1

Fulston Manor Local Governing Body oversees the day to day operation of the secondary school. A Finance and Premises Committee made up of members of the Local Governing body met 3 times during the year to monitor the finances of the school, deal with any matters regarding contracts and tenders subject to previously authorised limits and to consider premises matters

Trustee/Governor	Meetings attended	Out of possible
Mr A G Brookes (Executive Head Teacher) (Resigned 31/08/2021)	3	3
Mr J Fassenfelt (Resigned 02/06/2021)	2	3
Mr M Gilbert	3	3
Mrs D Ines (Resigned 20/01/2021)	0	3
Miss C Honeysett (Staff Member, Resigned 31/08/2021)	0	3
Mrs O Cole	3	3
Mr P Beckham	3	3
Mr P Barwick (Resigned 19/04/2021)	0	3
Mrs S Burden	3	3
Mrs N Davies (Chair)	3	3
Mr M Dunt (Staff Member)	2	3
Mrs M Vowles (Resigned 07/05/2021)	1	3
Mr M Hall	1	3
Ms M Mundle	2	3
Ms J Lloyd	0	3
In Attendance:		
Mrs M Gash	2	3

South Avenue Local Governing Body oversee the day to day operation of the primary school

Trustee/Governor	Meetings attended	Out of possible
Mrs P Hatt (Chair)	6	6
Ms T Cadwallader	6	6
Mrs H Lofts	6	6

FULSTON MANOR ACADEMIES TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2021**

Trustee/Governor	Meetings attended	Out of possible
Mr C Soviinka (Appointed 18/01/2021)	4	4
Ms K Franks (Asst Head FM)	6	6
Mrs A Kelly-Metelewa	3	6
Mr J Righton	1	3
Mrs G Curtis	1	6
Mrs T Thurston (Resigned 10/09/2021)	3	6

Governance compliance

The Full Board consider that 5 meetings a year, accompanied by the sub-committee meetings ensure adequate oversight and strong governance. The Board do not consider it necessary at this time for the Full Board to meet more frequently, but will keep this under review on an annual basis

Review of Value for Money

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

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

- Generating income from lettings where COVID 19 regulations allowed
- Ensuring effective deployment of staff and resources to achieve the maximum progress and achievement of all pupils across the Trust
- Ensuring resources are deployed effectively across the Trust
- Ensuring effective use of COVID funding to support students

Every effort has again been made this year to ensure best value for all the funding streams available to the school including the Catch-up and Summer School funding relating to COVID 19. We have worked closely with IACF, organised regular internal audit checks and ensured that Trustees have maintained effective scrutiny over all aspects of finance. The ongoing pressures of returning post COVID means that funding needs to be used carefully to ensure the best possible outcomes and support with appropriate intervention. The continuing pressures on recruitment of high quality teachers is likely to lead to increase pressure for schools, alongside and increasing market pressure that is being seen in relation to the recruitment of support staff, especially Teaching Assistants.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fulston Manor Academies 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.

FULSTON MANOR ACADEMIES TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2021**

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy 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 annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- Regular reviews by the Strategic Board Finance 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;
- Identification and management of risks

The Board of Trustees appointed internal auditors IACF following a tender process. Internal audits have been carried out during the year reviewing the effectiveness of the systems of internal control, performing a range of checks on the Trusts' financial systems. The Audit reports are presented to the Board of Trustees on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In particular the checks carried out in the current period include:

- Testing of payroll systems;
- Testing of purchasing and payment systems;
- Checking the tendering process in accordance with internal regulations;
- Review of income receipts;
- Review of bank reconciliations and control account reconciliations;
- Review procedures used to prepare reports to Trustees and other financial returns;
- Check procedures for staff expense claims and petty cash claims;
- Review information reported to Trustees.

The Board of Trustees confirms that the internal audit function has been fully delivered in line with the ESFA's requirements and that no material control issues were identified during these visits.

FULSTON MANOR ACADEMIES TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Review of Effectiveness

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

- The work of the external auditor
- The work of the internal auditor
- The work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 1 December 2021 and signed on its behalf by:



L O'Sullivan - Trustee



S Burden - Trustee

FULSTON MANOR ACADEMIES TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Fulston Manor Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

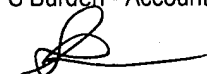
I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

Management accounts - non-compliance

In accordance with the Financial Handbook, management accounts are to be presented to the Chair of Trustees on a monthly basis. Management accounts have not been presented to the board in a timely manner and on a monthly basis.

S Burden - Accounting Officer



1 December 2021

FULSTON MANOR ACADEMIES TRUST

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

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 1 December 2021 and signed on its behalf by:



L O'Sullivan - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FULSTON MANOR ACADEMIES TRUST

Opinion

We have audited the financial statements of Fulston Manor Academies Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

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 academy 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FULSTON MANOR ACADEMIES TRUST**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the report of the trustees (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.

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

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

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

Responsibilities of trustees

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FULSTON MANOR ACADEMIES TRUST

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions. In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;
- agreeing financial statements disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

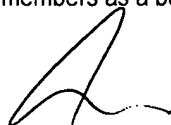
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Board of Trustees and other management and the inspection of regulatory and legal correspondence, if any material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FULSTON MANOR ACADEMIES TRUST

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

Use of our report

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



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

1 December 2021

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

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

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

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

The accounting officer is responsible, under the requirements of Fulston Manor Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the internal reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook, including the distribution of management accounts and quantity of meetings.
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Fulston Manor Academy Trust and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;

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

- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

Conclusion

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

Management accounts - non-compliance

In accordance with the Financial Handbook, management accounts are to be presented to the Chair of Trustees on a monthly basis. It was noted that management accounts have not been presented to the board in a timely manner and on a monthly basis.



McCabe Ford Williams
Chartered Accountants
Reporting Accountant
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

1 December 2021

FULSTON MANOR ACADEMIES TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

					31.8.21	31.8.20
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	1,148	60	2,433,147	2,434,355	1,034,182
Charitable activities						
Funding for the academy's educational operations	4	199,783	10,138,714	-	10,338,497	9,511,879
Other trading activities	5	91,452	369	-	91,821	247,835
Investment income	6	-	962	-	962	3,477
Total		292,383	10,140,105	2,433,147	12,865,635	10,797,373
EXPENDITURE ON						
Raising funds	8	-	280	-	280	1,553
Charitable activities						
Academy's educational operations	4	273,329	10,455,198	464,597	11,193,124	10,826,857
Total	7	273,329	10,455,478	464,597	11,193,404	10,828,410
NET INCOME/(EXPENDITURE)		19,054	(315,373)	1,968,550	1,672,231	(31,037)
Transfers between funds	23	(21,330)	(49,072)	70,402	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	(918,000)	-	(918,000)	(612,000)
Net movement in funds		(2,276)	(1,282,445)	2,038,952	754,231	(643,037)
RECONCILIATION OF FUNDS						
Total funds brought forward		315,920	(6,030,073)	19,237,624	13,523,471	14,166,508
TOTAL FUNDS CARRIED FORWARD		313,644	(7,312,518)	21,276,576	14,277,702	13,523,471

The notes form part of these financial statements

FULSTON MANOR ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

CONTINUING OPERATIONS

All of the Trust's activities derive from continuing operations during the above financial periods. A separate statement of changes in equity is not required as all gains and losses are included in the Statement of Financial Activities.

The notes form part of these financial statements

FULSTON MANOR ACADEMIES TRUST (REGISTERED NUMBER: 07343725)

BALANCE SHEET
31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	16	18,770,630	18,326,281
CURRENT ASSETS			
Stocks	17	721	721
Debtors	18	2,911,579	1,052,005
Cash at bank and in hand		<u>1,857,825</u>	<u>1,409,441</u>
		4,770,125	2,462,167
CREDITORS			
Amounts falling due within one year	19	<u>(1,240,996)</u>	<u>(914,977)</u>
NET CURRENT ASSETS		<u>3,529,129</u>	<u>1,547,190</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,299,759	19,873,471
CREDITORS			
Amounts falling due after more than one year	20	(36,057)	-
PENSION LIABILITY	24	<u>(7,986,000)</u>	<u>(6,350,000)</u>
NET ASSETS		<u><u>14,277,702</u></u>	<u><u>13,523,471</u></u>

The notes form part of these financial statements

FULSTON MANOR ACADEMIES TRUST (REGISTERED NUMBER: 07343725)

BALANCE SHEET - continued
31 AUGUST 2021

FUNDS

23

Restricted funds:

General Annual Grant (GAG)	667,691	319,927
Other DfE/ESFA grants	5,791	-
Pension reserve	(7,986,000)	(6,350,000)
Fixed asset fund	<u>21,276,576</u>	<u>19,237,624</u>
	<u>13,964,058</u>	<u>13,207,551</u>

Unrestricted funds:

Unrestricted funds	<u>313,644</u>	<u>315,920</u>
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TOTAL FUNDS

<u>14,277,702</u>	<u>13,523,471</u>
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The financial statements were approved by the Board of Trustees and authorised for issue on 1 December 2021 and were signed on its behalf by:



L O'Sullivan - Trustee

FULSTON MANOR ACADEMIES TRUST**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(1,101,922)</u>	<u>(226,031)</u>
Net cash used in operating activities		<u>(1,101,922)</u>	<u>(226,031)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(871,743)	(249,739)
Capital grants from DfE/EFA		2,393,948	1,031,173
Interest received		<u>962</u>	<u>3,477</u>
Net cash provided by investing activities		<u>1,523,167</u>	<u>784,911</u>
 Cash flows from financing activities			
New loans in year		<u>27,139</u>	<u>-</u>
Net cash provided by financing activities		<u>27,139</u>	<u>-</u>
		<u>-</u>	<u>-</u>
 Change in cash and cash equivalents in the reporting period		448,384	558,880
Cash and cash equivalents at the beginning of the reporting period		<u>1,409,441</u>	<u>850,561</u>
 Cash and cash equivalents at the end of the reporting period		<u>1,857,825</u>	<u>1,409,441</u>

The notes form part of these financial statements

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.21 £	31.8.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,672,231	(31,037)
Adjustments for:		
Depreciation charges	427,392	656,257
Capital grants from DfE/ESFA	(2,393,948)	(1,031,173)
Interest received	(962)	(3,477)
Increase in debtors	(1,859,572)	(779,102)
Increase in creditors	334,937	393,501
Difference between pension charge and cash contributions	<u>718,000</u>	<u>569,000</u>
Net cash used in operations	<u>(1,101,922)</u>	<u>(226,031)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>1,409,441</u>	<u>448,384</u>	<u>1,857,825</u>
	<u>1,409,441</u>	<u>448,384</u>	<u>1,857,825</u>
Debt			
Debts falling due within 1 year	-	(5,151)	(5,151)
Debts falling due after 1 year	-	<u>(36,057)</u>	<u>(36,057)</u>
	-	<u>(41,208)</u>	<u>(41,208)</u>
Total	<u>1,409,441</u>	<u>407,176</u>	<u>1,816,617</u>

The notes form part of these financial statements

FULSTON MANOR ACADEMIES TRUST

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

1. ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Fulston Manor Academies Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of 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.

Critical accounting judgements and key sources of estimation uncertainty

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight line basis of 50 years, and it is assumed that the asset has no residual value. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

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

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academies 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'.

Expenditure

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

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

2. ACCOUNTING POLICIES - continued

Expenditure

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.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold Property

Freehold buildings	- straight line over 50 years
Modular buildings	- straight line over 20 years
Refurbished modular building	- straight line over 5 years

Motor Vehicles

Motor vehicles	- 25% reducing balance
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Fixtures and Fittings

Fixtures and fittings	- 25% reducing balance
Multi Use Games Area	- straight line over 10 years
Fitness Equipment	- straight line over 4 years

Computer Equipment

Computer Equipment	- straight line over 3 years
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Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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:

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

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

Stocks

Unsold uniforms and stationery shop stocks are valued at the lower of cost and net realisable value.

Taxation

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

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

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 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 and Kent County Council.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an un-funded multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

FULSTON MANOR ACADEMIES TRUST

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

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	31.8.21 Total funds	31.8.20 Total funds
	£	£	£	£
Other donations	1,148	39,259	40,407	3,009
Grants	-	2,393,948	2,393,948	1,031,173
	<u>1,148</u>	<u>2,433,207</u>	<u>2,434,355</u>	<u>1,034,182</u>

Grants received, included in the above, are as follows:

	31.8.21 £	31.8.20 £
Devolved capital formula capital grant	37,205	36,805
Capital investment fund	<u>2,356,743</u>	<u>994,368</u>
	<u>2,393,948</u>	<u>1,031,173</u>

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	8,353,568	8,353,568	7,803,775
Other DfE/ESFA Grants	-	329,518	329,518	382,488
Pupil premium	-	372,629	372,629	403,202
Teachers' Pension Grant	-	321,727	321,727	318,084
	-	9,377,442	9,377,442	8,907,549
Other Government grants				
Local authority grants	-	460,211	460,211	240,674
Other income	11,342	149,402	160,744	111,828
	11,342	609,613	620,955	352,502
COVID-19 additional funding (DfE/ESFA)s				
Catch-up premium	-	117,120	117,120	-
Other DfE/ESFA COVID-19 funding	-	34,480	34,480	-
	11,342	761,213	772,555	352,502
Other income from the academy trust's educational operations	188,441	59	188,500	251,828
	199,783	10,138,714	10,338,497	9,511,879

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Shop income	23	-	23	2,574
Hire of facilities	31,120	-	31,120	51,345
Consultancy	-	369	369	24,983
SLA income	60,309	-	60,309	137,907
LLSE recharges	-	-	-	31,026
	91,452	369	91,821	247,835

FULSTON MANOR ACADEMIES TRUST

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

6. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Short term deposits	-	962	962	3,477

7. EXPENDITURE

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Direct costs	-	-	280	280	1,553
Charitable activities					
Academy's educational operations					
Direct costs	7,164,228	369,635	530,623	8,064,486	7,775,725
Allocated support costs	2,025,328	420,251	683,059	3,128,638	3,051,132
	<u>9,189,556</u>	<u>789,886</u>	<u>1,213,962</u>	<u>11,193,404</u>	<u>10,828,410</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21 £	31.8.20 £
Auditors' remuneration	15,335	15,000
Internal scrutiny/grant/EOYC	4,883	2,891
Auditors' remuneration for non-audit work	25	25
Depreciation - owned assets	427,394	656,255
Other operating leases	<u>10,589</u>	<u>1,833</u>

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****8. RAISING FUNDS****Costs of fundraising**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Costs of generating voluntary income	-	280	280	1,553

9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	441	8,064,045	8,064,486	7,775,725
Support costs	272,888	2,855,750	3,128,638	3,051,132
	<u>273,329</u>	<u>10,919,795</u>	<u>11,193,124</u>	<u>10,826,857</u>

	31.8.21 Total £	31.8.20 Total £
Analysis of support costs		
Support staff costs	2,025,328	1,919,878
Depreciation	49,046	34,142
Technology costs	286,989	297,091
Premises costs	420,251	404,185
Other support costs	326,781	377,920
Governance costs	<u>20,243</u>	<u>17,916</u>
Total support costs	<u>3,128,638</u>	<u>3,051,132</u>

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****10. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
Academy's educational operations	<u>2,614,342</u>	<u>494,053</u>	<u>20,243</u>	<u>3,128,638</u>

Support costs, included in the above, are as follows:

Other

	31.8.21 Academy's educational operations £	31.8.20 Total activities £
Other support costs	233,916	241,026
Defined benefit admin expenses	5,000	3,000
Catering	157,137	210,077
Define benefit pension interest cost	<u>98,000</u>	<u>92,000</u>
	<u>494,053</u>	<u>546,103</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

The Head Teachers 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 Academies Trust in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

S Burden (Head of School and Trustee) (appointed 4 December 2019):
Remuneration £90,000 - £95,000 (2020: £85,000 - £90,000)
Employer's pension contributions £20,000 - £25,000 (2020: £10,000 - £15,000)

A Brookes (Executive Head teacher and Trustee) (Resigned 31/08/2021):
Remuneration £45,000 - £50,000, (2020: £45,000 - £50,000)
Employer's pension contributions £Nil, (2020: £Nil)

T Cadwallader (Head teacher and Trustee) (Appointed 1/09/2020):
Remuneration £55,000 - £60,000
Employer's pension contributions £10,000 - £15,000. (2020: N/A)

S Fenn (Headteacher and Trustee) (Resigned 31/08/2020):
Remuneration £N/A (2020: £70,000 - £75,000)
Employer's pension contributions £N/A (2020: £15,000 - £20,000)

S Palmer, M Dunt, M Hall, K Forder, K West and H Loft were all members of local governing bodies during the year and are employees of Fulston Manor Academies Trust (FMAT); they are not however Trustees of FMAT and accordingly their salaries are not disclosed.

FULSTON MANOR ACADEMIES TRUST

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

11. TRUSTEES' REMUNERATION AND BENEFITS - continued

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed to Trustees (year ended 2020: £Nil). Other related party transactions involving the Trustees are set out in note 25.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

12. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	6,505,529	6,206,382
Social security costs	601,291	564,717
Operating costs of defined benefit pension schemes	<u>1,984,625</u>	<u>1,744,653</u>
	9,091,445	8,515,752
Supply teacher costs	<u>98,111</u>	<u>18,675</u>
	<u><u>9,189,556</u></u>	<u><u>8,534,427</u></u>

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

	31.8.21	31.8.20
Teachers	106	101
Administration & Support	173	163
Management	<u>12</u>	<u>13</u>
	<u><u>291</u></u>	<u><u>277</u></u>

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

	31.8.21	31.8.20
£60,001 - £70,000	3	-
£70,001 - £80,000	2	3
£80,001 - £90,000	-	1
£90,001 - £100,000	1	2
£100,000 - £110,000	-	1
£110,000 - £120,000	<u>-</u>	<u>1</u>
	<u><u>6</u></u>	<u><u>8</u></u>

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the academy trust was £526,273 (2020: £420,624)

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****13. TRUSTEES' AND OFFICERS' INSURANCE**

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	3,009	-	1,031,173	1,034,182
Charitable activities				
Funding for the academy's educational operations	238,806	9,273,073	-	9,511,879
Other trading activities	222,852	24,983	-	247,835
Investment income	3,477	-	-	3,477
Total	468,144	9,298,056	1,031,173	10,797,373
EXPENDITURE ON				
Raising funds	-	1,553	-	1,553
Charitable activities				
Academy's educational operations	366,285	9,802,566	658,006	10,826,857
Total	366,285	9,804,119	658,006	10,828,410
NET INCOME/(EXPENDITURE)	101,859	(506,063)	373,167	(31,037)
Transfers between funds	2	(50,793)	50,791	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(612,000)	-	(612,000)
Net movement in funds	101,861	(1,168,856)	423,958	(643,037)
RECONCILIATION OF FUNDS				
Total funds brought forward	214,059	(4,861,217)	18,813,666	14,166,508

FULSTON MANOR ACADEMIES TRUST

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>315,920</u>	<u>(6,030,073)</u>	<u>19,237,624</u>	<u>13,523,471</u>

15. CENTRAL SERVICES

The Trust has provided the following central services during the year:

- " Human resources
- " Financial services
- " Legal services
- " Educational support services
- " Others as arising

The actual amounts charged during the year were as follows:

	Year Ended 31.08.21 £	Year Ended 31.8.20 £
Funding brought forward at 1 September 2020	25,602	20,128
Top Slice Fulston	404,358	377,574
Top Slice SAP	95,352	90,617
Other income	62,092	62,769
Direct wage costs	(206,078)	(215,353)
Governance Costs	(20,208)	(17,794)
Support staff wages costs	(214,296)	(219,530)
Professional fees	(12,952)	(23,193)
Other support costs	<u>(61,798)</u>	<u>(49,616)</u>
Funding carried forward 31 August 2021	<u>72,072</u>	<u>25,602</u>

The Trust charges each individual academy a flat percentage of 6% of GAG income.

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****16. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Motor vehicles £
COST			
At 1 September 2020	21,364,880	506,173	18,696
Additions	<u>674,152</u>	<u>35,855</u>	<u>13,165</u>
At 31 August 2021	<u>22,039,032</u>	<u>542,028</u>	<u>31,861</u>
DEPRECIATION			
At 1 September 2020	3,139,547	436,446	16,694
Charge for year	<u>369,637</u>	<u>19,576</u>	<u>(1,048)</u>
At 31 August 2021	<u>3,509,184</u>	<u>456,022</u>	<u>15,646</u>
NET BOOK VALUE			
At 31 August 2021	<u>18,529,848</u>	<u>86,006</u>	<u>16,215</u>
At 31 August 2020	<u>18,225,333</u>	<u>69,727</u>	<u>2,002</u>

	Computer equipment £	Assets under construction £	Totals £
COST			
At 1 September 2020	661,501	-	22,551,250
Additions	<u>72,713</u>	<u>75,858</u>	<u>871,743</u>
At 31 August 2021	<u>734,214</u>	<u>75,858</u>	<u>23,422,993</u>
DEPRECIATION			
At 1 September 2020	632,282	-	4,224,969
Charge for year	<u>39,229</u>	<u>-</u>	<u>427,394</u>
At 31 August 2021	<u>671,511</u>	<u>-</u>	<u>4,652,363</u>
NET BOOK VALUE			
At 31 August 2021	<u>62,703</u>	<u>75,858</u>	<u>18,770,630</u>
At 31 August 2020	<u>29,219</u>	<u>-</u>	<u>18,326,281</u>

Included in cost or valuation of land and buildings is freehold land of £560,000 (2020 - £560,000) which is not depreciated.

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****17. STOCKS**

	31.8.21	31.8.20
	£	£
Clothing	<u>721</u>	<u>721</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade debtors	72,294	60,970
Other debtors	993	832,954
VAT	86,969	55,682
Prepayments and accrued income	<u>2,751,323</u>	<u>102,399</u>
	<u>2,911,579</u>	<u>1,052,005</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 21)	5,151	-
Trade creditors	320,173	352,000
Social security and other taxes	142,150	133,317
Other creditors	254,261	183,510
Accruals and deferred income	<u>519,261</u>	<u>246,150</u>
	<u>1,240,996</u>	<u>914,977</u>

Deferred income at 31 August 2021 represents amounts in respect of grounds maintenance and ICT contracts collected in advance of £54,723 (2020: £51,248), Rates relief of £22,771 (2020: £27,298), Pupil premium of £23,202 (2020: £43,609), Universal free school meals funding of £1,439 (2020: £24,509), School Direct & Postgraduate Teaching Apprenticeship £19,806 (2020: £Nil) and Head Start income of £1,263 (2020: £Nil).

FULSTON MANOR ACADEMIES TRUST

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

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 21)	<u>36,057</u>	<u>-</u>

21. LOANS

An analysis of the maturity of loans is given below:

	31.8.21	31.8.20
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>5,151</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>5,151</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>15,453</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	15,453	-

The other loans are Salix loans associated with CIF projects approved and being undertaken by the Trust. The loans are interest free and repayable over an 8 year term.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Restricted Fixed Asset Funds	31.8.21 Total funds
	£	£	£	£
Fixed assets	-	-	18,770,630	18,770,630
Current assets	535,007	1,381,571	2,853,547	4,770,125
Current liabilities	(221,363)	(708,089)	(311,544)	(1,240,996)
Long term liabilities	-	-	(36,057)	(36,057)
Pension liability	-	(7,986,000)	-	(7,986,000)
	<u>313,644</u>	<u>(7,312,518)</u>	<u>21,276,576</u>	<u>14,277,702</u>

FULSTON MANOR ACADEMIES TRUST

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

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

			31.8.20	
	Unrestricted fund	Restricted funds	Restricted Fixed Asset Funds	Total funds
	£	£	£	£
Fixed assets	-	-	18,326,281	18,326,281
Current assets	367,168	1,169,587	925,412	2,462,167
Current liabilities	(51,248)	(849,660)	(14,069)	(914,977)
Pension liability	-	(6,350,000)	-	(6,350,000)
	<u>315,920</u>	<u>(6,030,073)</u>	<u>19,237,624</u>	<u>13,523,471</u>

23. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	Transfers between funds	At 31.8.21
	£	£	£	£
Restricted general funds				
General Annual Grant (GAG)	319,927	397,273	(49,509)	667,691
Other DfE/ESFA grants	-	5,354	437	5,791
Pension reserve	(6,350,000)	(1,636,000)	-	(7,986,000)
Devolved capital	173,514	(9,065)	(5,098)	159,351
Donated on conversion	10,571,711	(217,469)	1	10,354,243
DfE/ESFA capital grants	8,181,037	2,225,896	(9,083)	10,397,850
Capital expenditure from GAG	<u>311,362</u>	<u>(30,812)</u>	<u>84,582</u>	<u>365,132</u>
	<u>13,207,551</u>	<u>735,177</u>	<u>21,330</u>	<u>13,964,058</u>
Unrestricted fund				
Unrestricted funds	315,920	19,054	(21,330)	313,644
TOTAL FUNDS	<u>13,523,471</u>	<u>754,231</u>	<u>-</u>	<u>14,277,702</u>

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****23. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	8,354,899	(7,957,626)	-	397,273
Other DfE/ESFA grants	702,266	(696,912)	-	5,354
Other government grants	609,613	(609,613)	-	-
Pension reserve	-	(718,000)	(918,000)	(1,636,000)
Devolved capital	37,205	(46,270)	-	(9,065)
Donated on conversion	-	(217,469)	-	(217,469)
DfE/ESFA capital grants	2,395,942	(170,046)	-	2,225,896
Capital expenditure from GAG	-	(30,812)	-	(30,812)
Teachers' Pension Grant	321,727	(321,727)	-	-
Catch-up Premium	117,120	(117,120)	-	-
Other DfE/ESFA COVID-19 Funding	34,480	(34,480)	-	-
	<u>12,573,252</u>	<u>(10,920,075)</u>	<u>(918,000)</u>	<u>735,177</u>
Unrestricted fund				
Unrestricted funds	292,383	(273,329)	-	19,054
	<u>12,865,635</u>	<u>(11,193,404)</u>	<u>(918,000)</u>	<u>754,231</u>
TOTAL FUNDS				

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****23. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
General Annual Grant (GAG)	296,584	82,137	(58,794)	319,927
Other DfE/ESFA grants	11,199	(19,200)	8,001	-
Pension reserve	(5,169,000)	(1,181,000)	-	(6,350,000)
Devolved capital	120,766	33,061	19,687	173,514
Donated on conversion	10,737,901	(166,190)	-	10,571,711
DfE/ESFA capital grants	7,537,512	638,710	4,815	8,181,037
Capital expenditure from GAG	417,487	(132,414)	26,289	311,362
	<u>13,952,449</u>	<u>(744,896)</u>	<u>(2)</u>	<u>13,207,551</u>
Unrestricted fund				
Unrestricted funds	214,059	101,859	2	315,920
	<u>14,166,508</u>	<u>(643,037)</u>	<u>-</u>	<u>13,523,471</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	8,269,684	(8,187,547)	-	82,137
Other DfE/ESFA grants	637,865	(657,065)	-	(19,200)
Other government grants	352,502	(352,502)	-	-
Other income	38,005	(38,005)	-	-
Pension reserve	-	(569,000)	(612,000)	(1,181,000)
Devolved capital	36,805	(3,744)	-	33,061
Donated on conversion	-	(166,190)	-	(166,190)
DfE/ESFA capital grants	994,368	(355,658)	-	638,710
Capital expenditure from GAG	-	(132,414)	-	(132,414)
	<u>10,329,229</u>	<u>(10,462,125)</u>	<u>(612,000)</u>	<u>(744,896)</u>
Unrestricted fund				
Unrestricted funds	468,144	(366,285)	-	101,859
	<u>10,797,373</u>	<u>(10,828,410)</u>	<u>(612,000)</u>	<u>(643,037)</u>

FULSTON MANOR ACADEMIES TRUST

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

23. MOVEMENT IN FUNDS - continued

Funds

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other restricted general funds

Funding is provided by the Education and Skills Funding Agency, other government sources or commercial entities in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Restricted fixed asset funds

Funding is provided by way of grants from the Education and Skills Funding Agency or other government sources or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Trust in achieving its educational objectives.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the Trust.

Designated funds

Designated funds were unrestricted funds that had been agreed upon by the Trustees to be used for one-off projects and employing external tutors.

Transfers between funds

The Trust has, in accordance with its funding agreement, applied some of its GAG to purchase fixed assets during the period under review. Accordingly there has been a transfer between restricted GAG funds and restricted fixed asset funds to reflect this. In addition a transfer was made from Devolved capital funding to cover the cost of the purchase of camera equipment.

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	31.8.21 £	31.8.20 £
Fulston Manor School	452,522	427,888
South Avenue Primary School	462,532	182,357
FMAT	<u>72,072</u>	<u>25,602</u>
Total before fixed assets and pension reserve	<u>987,126</u>	<u>635,847</u>
Restricted fixed asset fund	21,276,576	19,237,624
Pension reserve	<u>(7,986,000)</u>	<u>(6,350,000)</u>
Total	<u>14,277,702</u>	<u>13,523,471</u>

FULSTON MANOR ACADEMIES TRUST

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

23. MOVEMENT IN FUNDS - continued

Funds - continued

Total cost analysis by academy

Expenditure incurred by each academy (excluding depreciation) during the year was as follows:

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	31.08.21 Total	31.08.20 Total
	£	£	£	£	£	£
Fulston Manor School	5,487,232	1,657,960	226,901	990,258	8,877,687	7,782,180
South Avenue Primary School	1,470,918	153,072	16,584	247,753	1,888,329	1,862,936
FMAT	206,078	214,296	-	94,958	515,332	525,486
	<u>7,164,228</u>	<u>2,025,328</u>	<u>243,485</u>	<u>1,332,969</u>	<u>10,766,010</u>	<u>10,170,602</u>

24. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £257,526 were payable to the schemes at 31 August 2021 (2020 - £147,491) and are included within creditors.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

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

24. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the teachers' pension scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,085,158 (2020 - £847,076).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2021 was £566,000 (2020: £520,000), of which employer's contributions totalled £441,000 (2020: £402,000) and employees' contributions totalled £125,000 (2020: £118,000). The agreed contribution rates for future years are 21 percent (22% from 1 April 2022) for employers and between 5.5 percent and 12.5 percent for employees.

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

FULSTON MANOR ACADEMIES TRUST

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

24. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	1,056,000	876,000
Net interest from net defined benefit asset/liability	208,000	203,000
Past service cost	-	-
Employer contribution	441,000	402,000
Administration expenses	5,000	3,000
	<u>1,710,000</u>	<u>1,484,000</u>
Actual return on plan assets	<u>987,000</u>	<u>429,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	12,995,000	10,971,000
Current service cost	1,056,000	876,000
Contributions by scheme participants	125,000	118,000
Interest cost	208,000	203,000
Benefits paid	(118,000)	(103,000)
Obligation brought in on conversion	(225,000)	519,000
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(165,000)	(366,000)
Actuarial (gains)/losses from changes in financial assumptions	<u>2,185,000</u>	<u>777,000</u>
	<u>16,061,000</u>	<u>12,995,000</u>

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****24. PENSION AND SIMILAR OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	6,645,000	5,802,000
Interest on asset plan	110,000	111,000
Contributions by employer	441,000	402,000
Contributions by scheme participants	125,000	118,000
Administrative expenses	(5,000)	(3,000)
Actuarial gains/(losses)	-	(18,000)
Benefits paid	(118,000)	(103,000)
Return on plan assets (excluding interest income)	877,000	336,000
	<u>8,075,000</u>	<u>6,645,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	165,000	366,000
Actuarial (gains)/losses from changes in financial assumptions	(2,185,000)	(777,000)
Return on plan assets (excluding interest income)	877,000	336,000
	<u>(1,143,000)</u>	<u>(75,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	5,286,000	4,304,000
Gilts	45,000	45,000
Bonds	1,121,000	858,000
Property	830,000	730,000
Cash	231,000	202,000
Target return portfolio	562,000	506,000
	<u>8,075,000</u>	<u>6,645,000</u>

FULSTON MANOR ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****24. PENSION AND SIMILAR OBLIGATIONS - continued**

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.21	31.8.20
Discount rate	1.65%	1.60%
Future salary increases	3.90%	3.25%
Future pension increases	2.90%	2.25%
Inflation assumption (CPI)	2.90%	2.25%
Commutation of pension to lump sums	50.00%	50.00%

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

Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	31.8.21	31.8.20
	£	£
Discount rate +0.1%	1,565,700	12,668,000
Discount rate -0.1%	16,476,000	13,331,000
Mortality assumption - 1 year increase	16,702,000	13,472,000
Mortality assumption - 1 year decrease	15,444,000	12,535,000
CPI rate +0.1%	16,423,000	13,288,000
CPI rate -0.1%	15,708,000	12,710,000

25. CAPITAL COMMITMENTS

	31.8.21	31.8.20
	£	£
Contracted but not provided for in the financial statements	<u>2,840,620</u>	<u>831,961</u>

During the year the Trust committed to three capital projects (2020: 2) supported by successful CIF bids. Grant funding to support these projects has been recognised, and the funding yet to have been received as at 31 August 2021 is included within accrued income.

FULSTON MANOR ACADEMIES TRUST

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

26. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21	31.8.20
	£	£
Within one year	20,902	4,412
Between one and five years	<u>25,880</u>	<u>-</u>
	<u>46,782</u>	<u>4,412</u>

27. RELATED PARTY DISCLOSURES

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 a member of the Board of Trustees 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.

During the period, certain trustees' received remuneration and expenses reimbursed, which have already been disclosed in note 11.

In addition, the following related party transactions took place in the financial period:

Transactions took place with Leadership Learning South East Community Interest Company (LLSE) during the year under review- a company in which Mr A G Brookes (Executive Headteacher and a Trustee of the Trust) has been a director and member since 9 February 2017, resigning on 31 August 2021. Mr Brookes is not a person with significant control being one of five members of LLSE. The following transactions took place in the year under review:

- Sales were made to LLSE in the year ended 31 August 2021 consisting of room hire £Nil (2020: £12,000).
- The Trust recharged expenses to LLSE in the year ended 31 August 2021 of £Nil (2020: £66,777). At the year-ended 31 August 2021, a balance of £Nil (2020: £350) was outstanding and included in trade debtors.
- The Trust received KAH funding totalling £Nil during the year on behalf of LLSE which was subsequently transferred to LLSE upon invoicing (2020: £215,000).

In entering into the transactions, the Trust has complied with the requirements of the Academies Financial Handbook 2020.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

FULSTON MANOR ACADEMIES TRUST

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

28. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the trust received £33,507 (2020: £26,805) and disbursed £33,507 (2020: £28,801) from the fund. An amount of £Nil (2020: £Nil) is included in other creditors relating to undistributed funds that are repayable to ESFA.