

Company Registration Number: 07819870 (England & Wales)

THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE FIRST FEDERATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Salisbury Diocesan Board of Education (SDBE), representative: Mr D Roberts Exeter Diocesan Education Network (EDEN), representative: Rev A Smith University of St Mark and St John, representative: Mrs K Brimacombe Dr A Allan Mr A P Walmsley (Chair of Trustees)
Trustees	Dr C Bromfield ³ Mrs A Denner, Vice-Chair of Trustees ^{1,2,3} Mr C J Frankland ³ Mrs A E Gosling ^{1,2,3} Mrs R J Shaw Mr P S Walker ^{1,3} Rev P Wimsett Mr A P Walmsley, Chair of Trustees ^{1,2,3} ¹ Strategic & Finance ² Audit ³ Education
Company registered number	07819870
Company name	The First Federation Trust
Principal and registered office	Blackpool C of E Primary School Liverton Newton Abbot Devon TQ12 6JB
Company secretary	Mrs I A Candy
Chief executive officer	Mr P S Walker
Senior management team	Mr P S Walker, Chief Executive Officer Mrs R Caunter, Director of School Improvement and Deputy Chief Executive Officer Mrs A Jenkins, Director of Performance and Development Mrs C Chapman, Chief Finance and Operating Officer Mrs I A Candy, Company Secretary, Governance Officer and Data Protection Officer
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank 234 High Street Exeter EX4 3NL

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

Solicitors	PHP Law LLP 6 Delamore Park Cornwood Ivybridge PL21 9QP
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**THE FIRST FEDERATION TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 16 primary academies across Devon: Aveton Gifford CE Primary School, Bere Alston Primary Academy, Blackpool CE Primary School, Brixington Primary Academy, Chudleigh Knighton CE Primary School, Colyton Primary Academy, Gatehouse Primary Academy, Hawkchurch CE Primary School, Lady Seaward's CE Primary School, Musbury Primary School, Newton Ferrers CE Primary School, Rockbeare CE Primary School, Salcombe CE Primary School, Sidmouth CE Primary School, Westcliff Primary Academy and Willowbank Primary School.

All the Church schools within the Trust are in the Diocese of Exeter, with the exception of Hawkchurch CE Primary School which is in the Diocese of Salisbury.

The Trust also started to support Whitchurch Primary School and St Budeaux CE Primary School (Plymouth) from the summer term 2021 as part of two separate management partnerships.

The Trust is proud of its performance and the support it provided to its schools and their communities during the pandemic, and to other primary schools in the area through mechanisms such as DSLS (Devon School Leadership Service).

In the Autumn 2020 school census, the First Federation Trust had 3,011 school age pupils on roll.

In the Autumn 2021 school census, the First Federation Trust had 2,958 school age pupils on roll.

The number of primary age pupils is currently decreasing across Devon.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of the First Federation Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as the First Federation Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Members' Liability

Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while they are a Member or within one year after they cease to be a Member, for payment of the Company's debts and liabilities before they cease to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Trustees' Indemnities

The academy trust through its Articles has indemnified its trustees to the fullest extent permissible by law using insurance from Zurich.

Method of recruitment and appointment or election of Trustees

The First Federation Trust adopted new articles of association in March 2021, based on the latest majority Church model articles agreed by the Dioceses of Exeter and Salisbury, at the request from the DfE as part of the building project at Sidmouth CE Primary School. These articles state that the number of directors shall be not less than five, but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum (Article 45).

The composition of the board of directors is as follows:

- Six Foundation directors, five appointed by Exeter Diocesan Education Network (EDEN) and one appointed by Salisbury Diocesan Board of Education (SDBE) (Articles 50, 50A and 51)

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- A minimum of two parent directors if the event that no hub boards are established under article 100(a) (Article 53).
- The Chief Executive Officer if he agrees to so act and at the discretion of the Members, who chose to appoint him at the time the articles were changed.
- Two co-opted Directors (Article 58).

The Trust schools are grouped in three hubs, whose performance is overseen by a hub board. Each hub board includes parents, in effect moving parental representation from the board of trustees to the hub boards in accordance with Article 53.

All trustees are appointed for a four year period, with the exception of the Chief Executive Officer whose appointment is at the discretion of the Members. Subject to remaining eligible to be a particular type of trustee, any trustee can seek to be re-appointed or re-elected. The four year term of office and eligibility for re-appointment/ re-election also applies to hub board members, including parent council members, and to individuals appointed to the Trust sub-committees who are not trustees.

Based on the skills audit and self-evaluation completed by the trustees, the board aimed to recruit new trustees with the following skills: HR, marketing, finance or risk management. The vacancies were advertised via the ICAEW, Reach Volunteering and existing trustees. Expressions of interests were received through Reach Volunteering but none of the candidates met the agreed criteria.

Policies and Procedures adopted for the Induction and Training of Trustees

The Trust has an induction procedure for new trustees available from the Company Secretary.

Trustees have access to general training and support provided by Babcock LDP Governor Support, the Exeter Diocesan Board of Education, Salisbury Diocese, as well as the National Governors Association, the Devon Governance Association, Browne Jacobson and PHP law.

Bespoke exclusions and parental complaint training was provided by PHP law. Bespoke training around the Ofsted framework and inspections was provided by the CEO who is a trained Ofsted inspector.

Other training undertaken by trustees included: the role of foundation trustees, MAT leaders briefings, the role of Members, the new EYFS framework, safeguarding, employment law, fraud and cyber crime, academy financial management, accounting and audit, effective virtual governance and the new SIAMS framework.

In her role as company secretary and clerk to the board, I A Candy successfully completed the Certificate in Academy Governance from the Corporate Governance Institute. She attended training on the Ofsted framework, exclusions, parental complaints, the 2021 school admissions code, effective virtual governance as well as the NGA clerks conference and GovernorHub MAT conference,.

Relevant newsletters, publications and guidance are circulated by the Company Secretary to keep the trustees informed of statutory requirements and changes in legislation. Trustees are signed up to the weekly email newsletter from the National Governance Association.

Organisational Structure

The board of trustees delegates to the Chief Executive Officer and the Trust Senior Leadership Team the day to day running of the First Federation Trust schools. Their activities and decisions are monitored by the board of trustees and its committees. There is an agreed scheme of delegation.

The board of trustees had three main committees during 2020-21: the Strategic & Finance committee, the Audit committee and the Education Committee. All three had agreed terms of reference. The Strategic & Finance committee focused on Growth, Finance, Personnel, and Health & Safety. The Audit committee fulfilled their role in accordance with in the 2020 Academies Financial Handbook. The Education Committee focussed on school improvement, pupil outcomes and ethos / Christian distinctiveness.

There are three other committees of the board, which meet on an 'as needed' basis:

- The Admissions committee, whose remit it to deal with decisions regarding pupils admissions when not delegated to the Trust staff.

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- The First committee, whose remit is to hear complaints and staff discipline matters
- The Second committee, whose remit is to act as an appeals committee.

The board reviewed the Trust central team and leadership structure. The board agreed to create two new central positions. A Trust IT manager was appointed in January 2021 to lead the IT strategy for the Trust and strengthen the IT infrastructure and security of the Trust. A Trust marketing and communications manager was appointed in March 2021 to help improve the communications between the Trust, its schools and stakeholders as well as promote the success of the Trust and its schools to help attract pupils, new staff and potential joiner schools.

In addition, the board agreed to remove the position of Director of School Support from the Trust educational SLT structure, replacing it with the position of School Improvement Officer. This decision was taken because the temporary structure put in place following the retirement of the Director of School Support proved to work well.

The Chief Executive Officer is the Accounting Officer of the Trust.

The Chief Operations Officer is the Chief Financial Officer of the Trust.

The Trust schools follow the agreed First Federation Finance policy and procedures detailing the arrangements for the delegation of financial powers.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration decisions for key management personnel are made by the trustees based on evidence which are linked to performance management outcomes and other indicators, such as pupils attainment and progress, and the outcome of Ofsted and SIAMS inspections.

The performance of the CEO was reviewed by a panel of three trustees (the chair, vice-chair and a foundation director) supported by an external advisor who is the CEO of a MAT and a member of the RSC headteacher board. The performance of the director of school improvement, director of performance and development, CFOO and company secretary was reviewed jointly by the CEO and chair of directors. The performance of Heads of Schools was reviewed by either the CEO, director of school improvement or director of performance and development. The performance of hub business managers and the Trust accountant was reviewed by the CFOO.

Pay decisions in relation to senior educational leaders are made in line with criteria set out in STPCD, the Teachers' Standards. Progression on the leadership scale is not automatic. The pay of the CEO is regularly benchmarked against similar MATs. The last benchmark was conducted in October 2021.

School Support Staff are paid in line with the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. The Trust refers to the Job Evaluation Scheme Guidance to grade posts. Where similar positions do not exist, research is conducted to grade these positions appropriately, based on responsibility and market rate.

Trade union facility time

There were no relevant union officials for the year/period ended 31 August 2021. Nor was there any paid time off for trade union activities provided by any school within the Trust during the year.

Related Parties and other Connected Charities and Organisations

Blackpool CE Primary School was awarded Teaching School status on 1 September 2013. This Teaching School is called Primary Excellence Teaching School and provides services to the First Federation schools as well as to other schools outside the Trust. During the accounting period, primary Excellence Teaching School has worked collaboratively with the Devon Local Authorities and other Teaching Schools to identify need and provide Professional Development and School to School Support across Devon. The Teaching School has also supported the Trust's delivery of TCAF 2.

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The First Federation Trust schools work with the universities of Exeter, Plymouth and St Mark and St John to support teacher training and offer School Direct places in partnership with the University of St Mark and St John.

A Jenkins is the lead for the Primary Excellence Teaching School and a Specialist Leader of Education. She liaises with other Devon teaching schools, the Devon School Improvement Team, Teaching School Council South West and OLEVI.

Primary Excellence is a Designated OLEVI Centre of Excellence; through this role the Teaching School continues to pilot new initiatives, quality assures other OLEVI Facilitation Schools and provides a regional link.

Each of the Trust schools has a Parent Teacher Association which raises funds to enhance the provision of education to the children in each school. Due to covid 19, many normal fundraising activities could not take place.

Part of Bere Alston Primary Academy land is owned by the Maynard Trust, a charity whose aim is to provide financial support to pupils and former pupils of the school. The Maynard Trust is registered with the Charity Commission as the Sir John Maynard's School Foundation. The school pays rent to the Trust. This is currently the main source of income for the Maynard Trust. The Head of School meets regularly with the trustees of the Maynard Trust to discuss how they can provide support to the pupils of the school, for example by paying for equipment or subsidising events such as educational visits.

There are no related parties which either control or significantly influence the decisions and operations of the First Federation Trust.

Engagement with employees (including disabled persons)

The First Federation Trust aims to ensure that all members of staff, visitors, job applicants, pupils, parents, suppliers and other stakeholders are treated fairly and with respect in an environment which is free from harassment, bullying and discrimination.

The First Federation Trust is committed to ensuring all staff are appropriately trained and are able to undertake further professional development throughout their career. An annual appraisal system is in place for all teachers and administrative staff. An annual appraisal system for Teaching Assistants in the schools where this was not yet taking place is being developed. The annual appraisal process helps staff to identify opportunities for career progression available within the Trust. Vacancies are advertised internally whenever possible.

During 2020-21, these aims were supported by the following actions:

- Paying into JCC arrangements
- Pro-actively seeking and following advice for the Trust's HR advisors to ensure good practice is followed and the Trust acts fairly.
- Holding Trust wide inset days to keep staff informed about the performance and strategic plans of the Trust.
- Undertaking annual anonymous staff surveys, acting on the findings and informing staff on changes that have been made as a result of the surveys.
- Consulting staff and unions about covid-19 risk assessments, publishing the risk assessments on the schools' websites and providing Trust wide H&S training
- Discussing staff specific concerns around covid-19 to understand their particular circumstances and agree the best approach for all concerned.
- Providing clear guidance to school leaders and staff through support from the Trust central team, in particular providing frequent covid-19 and leadership updates, and clear flow charts to help decision making around staff and pupil absence and testing results.
- Ensuring that performance management took into account the period of schools' closure.
- Using recruitment processes which comply with the Equality Act to ensure applicants who are disabled are not unjustly discriminated against.

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**TRUSTEES' REPORT (CONTINUED)
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Engagement with suppliers, customers and others in a business relationship with the Trust

The First Federation Trust recognise the need to cultivate relationships with all our stakeholders and throughout the year we have engaged with the following:

Pupils and Parent

Pupils and Parents are key to the success of each individual school and the Trust and by promoting positive relationships will lead to greater outcomes academically and also strengthen the links to the wider community.

Schools have carried out individual surveys to obtain the views of pupils and parents through the year. The First Federation Trust contributed towards a survey for all schools to enable them to benchmark our own schools against those nationwide.

The Trust initiated and produced an annual review for parents, providing an overview of the Trust, our family of schools and achievements during the year.

Church Organisations

We have nine Church of England schools within our Trust and work closely with the relevant Diocese for that school to maintain close relationships and to embed the values of Christianity within each of the schools.

Both Exeter & Salisbury Dioceses have a representative on the Board of Trustees.

The Trust has engaged with Exeter Diocese throughout the year to support building projects within one of the schools.

We have engaged with both Dioceses in the recruitment of members to our Board and also in relation to Admission Policies to the schools.

Wider Local Community

It is recognised that the focal role of our schools in the local community is key and the Trust encourages and supports their involvement in local opportunities through various forms ie school fairs, PTFA, Church events.

Suppliers

The Trust work rigorously throughout the year to build and strengthen relationships with our suppliers. We have encouraged regular meetings to discuss contracts both virtually and face to face.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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 Academies which shall offer a broad and balanced curriculum and which:

(i) shall include Church of England Academies ("Church Academies" and each a "Church Academy") designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and

(ii) may include other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

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FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives, Strategies and Activities

Our 2018-2021 strategic plan detailed the key priorities for the year. These were closely linked with the Trust school improvement cycle. The Trust remains immensely proud of its schools, especially for all that has been achieved during the Covid-19 pandemic. The Trust's objectives for 2020-21 were as follows:

- Development of Curriculum: developing implementation and impact
- Improve attainment and progress in writing
- Development of a workload reduction and wellbeing strategy
- Developing Teaching Assistants
- Improve attainment and progress of bottom 20% including disadvantaged
- Developing Middle leadership

A new endeavour during the 2020-2021 academic year was to pilot six focussed action research projects. These were chosen to support key aims in clusters of schools. The outcomes of these projects will be collated and shared as case studies to all schools. Themes for 2020-21 were:

- Raising Outcomes in Communication and Language in Reception Year
- Maximising progress of SEND pupils
- Year 6 attainment and progress
- Small school T&L
- Accelerating progress in Year 3/4
- Working with pre-school settings to raise standards in C&L

Each school has a school development plan listing their specific key objectives and how to achieve them, based on self-evaluation and the outcomes of external reviews, audits and inspections where applicable. In addition, the board of trustees and its main committees regularly review and discuss the Trust pupils' performance data, the quality of education provided by the schools and the financial position of the Trust. Their oversight of school improvement, the quality of education and pupils' performance has been further supported by the work of the governance hub boards and visits to the school where possible.

During the academic year, a new strategic plan was created for the 2021-2024 academic years. This was the result of extensive consultation, research and engagement with many stakeholders across the Trust. During this process, the Trust revised its core purpose, mission and vision, as detailed below:

Core Purpose:

Working together to provide the best possible education for all

Our Mission:

Using our individual and collective strengths to work together to improve our schools. Providing all pupils with the best education, enabling them to succeed.

Our Vision:

Every individual will Aspire, Flourish and Achieve within the heart of their community

- Inspiring learning for all
- Developing the individual and growing positive relationships
- Contributing positively to all the communities we are part of

Key objectives in the new strategic plan are:

- Quality of education: the best learning and teaching for all
- Ensuring sustained school improvement and effective leadership
- Effective governance and accountability
- System and civic leadership for the future

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Public Benefit

The Trust schools remained open to provide on-site education to vulnerable children and the children of key workers for the period of school closure during the Spring 2021 term. They provided remote education, and where necessary loaned devices to the families and children who needed them to access the remote education provision. Meal hampers and vouchers were provided for children eligible for free school meals.

The Trust provides education services to all children in their local area and community through its schools and their involvement in their Local Learning Communities, and in other areas of Devon, Plymouth and Dorset through the services of Primary Excellence Teaching School and through DAPH.

All the schools within the Trust provide an inclusive curriculum, offer the facility for local organisations to let their premises (although this was restricted due to covid-19 in line with DfE and PHE guidance), work with their local preschools to ensure a smooth transition into their reception classes and work with their local secondary schools to ensure a smooth transition into secondary education for pupils. Some of the transition events took place virtually due to covid.

All the schools within the Trust hold special events to help raise money for local and national charities.

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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

During the accounting period, Primary Excellence Teaching School had delivered a Newly Qualified Teacher development programme as well as being accredited as an Appropriate Body for the induction of NQTs. Primary Excellence continued to strengthen and grow its partnership with OLEVI by A Jenkins being accredited as a OLEVI Professional Facilitator and OLEVI Professional Coach. Through this partnership the Teaching School Alliance has delivered: one Improving Teacher Programme, one Outstanding Teacher Programme, two Power of Coaching Programmes, one Outstanding Facilitator Programme and one coaching Train the Trainer. Through successful application for TCAF 2, we have built additional leadership capacity through the Trust by supporting five SENDCOs to achieve their SENDCO award. We have engaged with other external providers such as Voice 21 and Thinking Matters to help improve the quality of teaching within the Trust schools. TCAF 2 has also enabled us to support a number of other schools in Devon through providing teaching and learning programmes.

In addition, Primary Excellence successfully trained eight School Direct Trainees. The Teaching School continued to work in partnership with the University of St Mark and St John to recruit trainees for the following academic year.

As of the end of August 2021 a teaching school hub programme will create a network of 87 centres of excellence for teacher training and development, focused on some of the best schools and multi-academy trusts in the country. This programme will replace the previous network of around 750 teaching schools, which includes Primary Excellence Teaching School

Teaching school hubs will provide high-quality professional development to teachers at all stages of their careers.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

During the period and prior to it being reviewed during the Summer term 2021, the vision for the Trust was that *Everyone works to enable outstanding learning and teaching - putting children first*

We will achieve our vision if:

- Every child is inspired to learn by an exciting, innovative, and challenging curriculum
- Every child is taught by an Exceptional Teacher
- Everyone in the Trust is a Lifelong Learner

To meet the aspirations of the 'whole child'.

During the accounting period, the Trust has remained a strong collective of 16 schools. We were asked to support two school through Management Partnerships. Whitchurch Community Primary School and St Budeaux Foundation Junior School have been welcomed into our strong family of schools.

During 2020-21, Ofsted suspended routine inspections. However during the year there were several focussed inspection visits. Salcombe received a pilot inspection examining the response to Covid. Gatehouse Primary Academy received a pleasing report during their similar visit. In addition, during the Spring 2021 lockdown, Gatehouse received a focussed visit reviewing remote learning and the work the school was doing to support its pupils; again this was a positive visit. More usual inspections started from May 2021. Gatehouse received a positive monitoring visit, preparing it for a section 5 inspection in the future. Salcombe and Aveton Gifford both received their delayed inspection visits; both schools were judged as remaining to be good. Although routine inspection has been suspended, all schools continue to be supported by a member of the Trust educational SLT team, with termly quality assurance visits and supportive school improvement meetings.

The schools within the Trust worked to deliver a shared set of objectives as detailed in the three year strategic plan. The four key areas in the plan are:

1. Aiming for the best: raising outcomes at every level
 - Raising Standards
 - Developing high expectations
 - Curriculum Development
 - Developing quality first teaching
2. Development of school improvement capacity
 - Recruitment and retention
 - Developing leaders
 - Resource management
3. Strong quality assurance - effective governance.
 - Developing governance
 - Quality assurance
 - Communication
 - Managing risk
4. System leadership for the future
 - Responsible growth
 - Working together

The detailed plans within the strategic plan remained on track, despite the Covid-19 disruptions.

The curriculum remains a major focus for all schools in the Trust. During the academic year, there has been a stronger focus on the implementation of the curriculum and the wider curriculum being delivered through the personal development programme. Staff have been supported through the introduction of the Thinking Matters programme, focussing on metacognition. This is high quality CPD aimed at developing the highest quality teaching.

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There has been a wide ranging CPD programme throughout the year supporting staff with Mathematics, Writing, a variety of other subjects as well as developing senior and middle leaders.

All schools delivered high quality remote provision to all pupils throughout the year. Initially remote learning was for pupils required to isolate. As the year progressed, the third lockdown resulted in school closures for a second time. All schools switched to remote learning overnight. Every school delivered the full curriculum meaning learning was as continuous as it could have been. High numbers of pupils were catered for in school as part of the key worker and vulnerable pupil scheme.

Staff, pupil and parent surveys remained positive during the closure period and offered a clear view that the support being made available was effective. Staff teams adapted to new ways of working very well and this instilled confidence with our families. Attendance in schools remained very high throughout the fully opened periods and the partial closing. All schools were successful in offering key worker provision during the Spring.

Key Performance Indicators

Ofsted Judgements

School and date joined First Federation	Ofsted before joining First Federation	Latest Ofsted judgement
Blackpool CE Primary, 2006	Good with Outstanding	Outstanding, 2012
Chudleigh Knighton CE Primary, 2006	Notice to improve, 2006	Good, 2017
Lady Seawards CE Primary School, 2009	Satisfactory	Outstanding, 2016
Salcombe CE Primary School, 2009	Satisfactory	Good, 2021
Newton Ferrers CE Primary School, 2010	Good with Outstanding	Outstanding, 2011
Aveton Gifford CE Primary School, 2011	Good with satisfactory Leadership	Good, 2021
Brixington Primary Academy, 2015 (Sponsored)	Inadequate	Requires Improvement, 2018
Westcliff Primary Academy, 2016 (Sponsored)	Requires Improvement	Good, 2019
Sidmouth CE Primary, 2017	Good	Good, 2019
Musbury Primary, 2017	Requires Improvement	Good 2019
Hawkchurch CE Primary, 2017	Good	Good 2019
Gatehouse Primary Academy, 2017 (Sponsored)	Requires Improvement	Special Measures 2017 (shortly after re-brokerage)
Rockbeare, 2017	Good	
Willowbank, 2018	Requires Improvement	
Bere Alston, 2019 (Sponsored)	Inadequate	
Colyton, 2020 (Sponsored)	Inadequate	

Outcomes

During the 2020-2021 academic year all formal assessments and the reporting requirements were suspended, for a second year, due to the Covid-19 pandemic.

During the year, teaching staff continued to make teacher assessments and have an accurate view of where pupils' current levels of attainment are. During September 2020, all pupils were assessed to create a baseline for the start of the new year. This also allowed staff to diagnose any gaps that have arisen during the period of schools' closure and partial re-opening in the previous year. These assessments were used to allow staff to start to plan their catch-up programmes. Pupils were supported through the Autumn 2020 term with additional

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Teaching Assistant support, intervention groups, coaching and individual tuition. Unfortunately these plans were interrupted by the partial closure in the Spring term 2021. Staff worked hard to ensure all pupils were able to access learning during this period. Catch up plans were reviewed when schools fully re-opened again in the Summer term.

Leaders met with each Head of School, as usual, to identify the aims and objectives for the coming year. It was noted that the outcomes in Maths and Reading have continued to improve during the year. Writing has been identified as the area most impacted by remote teaching and will remain a focus this year.

School to school support

The First Federation Trust is a nationally recognised collaboration of schools. The core element of the Trust is the sharing of best practice through distributed leadership. The benefits of this 'hardwired' learning community are:

- An absolute focus on improving outcomes for children.
- Improved teaching and learning through sharing best practice.
- Enhanced learning and curriculum opportunities for children.
- A coherent system of professional development, support and accountability.

Within the Trust we have access to three Local leaders of Education (LLEs), a Local Leader of Governance (LLG) and a team of experienced School Improvement Leads.

Blackpool CE Primary was initially awarded Teaching School status from September 2013. It was re-designated in November 2018. The Teaching School is called The Primary Excellence Teaching School Alliance. Our strategic partners are: Devon County Council, Babcock LDP, Exeter Diocese, University of St Mark and St John.

The First Federation Trust is an integral part of the Teaching School with our focus on working with schools across Devon and the South West to improve outcomes for all pupils. Teaching Schools are expected to take increasing responsibility for leading and managing the school improvement system. Their core work is across the following three areas:

- Initial Teaching Training (ITT)
- Continuing Professional Development and Leadership Development
- School to school support

In 2017, the Primary Excellence Teaching School became a Designated Ofsted Centre. This allows the Teaching School to QA and accredit programmes on behalf of the programme provider. The Teaching School also provides teacher training through the Schools Direct route. Eight trainees were on the programme during 2020/2021, with two gaining employment with the First Federation Trust.

Financial Governance

The First Federation Trust has been nationally recognised for its innovative and strategic governance structure. Our trustees have a range of high level skills and expertise in Business and Finance. A chartered accountant, who joined the board in 2015, supports and challenges the very experienced Chief Financial and Operating Officer (CFOO) on all aspects of financial best practice. He also provides the board with the expertise and information enabling them to strongly challenge the decision makers within the Trust.

The Trust's CFOO and Leadership Team ensure all the services to the Trust are evaluated and appraised to ensure they provide the highest quality of service for the best cost. As a group of schools, the Trust has been able to use competitive tendering and strong negotiation to ensure the Trust uses it economies of scale to reduce procurement costs. As a Trust, we have reorganised the administration in school enabling each school's office staff to focus on ensuring best value as well as providing high quality front of house for parents and visitors.

The Strategic and Finance Committee of the Trust is provided with comprehensive details of services, contracts and purchasing. It has a member who is a chartered accountant who provides strong support and challenge.

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

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held by the Trust. This will continue to be a particular focus as funding is expected to decrease in real terms over the next few years.

Pupil numbers are a key performance indicator, as funding for the following year is based on these numbers. Pupil numbers over the last four Autumn census returns are as below (these exclude Nursery pupil numbers):

School	Autumn 2018	Autumn 2019	Autumn 2020	Autumn 2021
Aveton Gifford Primary	100	109	103	100
Bere Alston Primary	Not in the Trust	Not in the Trust	144	124
Blackpool Primary School	315	310	317	315
Brixington Primary Academy	379	356	329	322
Chudleigh Knighton Primary	110	108	109	100
Colyton Primary Academy	Not in the Trust	Not in the Trust	152	135
Gatehouse Primary Academy	373	318	319	336
Hawkchurch Primary School	39	43	32	30
Lady Seawards Primary School	100	99	94	79
Musbury Primary School	37	47	46	46
Newton Ferrers Primary	124	128	113	106
Rockbeare Primary School	85	85	81	84
Salcombe Primary School	70	80	80	81
Sidmouth Primary School	478	468	447	456
Westcliff Primary School	344	352	364	364
Willowbank Primary School	303	286	282	280

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

	GAG funding 2020/2021	Pupil No's as at October 2019 census	Per Pupil funding based on GAG	Pupil No's as at October 2020 census	Difference in pupil numbers	Teacher Pay & Pension Grant 20/21	Total Funding Including Pay & Pension Grant
Aveton Gifford	£ 460,923.33	109	£ 4,228.65	103	-6	£ 19,911.78	£ 480,835.11
Bere Alston**	£ 648,751.16	149	£ 4,354.03	144	-5	£ 26,425.93	£ 675,177.09
Blackpool	£ 1,162,500.00	310	£ 3,750.00	317	7	£ 71,829.05	£ 1,234,329.05
Brixington*	£ 1,335,000.00	356	£ 3,750.00	329	-27	£ 66,761.90	£ 1,401,761.90
Colyton***	£ 710,915.07	179	£ 3,971.59	152	-27	£ 30,173.35	£ 741,088.42
Chudleigh Knighton	£ 481,254.86	108	£ 4,456.06	109	1	£ 19,756.75	£ 501,011.61
Gatehouse	£ 1,196,773.66	318	£ 3,763.44	319	1	£ 57,198.66	£ 1,253,972.32
Hawkchurch*	£ 293,284.78	43	£ 6,820.58	32	-11	£ 17,987.00	£ 311,271.78
Lady Seawards	£ 433,499.13	99	£ 4,378.78	94	-5	£ 18,587.94	£ 452,087.07
Musbury	£ 292,172.60	47	£ 6,216.44	46	-1	£ 17,987.00	£ 310,159.60
Newton Ferrers*	£ 520,372.72	128	£ 4,065.41	113	-15	£ 24,387.45	£ 544,760.17
Rockbeare*	£ 394,247.43	85	£ 4,638.21	81	-4	£ 17,987.00	£ 412,234.43
Salcombe	£ 373,358.87	80	£ 4,666.99	80	0	£ 17,987.00	£ 391,345.87
Sidmouth*	£ 1,848,245.00	468	£ 3,949.24	447	-21	£ 90,204.77	£ 1,938,449.77
Westcliff	£ 1,348,607.80	352	£ 3,831.27	364	12	£ 63,314.24	£ 1,411,922.04
Willowbank	£ 1,089,021.39	286	£ 3,807.77	282	-4	£ 51,602.25	£ 1,140,623.64
	£ 12,588,927.80	3117		3012	-105	£ 612,102.07	£ 13,201,029.87

* excluding nursery pupils/class

** Did not join FFT until 1st December 2019

*** Did not join FFT until 1st July 2020

Going Concern

The trustees have considered the following aspects: the level of reserves, the assurance provided by internal and external auditors that the financial information (including, but not limited to, management accounts, cash flow and budget forecasts) presented to them by the CFOO is accurate and reliable, the security of funding based on monitoring pupil numbers and class structure planning, the impact of Covid 19, as well as keeping up to date with current DfE policy (including, but not limited to, the current Ofsted framework, the move to Teaching School Hubs and uncertainty caused by the recent change in key personnel at the DfE).

After making appropriate enquiries, the board of trustees has a reasonable expectation that the First Federation 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.

Promoting the success of the company

The following actions helped to promote the success of the company:

- The trust schools being open to look after vulnerable children and the children of key workers during the Spring 2021 lockdown for all families who asked for places
- Ensuring pupils eligible for Free School Meals received food hampers and/or vouchers
- Retaining a strong focus on safeguarding and supporting vulnerable pupils and their families during the pandemic
- Seeking the feedback from parents around the remote provision offered during the Spring 2021 lockdown and/or for pupils required to isolate
- Letters from the CEO to parents and staff around key covid related changes
- Producing a short annual report with easily accessible information aimed at stakeholders
- Supporting staff around workload and covid related concerns

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

- Maintaining sound financial procedures despite staff working remotely
- Applying for TCAF funding and using the funding secured to help support schools around the East Hub, in addition to the support provided by the Trust Teaching School
- Senior leaders and directors being part of local networks and sharing good practice with local schools

FINANCIAL REVIEW

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

The First Federation Trust also receives grants from Devon County Council for Individually Assigned Resources to support students who are eligible for either SEN support funding or have an Education and Health Care Plan with associated funding allocation. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2021, the Academy Trust received total income of £18,334k and incurred total expenditure of £19,251k. The excess of expenditure over income for the year was £917k.

Our pension liability valued in line with IAS 19, causes concern to The First Federation Trust, as it does with all other academies in the UK. Note 29 to the accounts explains these commitments more clearly and shows that as at 31st August 2021 we had a liability of £11,868k.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18th July 2013.

At 31st August 2021 the net book value of fixed assets was £20,787k and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils within the Trust.

We continue to monitor each individual school's budget to ensure the level of funding they receive enables the school to remain financially viable. As a result of the 3 site issue at Sidmouth CE Primary School by working in conjunction with the DfE, ESFA, DCC, Exeter Diocese we were awarded a capital grant by the DfE to enable the Trust to consolidate the 3 sites at Sidmouth Primary onto 2 sites. The project has been developed over the year and we are currently awaiting the tender results. A risk to this project is the volatile construction industry pricing.

Reserves Policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

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. Individual academies are expected to produce at least break-even budgets each year, but the Trust also recognises that this is not feasible in some cases where academies have low pupil numbers and lower funding levels from the ESFA. In these cases, the Trust supports those academies in deficit and works with them to return the academy to a surplus position.

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

The Directors are aware that we need to ensure a sufficient level of reserves are kept to reflect the current size of the Trust and have determined that the appropriate level of free cash reserves should be at least 1 month of salary costs.

Reserves of the Trust are pooled for the Trust as a whole and the consolidated Trust budget is set at least as a break-even budget.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £200k to support our schools in ongoing exceptional costs in relation the Covid 19.
- £50K to implement a cloud based IT system that will ensure pupils and staff have the most effective connectivity available.

The LGPS defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trust operates a cautious and risk adverse approach to investing pupil funding, income and reserves. The Trust therefore make no investments, other than cash balances being held in UK banks and their short term investments accounts, to take advantage of higher interest rates, which are all authorised by the Trustees.

We have £1.2m invested in a 32 day notice account and will resume regular investing when the rates improve.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Pupil numbers are a key factor in providing the funding for schools. Trustees support the Trust by ensuring they monitor pupil numbers and encourage schools to promote themselves within the local communities. We have appointed a marketing & communication manager for the Trust to support schools in the use of social media & marketing to enable them to be attractive to potential pupils.

Staffing - the success of the Trust is reliant upon the quality of its staff 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.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk trustees ensure that pupil success and achievement are closely monitored and reviewed.

Fraud and mismanagement of funds - The Trust has a rigorous internal audit function to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

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

As Internal Scrutiny has become a significantly higher profile within the Academies Financial Handbook 2020 the Trust has committed to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register per school was developed, maintained and reviewed on a regular basis. During the summer term, the Trust central business team carried out internal scrutiny reviews at all the Trust schools to provide reassurance to trustees that the internal processes were in place.

The Academy has continued to strengthen its central risk management process throughout the year by improving the process and ensuring staff awareness. A central Trust risk register is maintained and reviewed and updated frequently.

Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains the Trustees have ensured they have adequate insurance cover.

Trustees examine the financial health of the Trust every term. They review performance against budgets and overall expenditure by means of regular update reports, including monthly management accounts at regular meetings. Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

Regular budget monitoring has been maintained and senior central staff had oversight of the financial situation of the Trust. Regular trustees meetings were held virtually throughout the period to discuss any issues affecting the Trust, in accordance with the planned governance meeting calendar.

FUNDRAISING

The Trust does not fund raise directly with the public, although several schools invited their local communities to donate devices to be loaned to pupils and some received cash donations as a result of this initiative. There are Parent Teacher Associations in each of the Trust schools which raise funds for their individual schools by running events in their school and/or local community, although their activities were limited because of covid.

As described in the public benefits section, each school holds special events to help raise funds for local and national charities.

The Trust applies for available grants where possible.

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

STREAMLINED ENERGY AND CARBON REPORTING

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only. This includes all 16 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, oil and LPG consumption was compiled from invoice records. Odometer mileage readings and expense claims were used to calculate usage of minibuses and grey fleet respectively. On site renewable solar photovoltaic electricity is generated by the Trust and excludes exported energy in the figures reported. Exported energy is estimated using deemed export rates (50%). Generally gross calorific values were used except for vehicle mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities (scope 3).

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

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20	2020/21
Mandatory requirements:		
Gas	1,675,171	2,441,642
Purchased electricity from the grid	808,523	937,633
Transport fuel	53,146	26,282
Total energy (mandatory)	2,536,841	3,405,557
Voluntary requirements:		
Gas oil	24,707	24,708
Liquid petroleum gas	95,180	62,201
Consumed electricity from on-site renewable sources ¹	7,543	6,836
Total energy (voluntary)	127,430	93,745
Total energy (mandatory & voluntary)	2,664,270	3,499,302

¹Excluding exported electricity as per deemed export estimations (50% of generated electricity).

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

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

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20	2020/21
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	308.0	447.2
Transport - Company owned vehicles (mini-buses)	2.3	1.2
<u>Scope 2</u>		
Purchased electricity (location-based)	188.5	199.1
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	10.9	5.3
Total gross emissions (mandatory)	509.7	652.8
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.164	0.217
Tonnes of CO ₂ e per square meter floor area	0.030	0.038
Voluntary requirements:		
<u>Scope 1</u>		
Gas oil	1.3	6.3
Liquid petroleum gas	20.4	13.3
Electricity generated from on-site renewable sources	0	0
Total gross emissions (voluntary)	26.8	19.7
Total gross emissions (mandatory & voluntary)	536.5	672.5

Energy efficiency action during current financial year

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- Several schools have had replacement water heaters fitted that are more energy efficient.
- Faulty lights have been replaced with energy efficient LED lighting in a rolling programme.
- Improvements to building insulation has been made with a roof replacement and new windows installed at one of the schools.

Furthermore, this year the Trust successfully secured a Salix grant that will enable energy surveys to be carried out with the purpose of identifying suitable schools for heat decarbonisation programmes.

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

PLANS FOR FUTURE PERIODS

Our vision is that all schools within the Trust continually improve, ensuring we raise aspirations for all pupils. The pandemic has impacted every member of our Trust community, staff, parents and pupils alike. The Trust needs to ensure all are supported now as we come to terms with 'living with Covid'. Simultaneously, pupils need to be prepared for strong and happy futures. The intention is to keep the focus on learning and the delivery of our strategic plan.

The growth plan has been widely shared and underpins the new strategic plan. There is a clear view of what the Trust would like to achieve in the coming years. Trustees will work closely with the Regional Schools Commissioner and the Dioceses of Exeter and Salisbury.

We have a clear view of how we wish to grow, but as previously, growth must not be at the detriment of our current member schools.

There will be a strong focus on the new joiner schools to ensure they have successful sponsorships. During the year, we expect our two newest sponsored schools to start to embed new systems and structures for the benefit of their pupils.

The main focus areas for the Trust in 2021-22 are:

- Development of Curriculum: personal development/ assessment
- Improve attainment and progress in writing – sentence level
- SEND Support outcomes across the curriculum
- Improve attainment and progress of bottom 20% including disadvantaged pupils
- Teaching Assistants development strategy
- Staff Workload and Wellbeing
- Continuing to improve teaching and learning strategies
- Implementation of the new Early Years framework

At the heart of everything we do and develop, will always be the aim to ensure that we provide the best outcomes and opportunities for our pupils.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None of the First Federation Trust schools hold funds on behalf of others.

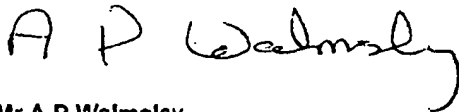
AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 29.12.2021 and signed on its behalf by:



Mr A P Walmsley
Chair of Trustees

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

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 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
C Bromfield	4	5
A Denner	4	5
C Frankland	2	5
A Gosling	3	5
R Shaw	5	5
P Walker	5	5
A P Walmsley	5	5
P Wimsell	4	5

There was no change in the composition of the board of trustees during the period. Three trustees were re-appointed during the period: C Bromfield, A Denner and A Walmsley.

New parent council members were recruited for the following schools: Bere Alston, Chudleigh Knighton, Colyton, Gatehouse, Musbury, Salcombe, and Westcliff. New foundation representatives were recruited for the East and the South hub boards. Bespoke training sessions took place for these new hub board members.

The board covered its functions in according with the agreed scheme of delegation. Committee meetings and hub board meetings took place as planned and ensured that the board was able to fulfil its statutory functions and additional demands linked to the pandemic. Due to covid, all meetings were held virtually.

Trustees used a range of KPIs to inform their work. These consisted of financial KPIs (from the PSF software), pupil numbers, pupil assessment data (including sub-groups such as Pupil Premium and SEND children), pupil attendance, exclusions and formal complaints. They maintained an oversight of the quality of remote education and the covid risk assessments.

Whilst no validated pupil data has been available due to the pandemic, the board was able to access other data such as the responses from staff, pupils and parents surveys, and the outcome of Ofsted inspections and visits, to help inform its view of the performance of the FFT generally and in its response to the pandemic.

In addition, the board developed its use of the Trust risk register, making sure it is frequently reviewed and updated. The board is aware that cyber security is an area that needs to be further developed and monitored, as this has been highlighted as a growing risk for the education sector.

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Governance Review

The board used the Improvement Capacity Framework For Trust Governance from the Confederation of School Trusts (CST) to review its performance. The chair of the board attended training on this framework as part of the RSC South West trust leaders network and is coordinating a group of Devon Trust chairs.

Trustees individually completed the assessment form for the CST framework. Results were collated and the two areas which were rated as lowest were discussed at board meetings held on 15 July 2021 and 9 Sep 2021. The board agreed additional actions as a result, including additional trustee link meetings with executive educational leaders, a wider range of leaders presenting to the board and Heads of School being asked to outline the work done in their schools around the development of their curriculum.

The board also agreed that they would commission an external review of governance to take place during the 2021-22 school year. The chair and vice-chair of the board have been tasked with evaluating providers and bringing a recommendation to the board.

In addition, the board discussed the Trust governance structures as part of agreeing the next three year Trust strategic plan, with a meeting dedicated to this held on 14 June 2021. The pandemic highlighted the schools being key parts of their community and it was felt that the voices of local stakeholders (parents, staff and community figures) were not consistently collected across the Trust. The board agreed to pilot different approaches to see how to best develop the local voice within the overall Trust governance structures. The board remains committed to having strong quality assurance systems in order to hold to account the CEO and the Trust SLT effectively.

The Strategic & Finance committee is a sub-committee of the main Board of Trustees. Its remit includes Finance, Growth and Due Diligence, Personnel and Premises / Health & Safety. One member of the committee is not a trustee who was appointed because of his financial, statistics and actuarial expertise. The committee met six times during 2020-21.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Denner	6	6
A Gosling	6	6
P Walker	5	6
A Walmsley	6	6
I Thomas (non trustee member of the committee)	4	6

The chair of the board who is also the chair of the Strategic & Finance committee provides additional finance and budget scrutiny by meeting with the CFOO and the Trust accountant to review monthly management accounts. Notes from these meetings are reviewed by the Strategic & Finance committee.

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to fulfil the function of an audit committee as defined by the Academies Financial Handbook. During 2020-21, the committee recommended the appointment of new auditors for the Trust, following a tender process. In addition to its monitoring of internal scrutiny, external audits, risk management and associated actions, the committee started to focus in more detail on cyber security and data protection.

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Denner	4	4
A Gosling	4	4
A Walmsley	4	4
I Thomas (non trustee member of the committee)	4	4

REVIEW OF VALUE FOR MONEY

As accounting officer, Mr P S Walker (CEO) 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the First Federation Trust has delivered improved value for money during the year by:

- Challenging how and why services are provided to all of our academies within the First Federation Trust. We regularly review all of the academy's core functions through requesting regular feedback, target setting, performance indicators and evaluating the impact on pupil outcomes and learning, to ensure continual improvement in all areas of the Trust.
- Comparing the performance of the Academy Trust as a whole and also comparing individual academies with other schools and academies from both within and outside of the Academy Trust.
- Promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way possible. The Trust aims to review and/or re-negotiate contracts at regular intervals where appropriate, with 3 year contracts being recommended as the maximum. The lowest tender or price shall generally be accepted but where a different decision is taken, the board ensures the reasons for this are documented
- Collaborating with academies across the First Federation Trust to obtain high quality and good value products, services and professional development opportunities, as well as developing and growing our own staff and services. This is embedded in the work undertaken through our teaching school, Primary Excellence.

The First Federation Trust will also achieve Best Value through the following practical methods:

- Bulk and routine purchasing of common consumables'
- Negotiating discounts,
- Being aware of, and taking advantage of, seasonal pricing variations,
- Ensuring alternative quotes are obtained whenever possible.

The Trust this year has worked with the School Buying Hub South West, who are funded by the DfE to support educational establishments with procurement expertise. We have entered into three new contracts for Trust IT Support, Planned Preventive maintenance and also a telephony system.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 the First

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Federation Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Strategic & Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit Partnership, as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

The internal auditor has a termly programme of visits, which covers items in line with the ESFA's requirements, and reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor produced three reports in the reporting period.

- Visit one in October 2020 (focus on Governance, Accounting and Financial Control - Anti-fraud, and Internal Finance Controls: Salaries, Wages, Expenses and Assets)
- Visit two was undertaken remotely with each school in March 2021. The focus for this second visit was on Internal Financial Controls: Income, Purchases & Payments, Contracts and Tendering, Safeguarding & Single Central Register.
- Visit three (Focus on Risk Management)

All the reports highlighted that the standards of the Trust systems were at least good and in most cases high. All reports were shared with trustees.

An audit action tracker has been developed to ensure that all internal and external audit recommendations are actioned.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor
- the work of the external auditor

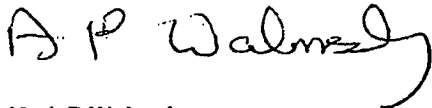
**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

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



Mr A P Walmsley
Chair of Trustees

Date: 09/12/21



Mr P S Walker
Accounting Officer

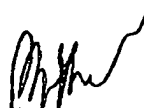
**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The First Federation 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 all 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.


Mr P S Walker
Accounting Officer
Date: 9/12/2021

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

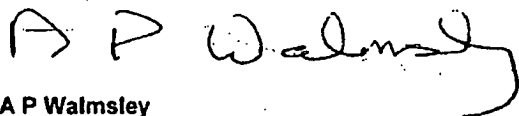
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



Mr A P Walmsley
Chair of Trustees
Date: 09/12/21

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FIRST FEDERATION TRUST**

OPINION

We have audited the financial statements of The First Federation Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FIRST FEDERATION TRUST (CONTINUED)**

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FIRST FEDERATION TRUST (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FIRST FEDERATION TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Pamela Tuckett FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 16 December 2021

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FIRST
FEDERATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 May 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The First Federation Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE FIRST FEDERATION TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The First Federation Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 16 December 2021

THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Income from:						
Donations and capital grants	4	259	671	546	1,476	7,491
Other trading activities		102	-	-	102	242
Investments	7	1	-	-	1	11
Charitable activities		621	16,050	-	16,671	14,979
Teaching schools		-	84	-	84	74
Total income		983	16,805	546	18,334	22,797
Expenditure on:						
Raising funds		91	-	-	91	41
Charitable activities		950	17,661	495	19,106	17,054
Teaching schools		-	54	-	54	-
Total expenditure		1,041	17,715	495	19,251	17,095
Net (expenditure)/income		(58)	(910)	51	(917)	5,702
Transfers between funds	22	130	(187)	57	-	-
Net movement in funds before other recognised gains/(losses)		72	(1,097)	108	(917)	5,702
Gains on revaluation of fixed assets		-	-	-	-	57
Actuarial losses on defined benefit pension schemes	29	-	(874)	-	(874)	(1,628)
Net movement in funds		72	(1,971)	108	(1,791)	4,131
Reconciliation of funds:						
Total funds brought forward		1,132	(9,468)	24,883	16,547	12,416
Net movement in funds		72	(1,971)	108	(1,791)	4,131
Total funds carried forward		1,204	(11,439)	24,991	14,756	16,547

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

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The notes on pages 40 to 73 form part of these financial statements.

THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07819870

BALANCE SHEET
AS AT 31 AUGUST 2021

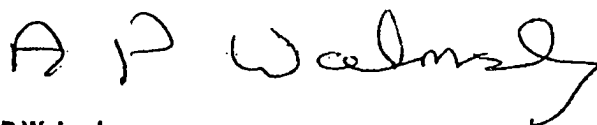
	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	15	11	20
Tangible assets	16	20,776	20,420
		<u>20,787</u>	<u>20,440</u>
Current assets			
Stocks	18	43	46
Debtors	19	4,372	5,325
Cash at bank and in hand		2,633	2,335
		<u>7,048</u>	<u>7,706</u>
Creditors: amounts falling due within one year	20	(1,162)	(1,772)
Net current assets		<u>5,886</u>	<u>5,934</u>
Total assets less current liabilities		<u>26,673</u>	<u>26,374</u>
Creditors: amounts falling due after more than one year	21	(49)	(58)
Net assets excluding pension liability		<u>26,624</u>	<u>26,316</u>
Defined benefit pension scheme liability	29	(11,868)	(9,769)
Total net assets		<u><u>14,756</u></u>	<u><u>16,547</u></u>

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07819870**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	22	24,991	24,883
Restricted income funds	22	429	301
Restricted funds excluding pension liability	22	25,420	25,184
Pension reserve	22	(11,868)	(9,769)
Total restricted funds	22	13,552	15,415
Unrestricted income funds	22	1,204	1,132
Total funds		14,756	16,547

The financial statements on pages 35 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr A P Walmsley

Chair of Trustees

Date: 9/12/2021 .

The notes on pages 40 to 73 form part of these financial statements.

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	675	798
Cash flows from investing activities	26	(368)	(45)
Cash flows from financing activities	25	(9)	(28)
Change in cash and cash equivalents in the year		298	725
Cash and cash equivalents at the beginning of the year		2,335	1,610
Cash and cash equivalents at the end of the year	27, 28	2,633	2,335

The notes on pages 40 to 73 form part of these financial statements

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. GENERAL INFORMATION

The First Federation Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Blackpool C Of E Primary School, Liverton, Newton Abbot, Devon, TQ12 6JB and its registered number is 07819870.

2. 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The First Federation Trust meets the definition of a public benefit entity under FRS 102.

2.2 GOING CONCERN

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

2.3 INCOME

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

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included with the Educational activities reported throughout the account.

• Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital

**THE FIRST FEDERATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

2.3 INCOME (CONTINUED)

grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

2.4 EXPENDITURE

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included with the Educational activities reported throughout the account.

All resources expended are inclusive of irrecoverable VAT.

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

2. ACCOUNTING POLICIES (continued)

2.5 INTEREST RECEIVABLE

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

2.6 TAXATION

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

2.7 INTANGIBLE ASSETS

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.8 TANGIBLE FIXED ASSETS

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

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

The board has decided to exclude from land and buildings the full value of the premises occupied under licence from the Dioceses of Exeter and Salisbury in line with ESFA current guidance. Each Church school's Church Supplemental Agreement states that for these Church sites, the Trustees may give two years written notice to terminate the agreement. Therefore, any additions to these premises will be depreciated over 2 years. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

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

Depreciation is provided on the following bases:

Freehold buildings	- 50 years
Leasehold land and buildings	- 2 - 50 years
Furniture and equipment	- 4 years
Plant and machinery	- 3 years
Computer equipment	- 3 years
Assets under construction	- As below

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

2.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

2.10 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

2.12 LIABILITIES

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

2.13 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. 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.

2.14 OPERATING LEASES

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. ACCOUNTING POLICIES (continued)

2.15 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

2.16 CONSOLIDATION

The Trust has one subsidiary undertaking, which is wholly immaterial to the group and, accordingly, consolidated financial statements have not been prepared. Further details regarding the subsidiary undertaking are given in note 15 to the financial statements.

2.17 FUND ACCOUNTING

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

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

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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.

Land and buildings acquired on conversion to academy are valued where possible using an independent valuation from the ESFA. Where this is not available at the date the accounts are prepared, the assets are included in the financial statements at a value derived from their insurance valuation.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations	116	671	73	860
Capital Grants	-	-	473	473
Educational trips, visits and clubs	143	-	-	143
	<u>259</u>	<u>671</u>	<u>546</u>	<u>1,476</u>

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
DONATIONS				
Transfer from local authority on conversion	54	(672)	2,831	2,213
Donations	54	705	28	787
Capital Grants	-	-	4,319	4,319
Educational trips, visits and clubs	2	170	-	172
	<u>110</u>	<u>203</u>	<u>7,178</u>	<u>7,491</u>

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5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
DFE/ESFA GRANTS			
General Annual Grant (GAG)	-	12,673	12,673
Other DfE/ESFA Grants:			
Pupil Premium	-	790	790
PE and Sports	-	284	284
Universal Infants Free School Meals	-	424	424
Teachers' Pay Grant	-	155	155
Trust Capacity Improvement Fund	-	267	267
Teachers' Pension Grant	-	457	457
Other DfE/ESFA income	-	67	67
	-	15,117	15,117
OTHER GOVERNMENT GRANTS			
SEN/High Needs Income	-	578	578
Nursery Funding	268	-	268
Other LA funding	-	114	114
Nursery Plus Funding	155	-	155
	423	692	1,115
Other income from the Academy Trust's education	198	-	198
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	241	241
	-	241	241
	621	16,050	16,671

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION (CONTINUED)

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
DFE/ESFA GRANTS			
General Annual Grant (GAG)	-	11,615	11,615
OTHER DFE/ESFA GRANTS:			
Pupil Premium	-	773	773
Start up Grants	-	160	160
PE and Sports	-	265	265
Universal Infants Free School Meals	-	423	423
Teachers Pay Grant	-	160	160
Trust Capacity Improvement Fund	-	192	192
Teachers Pension Grant	-	437	437
	-	14,025	14,025
OTHER GOVERNMENT GRANTS			
SEN/High Needs Income	-	378	378
Nursery Funding	272	-	272
Other LA Funding	-	18	18
Nursery Plus Funding	-	180	180
	272	576	848
Other income from the Academy Trust's education	-	48	48
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Exceptional costs funding	-	58	58
	-	58	58
	272	14,707	14,979

The Trust received £241,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £241,000. In the prior year, the Trust received £58,000 of funding for exceptional costs relating to COVID-19 and costs incurred in respect of this funding totalled £58,000.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	16	16	24
Non Pupil catering income	-	-	7
Recharges and reimbursements	54	54	97
Other income	17	17	100
School shop sales	15	15	14
	<u>102</u>	<u>102</u>	<u>242</u>

All 2020 amounts relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Short term deposits	<u>1</u>	<u>1</u>	<u>11</u>

All 2020 amounts relate to unrestricted funds.

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

8. EXPENDITURE

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on fundraising trading activities:				
Direct costs	-	-	91	91
Education:				
Direct costs	11,575	-	1,713	13,288
Allocated support costs	2,770	2,524	524	5,818
Teaching school:				
Direct costs	-	-	-	-
Allocated support costs	40	-	14	54
	<u>14,385</u>	<u>2,524</u>	<u>2,342</u>	<u>19,251</u>

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on fundraising trading activities:				
Direct costs	-	-	41	41
Education:				
Direct costs	10,199	-	511	10,710
Allocated support costs	2,499	2,601	1,190	6,290
Teaching school:				
Direct costs	40	-	14	54
	<u>12,738</u>	<u>2,601</u>	<u>1,756</u>	<u>17,095</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Education	<u>13,288</u>	<u>5,818</u>	<u>19,106</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Education	10,710	6,290	17,000
Teaching school	54	-	54
	<u>10,764</u>	<u>6,290</u>	<u>17,054</u>

ANALYSIS OF SUPPORT COSTS

	Education 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	90	90	-
Staff costs	1,988	1,988	2,499
Depreciation	495	495	525
Other costs	1,132	1,132	1,096
Maintenance of premises and equipment	2,029	2,029	2,076
Governance costs	84	84	94
	<u>5,818</u>	<u>5,818</u>	<u>6,290</u>

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2021 £000	2020 £000
Operating lease rentals	62	60
Depreciation of tangible fixed assets	486	510
Amortisation of intangible assets	9	15
Fees paid to auditors for:		
- audit	21	24
- other services	8	9
	<u>585</u>	<u>618</u>

**THE FIRST FEDERATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	10,134	9,105
Social security costs	874	818
Pension costs	3,277	2,733
	<u>14,285</u>	<u>12,656</u>
Agency staff costs	100	52
Staff restructuring costs	-	30
	<u>14,385</u>	<u>12,738</u>

Staff restructuring costs comprise:

Redundancy payments	-	30
	<u>-</u>	<u>30</u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers and educational support	381	359
Administration and support	133	136
Management	5	6
	<u>519</u>	<u>501</u>

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF (CONTINUED)

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £455,000, 5 staff (2020 - £538,000, 6 staff).

12. CENTRAL SERVICES

From the start of the year the Trust pooled its reserves. Therefore, no central services were provided by the Academy Trust to its academies during the period and no central charges arose. Additionally expenditure is pooled and therefore the costs by academy note is not included in these accounts.

13. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees only receive remuneration in respect of services they provide undertaking the roles of staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value to Trustees' remuneration and other benefits was as follows:

Mr P S Walker: Remuneration £115,000 - £120,000 (2020: £105,000 - £110,000), Employers pension contributions £nil (2020: £20,000 - £25,000).

During the year ended 31 August 2021, expenses totalling £691 were reimbursed or paid directly to one Trustee (2020 - £nil to no Trustees). All expenses were in regards to mileage

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £3,000 (2020 - maximum cover of £5,000,000 at the cost of £3,000). The cost of this insurance is included in the total insurance cost.

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust purchased Trustees' liability insurance and Fidelity Guarantee cover. It also has purchased cover for the co-opted trustees under the Trustee and Trust Fund Indemnity from Zurich. In accordance with the Church Supplemental Agreement for the Church schools within the Academy Trust, the Trust has subscribed for buildings and public liability insurances in joint names with the appropriate Church school site trustees.

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

15. INTANGIBLE ASSETS

	Computer software £000
COST	
At 1 September 2020	75
At 31 August 2021	<u>75</u>
AMORTISATION	
At 1 September 2020	55
Charge for the year	9
At 31 August 2021	<u>64</u>
NET BOOK VALUE	
At 31 August 2021	<u><u>11</u></u>
At 31 August 2020	<u><u>20</u></u>

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

16. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Leasehold land and buildings £000	Assets under construction £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
COST OR VALUATION							
At 1 September 2020	3,667	17,557	-	764	257	904	23,149
Additions	184	6	378	67	-	207	842
At 31 August 2021	3,851	17,563	378	831	257	1,111	23,991
DEPRECIATION							
At 1 September 2020	250	754	-	686	257	782	2,729
Charge for the year	58	227	-	56	-	145	486
At 31 August 2021	308	981	-	742	257	927	3,215
NET BOOK VALUE							
At 31 August 2021	3,543	16,582	378	89	-	184	20,776
At 31 August 2020	3,417	16,803	-	78	-	122	20,420

The value of freehold land not depreciated is £7,455,000 (2020: £7,455,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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17. FIXED ASSET INVESTMENTS

The Academy has a wholly owned subsidiary, First Beginnings Limited, a company incorporated in England & Wales. The principal activity of the company is the operation of a nursery, though it has not traded since 31 August 2019. Turnover for the year ended 31 August 2021 was £nil (2020 - £nil), expenditure was £nil (2020 - £88) and the loss for the year was £nil (2020 - £88), liabilities were £nil (2020 - £nil) and capital and reserves were £nil (2020 - £nil).

The subsidiary company is a company limited by guarantee so there is no investment value in these accounts.

18. STOCKS

	2021 £000	2020 £000
Finished goods and goods for resale	43	46

19. DEBTORS

	2021 £000	2020 £000
DUE WITHIN ONE YEAR		
Trade debtors	3	5
Other debtors	103	84
Accrued income	4,040	4,378
Prepayments	226	858
	<u>4,372</u>	<u>5,325</u>

Accrued income includes capital funding received in advance totalling £3,839,000 (2020: £4,164,000).

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

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Other loans	9	9
Trade creditors	198	162
Other taxation and social security	205	188
Pension scheme creditor	243	232
Other creditors	2	3
Accruals and deferred income	505	1,178
	<u>1,162</u>	<u>1,772</u>
	2021 £000	2020 £000
Deferred income at 1 September 2020	984	979
Resources deferred during the year	301	984
Amounts released from previous periods	(984)	(979)
	<u>301</u>	<u>984</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals and other funding.

Included within other loans is a loan of £1,000 (2020 - £1,000) from ESFA which is provided on the following terms: The Salix loan is an interest free loan which is repayable in equal instalments over the next 3 years.

Included within other loans is a loan of £8,000 (2020 - £8,000) from ESFA which is provided on the following terms: The CIF loan is repayable in equal instalments over the next 7 years. The interest rate payable is 1.23% and matures on 1 September 2028.

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

	2021 £000	2020 £000
Other loans	<u>49</u>	<u>58</u>

Included within other loans is a loan of £1,000 from ESFA which is provided on the following terms: The Salix loan is an interest free loan which is repayable in equal instalments over the next 3 years.

Loans of £48,000 from ESFA which is provided on the following terms: The CIF loan is repayable in equal instalments over the next 8 years. The interest rate payable is 1.23% and matures on 1 September 2028.

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NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
UNRESTRICTED FUNDS						
Unrestricted funds	932	983	(1,041)	130	-	1,004
Future Covid Costs	200	-	-	-	-	200
	1,132	983	(1,041)	130	-	1,204
RESTRICTED GENERAL FUNDS						
General Annual Grant	37	12,673	(12,320)	(57)	-	333
Pupil Premium	-	790	(790)	-	-	-
PE and Sports	-	284	(284)	-	-	-
UIFSM	-	424	(424)	-	-	-
Teachers' Pay and Pension Grant	-	612	(612)	-	-	-
Clubs	34	-	-	(34)	-	-
Other DfE/ESFA grants	99	334	(433)	-	-	-
Other restricted funds	35	84	(23)	-	-	96
SEN/High Needs Income	-	578	(578)	-	-	-
Nursery Plus Funding	96	-	-	(96)	-	-
Other LA Funding	-	114	(114)	-	-	-
COVID catch-up premium	-	241	(241)	-	-	-
Notional rent	-	671	(671)	-	-	-
Pension reserve	(9,769)	-	(1,225)	-	(874)	(11,868)
	(9,468)	16,805	(17,715)	(187)	(874)	(11,439)

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22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
RESTRICTED FIXED ASSET FUNDS						
Tangible Fixed Asset Fund	20,420	-	(486)	834	-	20,768
Intangible Fixed Asset Fund	20	-	(9)	-	-	11
DfE/ESFA Capital Grants	223	217	-	(168)	-	272
School Condition Allocation	-	329	-	(193)	-	136
Sidmouth Build	4,164	-	-	(377)	-	3,787
Other capital funds	56	-	-	(39)	-	17
	<u>24,883</u>	<u>546</u>	<u>(495)</u>	<u>57</u>	<u>-</u>	<u>24,991</u>
TOTAL RESTRICTED FUNDS	<u>15,415</u>	<u>17,351</u>	<u>(18,210)</u>	<u>(130)</u>	<u>(874)</u>	<u>13,552</u>
TOTAL FUNDS	<u>16,547</u>	<u>18,334</u>	<u>(19,251)</u>	<u>-</u>	<u>(874)</u>	<u>14,756</u>

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

Restricted Funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs. An amount of £127,331 has been transferred out of the fund for the acquisition of fixed assets.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address underlying inequalities faced by disadvantaged children.

PE & Sports Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Universal infant free school meals - The Academy Trust has recognised income to the extent that expenditure was incurred during the year in order to meet its obligations to provide free school meals to all its pupil in reception, year 1 and year 2.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

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22. STATEMENT OF FUNDS (CONTINUED)

Teachers Pay & Pension Grant - funding to support the Trust with the cost of the increase in pay and employer contributions to the Teachers Pension Scheme.

Other DfE/ESFA Grants - Other funding received from the DfE/ESFA.

Other restricted income - this represents other sources of restricted curriculum income.

SEN/High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Other LA Funding - Other funding received from the Local Authority.

COVID-19 Catch-up Premium - A one-off universal catch-up premium for the 2020/21 academic year to support children and young people to catch up lost time after school closure.

Notional rent - This represents a notional rental income and expenditure for use of the Diocese-controlled school land and buildings.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed Assets Fund - these funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts. The transfer in represents the additions in the year.

DfE/ESFA Capital Grants - this represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets. £185,738 has been transferred out of the fund to cover the cost of fixed assets acquired during the year.

Other Capital Grants - this represents other capital grants used to cover the purchase of the Academy's assets.

OTHER INFORMATION

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
UNRESTRICTED FUNDS						
Unrestricted funds	824	374	(66)	(200)	-	932
Future Covid Costs	-	-	-	200	-	200
	<u>824</u>	<u>374</u>	<u>(66)</u>	<u>-</u>	<u>-</u>	<u>1,132</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant	-	11,615	(11,403)	(175)	-	37
Pupil Premium	4	773	(777)	-	-	-
PE and Sports	-	265	(265)	-	-	-
UIFSM	-	423	(423)	-	-	-
Teachers' Pay and Pension Grant	-	597	(597)	-	-	-
Clubs	36	133	(135)	-	-	34
Trips and visits	-	37	(37)	-	-	-
Start up grants	-	160	(48)	(13)	-	99
SEN/High Needs Income	-	378	(378)	-	-	-
Nursery Plus Funding	33	180	(180)	63	-	96
Other LA Funding	-	37	(37)	-	-	-
COVID catch-up premium	-	58	(58)	-	-	-
Notional rent	-	671	(671)	-	-	-
Teaching school grants and income	15	74	(54)	-	-	35
Nursery funding	-	272	(272)	-	-	-
Other income from educational activities	-	34	(34)	-	-	-
Trust Capacity Improvement Fund	-	192	(192)	-	-	-
Other ESFA grants	26	18	(64)	20	-	-
Pension reserve	(6,590)	(672)	(879)	-	(1,628)	(9,769)

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22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
	(6,476)	15,245	(16,504)	(105)	(1,628)	(9,468)
	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
RESTRICTED FIXED ASSET FUNDS						
Other LA Capital	13,173	2,831	(309)	57	-	15,752
Capital expenditure from GAG	81	-	(25)	112	-	168
DfE/ESFA Capital Grants	800	95	(12)	-	-	883
Parish Council	5	-	(4)	-	-	1
Start Up Grants	15	-	(11)	13	-	17
Capital expenditure from donations	33	28	(25)	-	-	36
School Condition Allocation	305	-	(6)	-	-	299
Capital expenditure from unrestricted funds	2	-	(2)	-	-	-
Gatehouse	3,636	-	(120)	-	-	3,516
Teaching School	1	-	(1)	-	-	-
PE and Sports	17	-	(10)	-	-	7
Environmental Improvement Grant - Colyton	-	40	-	(20)	-	20
Estates Efficiency Grant	-	4,184	-	-	-	4,184
	18,068	7,178	(525)	162	-	24,883
TOTAL RESTRICTED FUNDS	11,592	22,423	(17,029)	57	(1,628)	15,415
TOTAL FUNDS	12,416	22,797	(17,095)	57	(1,628)	16,547

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22. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

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

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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	20,776	20,776
Intangible fixed assets	-	-	11	11
Current assets	1,204	1,640	4,204	7,048
Creditors due within one year	-	(1,162)	-	(1,162)
Creditors due in more than one year	-	(49)	-	(49)
Pension scheme liability	-	(11,868)	-	(11,868)
TOTAL	1,204	(11,439)	24,991	14,756

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	20,420	20,420
Intangible fixed assets	-	-	20	20
Current assets	1,132	2,131	4,443	7,706
Creditors due within one year	-	(1,772)	-	(1,772)
Creditors due in more than one year	-	(58)	-	(58)
Pension scheme liability	-	(9,769)	-	(9,769)
TOTAL	1,132	(9,468)	24,883	16,547

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**NOTES TO THE FINANCIAL STATEMENTS
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RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
24.		
	2021	2020
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(917)	5,702
ADJUSTMENTS FOR:		
Amortisation	9	15
Depreciation	486	510
Capital grants from DfE and other capital income	(473)	(124)
Interest receivable	(1)	(11)
Defined benefit pension scheme obligation inherited	-	672
Defined benefit pension scheme cost less contributions payable	1,070	753
Defined benefit pension scheme finance cost	155	126
Decrease/(increase) in stocks	3	(8)
Decrease/(increase) in debtors	282	(4,213)
Increase in creditors	61	163
Non-cash assets transferred on conversion to an academy Trust	-	(2,787)
NET CASH PROVIDED BY OPERATING ACTIVITIES	675	798
25. CASH FLOWS FROM FINANCING ACTIVITIES		
	2021	2020
	£000	£000
Repayments of borrowing	(9)	(28)
NET CASH USED IN FINANCING ACTIVITIES	(9)	(28)
26. CASH FLOWS FROM INVESTING ACTIVITIES		
	2021	2020
	£000	£000
Bank interest	1	11
Purchase of intangible assets	-	(11)
Purchase of tangible fixed assets	(842)	(2,956)
Capital grants from DfE/ESFA	473	124
Fixed assets on transfer to academy trust	-	2,787
NET CASH USED IN INVESTING ACTIVITIES	(368)	(45)

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**NOTES TO THE FINANCIAL STATEMENTS
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27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £000	2020 £000
Cash in hand and at bank	2,633	2,335
TOTAL CASH AND CASH EQUIVALENTS	2,633	2,335

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,335	298	2,633
Debt due within 1 year	(241)	(11)	(252)
Debt due after 1 year	(58)	9	(49)
	2,036	296	2,332

29. PENSION COMMITMENTS

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 Devon County Council. Both are multi-employer defined benefit schemes.

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

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

TEACHERS' PENSION SCHEME

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,439,000 (2020 - £1,359,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 £945,000 (2020 - £789,000), of which employer's contributions totalled £731,000 (2020 - £606,000) and employees' contributions totalled £ 214,000 (2020 - £183,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60

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29. PENSION COMMITMENTS (CONTINUED)

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

	2021 Years	2020 Years
Retiring today:		
Males	22.70	22.90
Females	24.00	24.10
Retiring in 20 years:		
Males	24.00	24.30
Females	25.40	25.50

SENSITIVITY ANALYSIS

	2021 £000	2020 £000
Discount rate +0.1%	20,643	16,394
Discount rate -0.1%	21,699	17,233
Mortality assumption - 1 year increase	21,981	17,403
Mortality assumption - 1 year decrease	20,377	16,234
CPI rate +0.1%	21,660	17,202
CPI rate -0.1%	20,680	16,424

SHARE OF SCHEME ASSETS

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

	2021 £000	2020 £000
Equities	5,819	4,202
Gilts	1,191	250
Alternatives assets	-	448
Infrastructure	449	283
Other bonds	175	331
Property	742	559
Cash and other liquid assets	56	80
Target return portfolio	864	886
TOTAL MARKET VALUE OF ASSETS	9,296	7,039

The actual return on scheme assets was £1,490,000 (2020 - £27,000).

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29. PENSION COMMITMENTS (CONTINUED)

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

	2021 £000	2020 £000
Current service cost	(1,801)	(1,359)
Interest income	114	128
Interest cost	(269)	(250)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,956)	(1,481)

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

	2021 £000	2020 £000
AT 1 SEPTEMBER	16,808	12,961
Conversion of academy trusts	-	1,168
Transferred out on existing academies leaving the trust	-	1,359
Current service cost	1,801	-
Interest cost	269	250
Employee contributions	214	183
Actuarial losses/(gains)	2,245	-
Benefits paid	(173)	(117)
Actuarial (gain)/loss	-	1,004
AT 31 AUGUST	21,164	16,808

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

	2021 £000	2020 £000
AT 1 SEPTEMBER	7,039	6,371
Conversion of academy trusts	-	496
Interest income	119	124
Actuarial gains	1,371	-
Employer contributions	731	-
Employee contributions	214	183
Benefits paid	(173)	(117)
Actuarial gain/(loss)	-	(624)
Employer contributions	-	606
Administration expense	(5)	-
AT 31 AUGUST	9,296	7,039

The net pension deficit at 31 August 2021 was £11,868,000 (2020: £9,769,000).

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30. OPERATING LEASE COMMITMENTS

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

	2021 £000	2020 £000
Not later than 1 year	70	60
Later than 1 year and not later than 5 years	132	123
	<u>202</u>	<u>183</u>

31. MEMBERS' LIABILITY

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

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32. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy 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 Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Expenditure related party transactions

The following related party transactions took place in the year:

Hawkchurch Village Hall

(Ruth Churchill is a Trustee of the village hall, and was the representative of the corporate Member Salisbury Diocesan Board of Education until January 2020)

During the year there were transactions totalling £nil (2020: £65) in relation to hall rentals by Hawkchurch Primary School. In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook. At the balance sheet date the amount due to Hawkchurch Village Hall was £nil (2020: £nil).

Martins Builders & Decorators

(Close family member of the Head of Teaching & Learning at Hawkchurch Primary School)

During the year there were transactions totalling £nil (2020: £2,500) in relation to roof repairs at Hawkchurch Primary School. The transaction in the prior year was declared to the ESFA because the work was completed by a close family member of the Head of Teaching & Learning. The transaction was authorised by the Hub Business Manager. The transaction was reported to the ESFA after the work had been completed because this was a priority given the re-opening of schools to more pupils. At the balance sheet date the amount due to Martins Builders & Decorators was £nil (2020: £nil).

Income related party transactions

The following related party transactions took place in the year:

Centre Stage (Devon)

(Paul Walker is a Trustee of Centre Stage, and of the Academy Trust)

During the year there were transactions totalling £137 (2020: £650) in relation to rentals at Brixington Primary Academy. At the balance sheet date the amount due from Centre Stage (Devon) was £nil (2020: £nil).

Sidmouth College

(Ann Denner is Chairperson at Sidmouth College)

During the year there were transactions totalling £nil (2020: £30) in relation to school meals provided to Sidmouth College from Sidmouth Primary School. At the balance sheet date the amount due from Sidmouth College was £nil (2020: £nil).

Schools Direct Programme

(Programme run by Univeristy of St Mark & St John, a Member of the Trust)

During the year there were transactions totalling £41,626 (2020: £X,XXX) in relation to teacher training income. At the balance sheet date the amount due was £nil (2020: £nil).

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33. TEACHING SCHOOL TRADING ACCOUNT

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
Teaching school income	84		74	
Expenditure				
Direct staff costs	40		40	
Other direct expenditure	14		14	
TOTAL EXPENDITURE		54		54
		<hr/>		<hr/>
Surplus from all sources		30		20
Teaching school balances at 1 September 2020		35		15
		<hr/>		<hr/>
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		65		35
		<hr/> <hr/>		<hr/> <hr/>