Company Registration Number: 08182064 (England & Wales)

CHANGE SCHOOLS PARTNERSHIP

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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CHANGE SCHOOLS PARTNERSHIP
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Mike Baker Mrs Alison Fiala Mr Philip Heady Mr Allan John Mrs Sarah Garner (appointed 24 September 2020)
Trustees	Mr M Bruce Hanley Mrs Sarah Garner (resigned 16 September 2020)[1] Mr Scott Bradbrook[1] Mr Robin Whitworth (resigned 29 November 2020) Mr James Saunders Mr Paul Heavers (resigned 1 October 2021)[1] Mr Simon Hayward[1] Mr Glenn McClelland (resigned 31 January 2021)[1] Miss Julie Mulcahy (resigned 31 January 2021) [1] Finance and Audit Committee
Company registered number	08182064
Company name	Change Schools Partnership
Principal and registered office	Notley Green Primary School Blickling Road Great Notley Braintree Essex CM77 7ZJ
Chief executive officer and Accounting Officer	Mr Stuart Ellis (to 31/08/21) Mr John Camp (interim CEO from 01/09/21)
Senior management team	Mr Stuart Ellis, Chief Executive Officer (CEO) Mrs Sarah Crookes, Director of Teaching & Learning/Headteacher Miss Claire Russell, Executive Head Teacher Notley Green Primary School and Cann Hall Primary School Mrs Karen Harrison, Headteacher John Ray Junior School Ms Joanne Olley, Director of Finance and Operations Mrs Emma Sayward, Head of School Notley Green Primary School Mrs Louise Venables, Head of School Shalford Primary School - left April 2021 Mrs Jennifer Penny, Head of School Shalford Primary School - started April 2021
Independent auditors	Griffin Chapman Chartered Accountants 4&5 The Cedars Apex 12 Old Ipswich Road Colchester Essex CO7 7QR

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

Bankers	Lloyds Bank plc 2/4 Bank Street Braintree Essex CM7 1UN

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates three primary school academies and one junior school academy (the Schools or the Academies) serving a catchment areas of Braintree District and Clacton-on Sea in Essex. The Academies have a combined capacity of 1425 and had a roll of 1314 in the October 2021 census.

Structure, Governance and Management
The Charitable Company, 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 are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Notley Green Primary School, John Ray Junior School, Cann Hall Primary School, and Shalford Primary School.

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

Within this Report the term Trustee refers to a member of the Board and the term Governor to a member of a Local Governing Body (LGB).

Members' Liability
Each Member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member.

Trustees and Officers' Indemnities
In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover on any one claim and details of the costs are disclosed in Note 14 to the accounts.

Method of Recruitment and Appointment or Election of Trustees
The arrangements for recruitment and election of Trustees are as set out in the Articles of Association and Funding Agreement.

Trustees are elected for a fixed term. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. During the year the Trust made a conscious decision not to appoint new Trustees as the Trust was looking to merge with another Trust in order to make it more sustainable.
The Articles of Association make provision for up to 9 Trustees with no more than one third being executive employees.

The Trust's CEO is the Accounting Officer.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors
The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees and Governors are required to undergo an induction and training programme. The induction programme involves a tour of the relevant Academy, meeting with pupils and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake. Training of newly appointed Trustees and Governors is carried out by a recognised professional body as required.

Organisational Structure
The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board meets on at least 6 occasions per year and sub committees: Finance and Audit; and Educational Standards at least 3 times per year and the Pay and Human Resources Committee meet when necessary. The Board is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust and making key decisions about the direction of the Trust and senior staff appointments. The Governors within the LGBs are responsible for implementing strategic policy, reviewing and monitoring pupil outcomes.

The Executive Leadership Team (ELT) looks across the Trust and aligns local Senior Leadership Team (SLT) and LGB activity with the strategic aims of The Trust as a whole.

The Trust Leadership Team (TLT) provides continuity, consistency and direction across the teaching, learning and assessment of pupil outcomes across all academies within the Trust.

The SLTs, including the Head Teacher/Head of School, are responsible for the leadership and direction of their Academy implementing policies, procedures and reporting to their LGB. Each SLT is responsible for the day-to-day operation of their Academy, in particular organising staff, resources and pupils. The Headteacher has authorisation of spending within agreed local budgets and for the appointment of staff following vetting and safeguarding recruitment processes undertaken by the central business services team.

The Trust operate a central Finance and Business Services structure. This team, led by the Director of Finance and Operations, provides a streamline approach to all Finance, HR, Catering, Administration and Premises management. Operating in this way, ensures consistency of procedures, compliant finance and HR processes and economies of scale.

Arrangements for setting pay and remuneration of key management personnel
Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, individual school range (ISR), the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Pay & HR committee and ratified by the Board.

Trade union facilities
The Trust had no relevant union officials working in their schools during the year.

Related Parties and other Connected Charities and Organisations
Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time-to-time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Trust Handbook. The Trustees and Governors complete a Declaration of Business Interests form and there is a requirement at every meeting for all Trustees/Governors to declare any interest they may have in any item on the agenda.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable

activities:

- Compass Partnership of Schools- The Trust held a service level agreement with Compass Partnership of Schools for them to provide CEO performance management, CEO and Head Teacher coaching and strategic training days. The contract with Compass Partnership of schools ceased at the 31st August 2021 when the CEO of Compass Partnership of Schools was seconded to be CEO of CHANGE Schools Partnership for 2 days a week. Permission for this appointment was agreed with the ESFA in advance.
- CHANGE School Partnership has seconded their CFO services to Compass Partnership of schools from the 1st of September 2021 for 2.5 days a week. Permission for this appointment was agreed with the ESFA in advance.
- Compass Academy Trust held a service level agreement with CHANGE Schools Partnership Trust to provide 2 to 3 days a week CEO support, Data Protection Officer support and some governance manager support. The contract for CEO services with Compass Academy Trust ceased at 31st August 2021.
- Notley Family of Schools- an informal federation of local Braintree Schools
- South Tendring Primary Partnership- an informal federation of local Clacton Schools
- Professional Learning Network (Teaching School Alliance) -a locally based affiliation for NQT training and quality assured training for leadership, teaching and learning.

The Trust does not have a formal sponsor although the Trust was originally set up as a sponsor led Trust, with the sponsor being Notley Green Primary School.

Objects and Aims

The Trust aims to build a group of like-minded academies in the Braintree and Clacton/Colchester areas that can maximise the effective use of their collective skills and resources to benefit the outcomes of its pupils. In short, the Trust aims to provide a supportive and collaborative context in which our academies can continue to thrive into the future.
The Trust sums up its mission and objective through its strapline of 'Aiming High; Changing Lives'.

The success criteria is:
- All Academies will be evaluated as 'good' or 'outstanding' by Ofsted criteria within 2-3 years of joining the Trust.
- All Academies will be intentional and aspirational in working towards being 'outstanding' so that pupils achieve excellent outcomes.
- All teaching within our Academies will be judged good or outstanding. All teachers will be expected to aspire to teaching that is outstanding.
- For good and outstanding Academies, progress and attainment will compare favourably with national data including that for vulnerable groups, including those entitled to the Pupil Premium, Looked After Children and those with SEND
- For Academies not yet good, a sharply rising trajectory of improvement will be evident through progress and attainment measures.
- Our Academies will display and effect excellent leadership at all levels (including governance), which will reflect the One Learning Community culture.
- Our Academies will be able to accurately self-evaluate and will have a high culture of continued improvement and high aspiration.
- High quality bespoke professional development, coaching and career development (based upon the Trust's CPD Curriculum Policy) will mean that the Trust attracts and retains the very best teachers and leaders

Objectives, Strategies and Activities

The following were aims for the 2020/21 academic year - for which outsomes have been summarised in the later Strategic Report section:

1. Return & Recovery
To ensure that detailed plans are in place for each school firstly for re-opening after lockdown and secondly for ensuring that all pupils make up lost ground by the end of the academic year, whilst maintaining a broad and balanced curriculum.
Schools will have effective resilience measures in place to deliver remote education via Teams if required (e.g. for local lockdown) Issues of equity will be addressed as far as possible.

2. Leadership Transition
To effectively manage the change and transition of leadership at Cann Hall and Shalford Primary Schools ensuring that school standards are maintained and that ongoing improvement is secured. The CEO will undertake an executive headship role to provide quality assurance and support for all schools.

3. Curriculum Development
To undertake ongoing development of our curriculum to ensure that a common vision, embodied in principles and standards, continues to strengthen for the Trust and across its schools in both its intent, implementation and impact. Our ambitions, strategy and milestone plans will ensure that we are equipping all our pupils well for life in modern Britain and as responsible global citizens, through providing them with thorough knowledge and skills that develop into deep and profound learning. A clear commitment to equity for children who are disadvantaged will be evident and explicit.

4. Financial Sustainability
To continue to optimise the effectiveness of financial resources, the Trust will undertake research and development in conjunction with other trusts locally and nationally, and will consider the formal and informal collaborations necessary to ensure its ongoing sustainability
The Nursery project at Cann Hall to be progressed as an income generating measure.

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

Strategic Report

Achievements and Performance

Return and Recovery
- All schools prepared detailed plans, following the advice of the DfE, in returning to full opening in September 2020. These plans were reviewed by both the LGB and the Trust Board and shared with stakeholders at all levels.
- Covid risk assessments were prepared and publicised on websites and education returned in line with the requirements set out.
- Schools assessed pupil progress on their return and have used the Catch Up funding provided by government to put interventions in place to accelerate learning. These interventions have, amongst others included additional tuition using the national tutoring service, 1:1 learning in school, online learning to identify areas of weakness, additional resources and pastoral interventions.
- In line with the expectation from the DfE the Trust prepared for additional lock down periods and invested in 250 laptops and worked together on the implementation of online learning via Microsoft Teams. The provision of additional laptops from the DfE meant that schools were able to offer a more equitable remote education across all schools when it was needed regardless of whether pupils were in school or at home.

Leadership Transition

- We have effectively transitioned the leadership of Cann Hall and Shalford schools in the year. This has offered an opportunity to review the senior leadership models. The leadership of these schools is now being monitored by the CEO.

Curriculum Development

- We are still looking at the ongoing development of our curriculum to ensure that a common vision, embodied in principles and standards, continues to strengthen for the Trust and across its schools in both its intent, implementation and impact. This development has been impacted by the pandemic and remains a focus going forward.

Financial Sustainability

- The Trust has taken decisive moves to future proof its sustainability. The trustee and ELT reviewed a number of Trusts that were interested in working with CHANGE Schools Partnership to secure their future and eventually approached the Teacher Board to authorise the schools to become part of Compass Partnership of Schools. The anticipated date for this to happen is the 1st January 2022.
- The Nursery project at Cann Hall currently awaits authorisation for the granting of a lease from the ESFA. The tender process was completed in collaboration with Essex CC local authority and a preferred bidder has been notified.

Progress and Covid19 Impact

The Corona Virus pandemic led statutory tests to be cancelled for the second year running and schools were asked to close to all but the children of keyworkers and vulnerable pupils for most of the spring term. Due to this we are unable to publish progress or attainment data.
Pupils received online learning during periods of lock down. There were a significant number of additional pupils able to access this via both the DfE and Trust laptops, with other pupils accessing partially on line and with hard copies.
The schools that were open also saw a rise in cleaning material costs over and above those budgeted, and schools had additional costs to meet the DfE advice before reopening.
With savings made in other areas, the Trust was able not to furlough staff that worked in wrap-around care and despite some staffing issues due to vulnerable and shielding issues all schools were able to meet all government requirements safely and within their risk assessment.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

The intention is for the Trust to join Compass Partnership of Schools on 1 January 2022.
However, as this date is past the date of approval for these financial statements, 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.

Financial Review

The principal source of funding is mostly obtained from the Department for Education (DfE)/Education and Skills Funding Agency (ESFA), in the form of the General Annual Grant (GAG), the use of which is restricted to the Trusts's educational objectives. For the year ended 31 August 2021 the Trust received £6,757,560 (2020: £6,321,610) of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.
During the year the Trust spent £7,114,899 (2020: £6,649,412) on general running costs (excl. depreciation) and transferred £2,363 from capital grants to support revenue expenditure (2020: £12,165 transfered from revenue to support capital new build and improvement projects on the various Academy sites).
The Statement of Financial Activities shows a deficit of £1,103,788 (2020: £1,031,952 deficit). This includes a significant actuarial loss on the defined benefit pension scheme of £380,000 (2020: £356,000 loss). This

significant change is due to valuation changes in the year.

The Trust's income fund reserves brought forward from 2019/20 were £881,346 (£338,811 restricted funds and £542,535 unrestricted funding). The carry forward for 2020/21 is £428,746 restricted funding and £556,793 unrestricted funding.
The surplus of these income fund reserves is therefore £104,193, which is not including the movement in fixed assets or pension reserve.

The Trust was not successful in securing Capital Improvement Funding (CIF) in the year. (2020: £47,272)

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £5,796,000 (2020: £4,904,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Other Financial Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers funded for 2020/21: 1321 (2019/20: 1297) against a combined capacity of 1425.

The Finance and Audit committee and the Chair of the board receive management accounts on a monthly basis which include the following KPI elements:

- Teachers as % of core funding (GAG) - 62% on 20/21 and 64% in 19/20
- Staffing cost % of total income - 88% in 20/21 and 92% in 19/20
- Teaching staff costs as a % of Total staff costs - 54% in 20/21 and 55% in 19/20.

The teaching staff costs as a % of total staff costs ratio reflects the policy to put in place the infrastructure to support a centralised team for the Trust, as highlighted in the going concern paragraph. It is also impacted by the high level of support provided by the teaching assistant network across the schools.

The Board would like to see the staffing proportion of income be in the region of 74-78% across the Trust. Since the year end, this has moved in the direction of 85% .

The Finance & Audit Committee also monitor actual year to date figures and forecast figures on a monthly basis.

Reserves Policy
The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees have determined that the appropriate level of all reserves to be held for non-earmarked expenditure should equate to at least one month's operating costs of total funds, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies.

The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Director of Finance and Operations. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The Trust see all reserves as belonging to the Trust and not individual schools and as such has centralised the reserves in the reserves note. Allocation was made in year to refurbish the astro-turf at Notley Green £120,000. The Trust also met the agreed investment of £25,000 of reserves on IT hardware to support online learning in the pandemic.

Due to budget constraints and funding difficulties the Trust is happy to hold reserves above the minimum until the introduction of the full national funding formula has been worked through, in order to make sure the schools

have the time and resources to adjust.

The Trust's current level of free reserves (Unrestricted Reserve) is £556,793 (2020: £542,535).

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was £985,539 (2020: £881,346).

The cash balance of the Trust has been healthy all year, ending the year with a balance of £1,248,285 (2020: £1,047,696).

Investment Policy
The Trustees invest funds for future year in short term cash deposits.

Principal Risks and Uncertainties

The Trust maintains, and regularly reviews, a central risk register identifying the major risks, to which the Trust and each Academy is exposed, together with identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trust via the Finance and Audit Committee with a copy of the register available at every Board Meeting.
Due to the Covid19 pandemic school risk assessments for re-opening were reviewed both at local governing body level and at Board level, both in September and again March. They are published on all school websites. These risk assessments are regularly updated for changes as set out by government advice and remain fluid documents.
The internal control systems are audited by an external provider - SBM Services, which is reported to the Finance and Audit Committee and the exposure to identified risks are monitored on behalf of the Trustees at each Finance and Audit Committee meeting. This year the focus of internal audit was payroll and HR. The management letter highlighted some areas to be reviewed but nothing of concern.

The risks outlined below are those facing the Academies at an operational level, outside of Covid 19 and are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

Outside of Covid 19 -The Trust recognise its risks and uncertainties under the main headings of :

Sustainability
- Funding uncertainty,
- Growth
- Pupil numbers,
- CEO replacement
- Overall academic achievement and Ofsted rating

Compliance
- Financial Compliance,
- Fraud and Data Security,
- Health & Safety,
- Safeguarding

Educational Impact
- Governance including the regular review of skills
- Performance of specific schools due a visit by Ofsted

- The impact of the pandemic on outcomes for pupils specifically at John Ray Junior and Cann Hall Primary

The Trust is mitigating these risks by:

Sustainability-
The Board have reviewed the options available to join another Trust. This has been completed and agreed at Head Teacher Board for the schools to join Compass Partnership of Schools on 01/01/2022, subject to due diligence and legal procedures.
The CEO position for the autumn term will be taken by John Camp, the CEO of Compass Partnership of Schools.
Compass Partnership of Schools have started to review what additional input they can add to support schools not expected to be rated 'Good' by Ofsted.

Compliance-
The Board have appointed both internal and external auditors to support assurance of financial compliance. They monitor the finances of the Trust on a monthly basis and meet as a sub-committee to review and monitor all finance and audit management points.
The Trust has recently appointed an external provider to carry out a full Health and Safety audit in the period September – December 2021. The results of this will be monitored at the Finance and Audit Committee.

Educational Impact
The Trust had a Trust Board audit in the year. This gave the Board confidence that they are meeting their roles and responsibilities.
Compass Partnership of Schools have started to work with all four schools, initially focusing on environment, quality of teaching, quality of curriculum and setting age related expectations.

Fundraising
The academy trust does not use any external fundraisers. All fundraising undertaken was monitored by the Trustees.

Plans for Future Periods

Aims and Future Objectives 2021/22

1) Join the schools to the Compass Partnership of Schools Trust, and establish two hubs one in Greenwich and one in Essex.
2) Be precise about the pupil experience – calm, consistent, high quality, engaging, inclusive and happy – comes from High expectations, repeated and rehearsed routines, adults only accepting best effort
3) Be precise about the quality of teaching – sequenced, direct, explicit, ambitious, engaging and respectful – comes from an explicit, direct instruction model with clarity about what needs to be learned in each year group
4) Be precise about the quality of curriculum – sequenced, knowledge based, engaging – comes from excellent teacher subject knowledge that is developed through expert subject leadership
5) Review the quality of children's books – treasured, cared for, high quality outcomes – comes from teachers modelling quality learning, getting children to redo learning that is not their best, expecting high standards, moderating with others
6) Be precise about the quality of the classroom and school environment – tidy, uncluttered, cared for, precise, broad and inclusive – comes from agreed protocols, high quality resources, quality writing, books, feedback and very high quality displays
7) 85% + of children reaching age related expectations
8) 95% of children passing the phonic threshold – early reading is KEY

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

Auditor
The Trustees have confirmed that as far as they are aware, there is no relevant audit information of which the 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 it has been communicated to the Auditor.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on its behalf by:

.....
Mr M Bruce Hamley
(Chair of Trustees)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the chief executive officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between CHANGE Schools Partnership 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 STATEMENT (CONTINUED)

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 8 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
Mr Scott Bradbrook	8	8
Mrs Sarah Garner (resigned 16/09/20)	0	0
Mr M Bruce Hanley (Chairman)	8	8
Mr Simon Hayward	8	8
Mr Paul Heavers (resigned 01/10/2021)	3	8
Mr Glenn McClelland (resigned 31/01/2021)	2	4
Miss Julie Mulcahy resigned (31/01/2021)	4	4
Mr James Saunders	6	8
Mr Robin Whitworth (resigned 29/11/20)	1	2

S Ellis (Accounting Officer to 31/08/21) attended 8 out of a possible 8 meetings. J Olley (Director of Finance & Operations) attended 8 out of a possible 8 meetings.

The board composition and governance is regularly reviewed at meetings. During the year an external review of the Board was carried out by a Leader of Governance. This review did not raise any significant issues but did suggest some additional best practice points.

The Trustees have a clear and strategic input into the Trust's vision and business planning. Particular challenges within the year have centred around the Covid 19 pandemic and the response to ever changing information and requests from government. The Board believes that the Trust has reacted well to these demands and have included local governing bodies, senior leaders as well as the board to make sure all schools have met these challenges. Currently there are no plans to increase the number of trustees as we transition to Compass Partnership of Schools Trust, however the new Trust does have vacancies for Trustees and has extended its welcome to those Trustees that would like to continue in the new Trust.

Board meetings are regularly attended by executive staff. A Standards Committee also supports additional academic scrutiny.

The Finance and Audit Committee is a committee of the main Board of Trustees. It is responsible for matters of funding; budgeting; monitoring; financial procedures; health and safety; asset management and the scrutiny of operational procedures through external and internal audit .

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Scott Bradbrook	4	5
Mrs Sarah Garner (resigned 16/09/20)	0	0
Mr Simon Hayward	3	3
Mr Paul Heavers (resigned 01/10/2021)	3	5
Mr Glenn McClelland (resigned 31/01/21)	2	2

Mr Stuart Ellis (CEO) and Ms Jo Olley (Director of Finance & Operations) both attended 5 out of a possible 5 meetings.

Review of value for money

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

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

- Collaborative working across the schools in the Trust
- Strong implementation of financial regulation that requires all items above £2,000 to have three quotes
- The use of an external partner to secure the best value for money on the Astro-Turf refurbishment
- Income generation through supporting another Trust
- The re-procurement of energy costs through a DfE accredited broker
- A staff restructure and review of working practices on non-pupil days

The impact of Covid 19
The Trust supported vulnerable and critical worker pupils during lockdown in school, while providing a high-quality offer to pupils at home.

The Trust worked with their contract cleaners to support them as 'at risk suppliers' under Procurement Policy Notices (PPN) 02/20 and 04/20 paying them for a full service during the lockdown period.

Like most schools the Trust struggled to always access 'value for money' in relation to PPE, sanitiser and cleaning products at the start of the pandemic. The Trust was forced to sometimes pay a higher price for items or to pay additional delivery charges in order to meet Health & Safety guidelines and supply schools adequately.

The Trust met all staff costs in relation to wrap around care, regardless of income generation whilst schools were closed, paid for from saving made elsewhere due to the pandemic.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CHANGE Schools Partnership for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In

The risk and control framework (continued)

particular, it includes:

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

The Board of Trustees has decided to employ SBM Services Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in relation to the current period were completed in June 2021. This review related specifically to the payroll and HR process.

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee to consider actions and assess year on year progress.

The internal auditor delivered their report on the Payroll and HR processes and no material control issues were identified.

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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on their behalf by:

.....
Mr M Bruce Hanley
Chair of Trustees

.....
Mr John Camp
CEO & Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Change Schools Partnership I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the Funding Agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's Funding Agreement and the Academies Financial Handbook 2020.

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

Mr John Camp
Accounting Officer
Date: 8 December 2021

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 on 8 December 2021 and signed on its behalf by:

.....

Mr M Bruce Hanley
(Chair of Trustees)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHANGE SCHOOLS PARTNERSHIP

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Trust's intention is to join Compass Partnership of Schools in January 2022. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists, in the longer term, that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the Trustees' assessment of the Trust's ability to continue to adopt the going concern basis of accounting included consideration of budgeted income and expenditure over the next 5 years and ESFA communication surrounding the intended transfer to the new MAT.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHANGE SCHOOLS PARTNERSHIP (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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHANGE SCHOOLS PARTNERSHIP (CONTINUED)

Responsibilities of Trustees

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHANGE SCHOOLS PARTNERSHIP (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:

The engagement partner ensured the engagement team had the necessary skills and knowledge to identify non-compliance with applicable laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and for those that are most significant, we enquired into how management ensures compliance is maintained.

We identified that the principal risks of non-compliance with laws and regulations related to the DfE/ESFA regulatory industry that the Academy operates in. This effects the ability to continue trading as an Academy Trust. Other relevant laws and regulations of note include health and safety.

Enquiry and review of the entity's transactions was undertaken to highlight any instances of penalties, fines or legal activity which could suggest non-compliance with laws and regulations. There was no contradictory evidence found.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006, Accounts Directions and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the override of delegated authorities and the misappropriation of grant funding.

In response, we incorporated testing of procurement and expenditure and any other entries at risk of falling outside of delegated authorities.

Scrutiny of unusual transactions and analytical procedures were used to help identify risk factors in monies received and expended during the year.

It is also stated, as a reminder, that the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHANGE SCHOOLS PARTNERSHIP (CONTINUED)

Use of our report

This report is made solely to the 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 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Aldworth (Senior Statutory Auditor)
for and on behalf of
for and on behalf of Griffin Chapman
Chartered Accountants
Statutory Auditors
4&5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date: 13 December 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHANGE SCHOOLS PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter 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 CHANGE Schools Partnership 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 CHANGE Schools Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to CHANGE Schools Partnership 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 CHANGE Schools Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of CHANGE Schools Partnership's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of CHANGE Schools Partnership's funding agreement with the Secretary of State for Education dated 1 November 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHANGE SCHOOLS PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

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

The work undertaken comprised:
a) Analytical review as part of the consideration of whether general activities of the academy trust are within the academy trusts framework of authorities
b) Confirmation that items have been appropriately authorised in accordance with the academy trust's delegated authorities. Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
c) Performing of sample testing of expenditure & procurement and review against specific terms of grant funding within the funding agreement.
d) Review and testing of the systems surrounding the management of related party transactions.
e) Consideration of governance activities in line with ESFA expectations.
The extent of work performed was based upon our professional judgement, informed by the assessment of the risk of material irregularity, impropriety and non-compliance.

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.

Mr Daniel Aldworth Reporting Accountant
for and on behalf of Griffin Chapman
Chartered Accountants

4&5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date: 13 December 2021

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:						
Donations and capital grants	3	**3,208**	**-**	**52,831**	**56,039**	*84,924*
Charitable activities:						
Funding for the academy trust's educational operations		**54,009**	**6,443,211**	**-**	**6,497,220**	*6,032,266*
Other trading activities	5	**194,121**	**10,031**	**-**	**204,152**	*203,707*
Investments	6	**149**	**-**	**-**	**149**	*713*
Total income		**251,487**	**6,453,242**	**52,831**	**6,757,560**	*6,321,610*
Expenditure on:						
Charitable activities:	8					
Academy trust's educational operations		**237,229**	**6,877,670**	**366,449**	**7,481,348**	*6,997,562*
Total expenditure		**237,229**	**6,877,670**	**366,449**	**7,481,348**	*6,997,562*
Net income/(expenditure)		**14,258**	**(424,428)**	**(313,618)**	**(723,788)**	*(675,952)*
Transfers between funds	21	**-**	**2,363**	**(2,363)**	**-**	*-*
Net movement in funds before other recognised gains/(losses)		**14,258**	**(422,065)**	**(315,981)**	**(723,788)**	*(675,952)*
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	**-**	**(380,000)**	**-**	**(380,000)**	*(356,000)*
Net movement in funds		**14,258**	**(802,065)**	**(315,981)**	**(1,103,788)**	*(1,031,952)*

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Reconciliation of funds:	21					
Total funds brought forward		**542,535**	**(4,565,189)**	**14,992,946**	**10,970,292**	*12,002,244*
Net movement in funds		**14,258**	**(802,065)**	**(315,981)**	**(1,103,788)**	*(1,031,952)*
Total funds carried forward		**556,793**	**(5,367,254)**	**14,676,965**	**9,866,504**	*10,970,292*

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

The notes on pages 30 to 59 form part of these financial statements.

CHANGE SCHOOLS PARTNERSHIP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08182064

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	15		**14,669,044**		*14,923,659*
			14,669,044		*14,923,659*
Current assets					
Stocks	16	**8,842**		*9,110*	
Debtors	17	**210,169**		*233,151*	
Cash at bank and in hand		**1,248,285**		*1,047,696*	
		1,467,296		*1,289,957*	
Creditors: amounts falling due within one year	18	**(450,874)**		*(310,310)*	
Net current assets			**1,016,422**		*979,647*
Total assets less current liabilities			**15,685,466**		*15,903,306*
Creditors: amounts falling due after more than one year	19		**(22,962)**		*(29,014)*
Net assets excluding pension liability			**15,662,504**		*15,874,292*
Defined benefit pension scheme liability	28		**(5,796,000)**		*(4,904,000)*
Total net assets			**9,866,504**		*10,970,292*
Funds of the Trust					
Restricted funds:					
Fixed asset funds	21	**14,676,965**		*14,992,946*	
Restricted income funds	21	**428,746**		*338,811*	
Restricted funds excluding pension asset	21	**15,105,711**		*15,331,757*	
Pension reserve	21	**(5,796,000)**		*(4,904,000)*	
Total restricted funds	21		**9,309,711**		*10,427,757*
Unrestricted income funds	21		**556,793**		*542,535*
Total funds			**9,866,504**		*10,970,292*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 25 to 59 were approved by the Trustees, and authorised for issue on 8 December 2021 and are signed on their behalf, by:

Mr M Bruce Hanley
(Chair of Trustees)

The notes on pages 30 to 59 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	*2020 £*
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	**259,443**	*(188,447)*
Cash flows from investing activities	24	**(58,854)**	*9,483*
Change in cash and cash equivalents in the year		**200,589**	*(178,964)*
Cash and cash equivalents at the beginning of the year		**1,047,696**	*1,226,660*
Cash and cash equivalents at the end of the year	25, 26	**1,248,285**	*1,047,696*

The notes on pages 30 to 59 form part of these financial statements

1. Accounting policies

The trust is a company limited by guarantee and is a private company registered in England and Wales.

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

In year deficits continue to be predicted, due to the structure of the Trust having incorporated a strong centralised team. Whilst this does not pertain to any material uncertainty for the next few years, the Trust's objectives to expand by taking on new schools has not materialised, to the point where members made the strategic decision to join Compass Partnership of Schools in January 2022.

1. Accounting policies (continued)

1.3 Income

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

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

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

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

- **Donations**
  Donations are recognised on a receivable basis (where there are no performance-related conditions) where 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 Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the 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 Trust's accounting policies.

1.4 Expenditure

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

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

  All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 Taxation

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

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

1.8 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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:

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 30-60 years straight line
Leasehold improvements	- 30-60 years straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 20% straight line

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 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.

1.12 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1. Accounting policies (continued)

1.14 Operating leases

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

1.15 Pensions

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

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

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

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

1.16 Redundancy costs

Redundancy costs and termination payments are charged to the income statement in the year in which an irrevocable commitment is made to incur the costs.

1.17 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. 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 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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Donations	3,208	22,138	**25,346**	*2,347*
Capital Grants	-	30,693	**30,693**	*82,577*
	3,208	52,831	**56,039**	*84,924*
Total 2020	*2,347*	*82,577*	*84,924*	

4. Funding for the Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
DfE/ESFA grants				
General Annual Grant	-	5,181,399	**5,181,399**	*4,922,290*
Other DfE/ESFA grants				
UIFSM	-	120,366	**120,366**	*120,391*
Pupil Premium	-	340,377	**340,377**	*333,689*
Teachers Pay Grant	-	242,007	**242,007**	*241,744*
PE funding	-	75,930	**75,930**	*75,720*
Others	-	59,427	**59,427**	*34,775*
	-	6,019,506	**6,019,506**	*5,728,609*
Other Government grants				
Local Authority SEN funding	-	246,540	**246,540**	*178,313*
LA Growth funding	-	70,415	**70,415**	*55,770*
Other income from the Trust's educational operations				
Other income	-	1,750	**1,750**	-
Catering income	54,009	-	**54,009**	*66,248*
	54,009	318,705	**372,714**	*300,331*
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	105,000	**105,000**	-
Coronavirus exceptional support	-	-	**-**	*3,326*
	-	105,000	**105,000**	*3,326*
	54,009	6,443,211	**6,497,220**	*6,032,266*
Total 2020	*66,248*	*5,966,018*	*6,032,266*	

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

The academy received £105,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £84,963, with the remaining £20,037 to be spent in 2021/22.

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Lettings income	305	-	**305**	*825*
Music services income	-	6,523	**6,523**	*2,974*
Uniforms income	-	3,508	**3,508**	*7,947*
Income from ancilliary trading activities	120,438	-	**120,438**	*134,020*
Staff consultancy	73,378	-	**73,378**	*57,941*
	194,121	10,031	**204,152**	*203,707*
Total 2020	*187,501*	*16,206*	*203,707*	

Income from ancilliary trading activities includes trip income and breakfast/after school clubs income.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Bank interest	149	**149**	*713*

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	*As restated Total 2020 £*
Educational operations:					
Direct costs	4,789,438	-	366,587	**5,156,025**	*4,976,978*
Allocated support costs	1,050,554	852,519	422,250	**2,325,323**	*2,020,584*
Total 2021	5,839,992	852,519	788,837	**7,481,348**	*6,997,562*
Total 2020 as restated	*5,604,083*	*674,251*	*719,228*	*6,997,562*	

A proportion of LGPS employer's pension contributions is costed to direct costs, to reflect the mix of staff membership of the pension scheme between support and direct expenditure.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Educational operations	237,229	7,244,119	**7,481,348**	*6,997,562*
Total 2020	*161,302*	*6,836,260*	*6,997,562*	

Within restricted funds, £366,449 relates to the restricted fixed asset fund and £6,877,670 to restricted funds.

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Educational operations	5,156,025	2,325,323	**7,481,348**	*6,997,562*
Total 2020	*4,976,978*	*2,020,584*	*6,997,562*	

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	*As restated Total funds 2020 £*
Staff costs	4,789,438	**4,789,438**	*4,657,998*
Other direct costs	366,587	**366,587**	*318,980*
	5,156,025	**5,156,025**	*4,976,978*

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	*As restated Total funds 2020 £*
Pension finance costs	77,000	**77,000**	*76,000*
Staff costs	1,050,554	**1,050,554**	*946,085*
Depreciation	366,449	**366,449**	*348,150*
Premises costs	486,069	**486,069**	*326,881*
Technology costs	92,578	**92,578**	*70,420*
Other support costs	227,726	**227,726**	*242,397*
Legal fees - other	7,686	**7,686**	*1,110*
(Profit)/loss on disposal of fixed assets	(179)	**(179)**	*(780)*
Governance costs	17,440	**17,440**	*10,321*
	2,325,323	**2,325,323**	*2,020,584*

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	*2020 £*
Operating lease rentals	**71,019**	*40,395*
Depreciation of tangible fixed assets	**366,449**	*348,150*
Profit on disposal of fixed assets	**(179)**	*(780)*
Fees paid to auditors for:		
- audit	**7,000**	*7,000*
- other services	**4,475**	*3,321*

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	**4,112,809**	*4,015,734*
Social security costs	**346,902**	*334,431*
Pension costs	**1,374,425**	*1,193,696*
	5,834,136	*5,543,861*
Agency staff costs	**-**	*29,634*
Staff restructuring costs	**5,856**	*30,588*
	5,839,992	*5,604,083*

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	**5,856**	*24,710*
Severance payments	**-**	*5,878*
	5,856	*30,588*

b. Non-statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual staff severance payments.

c. Staff numbers

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

	2021 No.	2020 No.
Teaching	**68**	*67*
Administration and support	**145**	*133*
Management	**5**	*7*
	218	*207*

11. Staff (continued)

d. Higher paid staff

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

	2021	*2020*
	No.	*No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £70,001 - £80,000	**1**	*1*
In the band £80,001 - £90,000	**-**	*1*
In the band £90,001 - £100,000	**1**	*-*

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £548,434 *(2020 £521,653)*.

12. Central services

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

- Trust leadership
- Audit and accountancy services including trust finance function
- Other professional services

The Trust charges for these services on the following basis:

A mixture of directly apportioned costs and charges excluding depreciation based on pupil numbers

The actual amounts charged during the year were as follows:

	2021	*2020*
	£	*£*
Cann Hall Primary School	**183,269**	*178,106*
John Ray Junior School	**171,763**	*166,900*
Notley Green Primary School	**164,777**	*163,297*
Shalford Primary School	**23,011**	*24,815*
Total	**542,820**	*533,118*

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - Remuneration £25,000 to £30,000 and Pension contributions paid £0 to £5,000).

Remuneration above only applies to the time as a trustee.

During the year, retirement benefits were accruing to no Trustees *(2020 - 1)* in respect of defined benefit pension schemes.

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to any Trustee *(2020 - £617 to 1 Trustee).*

14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	**12,119,000**	**4,282,059**	**216,748**	**434,910**	**17,052,717**
Additions	**-**	**22,990**	**6,875**	**81,969**	**111,834**
Disposals	**-**	**-**	**-**	**(67,436)**	**(67,436)**
At 31 August 2021	**12,119,000**	**4,305,049**	**223,623**	**449,443**	**17,097,115**
Depreciation					
At 1 September 2020	**1,328,747**	**270,430**	**183,096**	**346,785**	**2,129,058**
Charge for the year	**220,780**	**85,988**	**4,060**	**55,621**	**366,449**
On disposals	**-**	**-**	**-**	**(67,436)**	**(67,436)**
At 31 August 2021	**1,549,527**	**356,418**	**187,156**	**334,970**	**2,428,071**

15. Tangible fixed assets (continued)

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Net book value					
At 31 August 2021	**10,569,473**	**3,948,631**	**36,467**	**114,473**	**14,669,044**
At 31 August 2020	*10,790,253*	*4,011,629*	*33,652*	*88,125*	*14,923,659*

The long term leasehold land and buildings where the schools are based have been included in the accounts at the valuation provided upon conversion using depreciated replacement cost. The lease basis is 125 years from the date of each school's conversion.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2021 £	*2020 £*
Long-term leasehold land	**1,080,000**	*1,080,000*

16. Stocks

	2021 £	*2020 £*
Uniform and catering stock	**8,842**	*9,110*

17. Debtors

	2021 £	*2020 £*
Due within one year		
Trade debtors	**9,467**	*12,798*
Other debtors	**1,435**	*2,767*
Prepayments and accrued income	**147,859**	*182,903*
VAT recoverable	**51,408**	*34,683*
	210,169	*233,151*

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Salix loans	**6,052**	*6,052*
Trade creditors	**36,125**	*55,202*
Other taxation and social security	**79,507**	*75,968*
Other creditors	**63,936**	*388*
Accruals and deferred income	**265,254**	*172,700*
	450,874	*310,310*

	2021 £	2020 £
Deferred income at 1 September 2020	**102,540**	*122,204*
Resources deferred during the year	**105,319**	*102,540*
Amounts released from previous periods	**(102,540)**	*(122,204)*
Deferred income at 31 August 2021	**105,319**	*102,540*

Deferred income related to trips, infant free school meals and fundraising.

19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Salix loans	**22,962**	*29,014*

The Trust has three Salix loans included in other loans - all are interest free.

There is one Salix loan which commenced in March 2015 and has 5 payments of £248.88 left. Payments are due twice yearly.
The second Salix loan commenced in March 2018 and has 10 payments of £1,214.50 left. Payments are due twice yearly.
The third Salix loan commenced in September 2018 and has 10 payments of £1,562.50 left. Payments are due twice yearly.

20. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**62,310**	*50,248*
Financial assets measured at fair value through income and expenditure	**1,248,285**	*1,047,696*
	1,310,595	*1,097,944*

	2021 £	2020 £
Financial liabilities		
Other financial liabilities measured at amortised cost through income and expenditure	**289,010**	*160,816*

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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

21. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	542,535	251,487	(237,229)	-	-	556,793
Restricted general funds						
General Annual Grant (GAG)	294,864	5,181,399	(4,697,792)	(369,762)	-	408,709
Pupil Premium	-	340,337	(340,337)	-	-	-
SEN funding	-	246,540	(246,540)	-	-	-
Other grants and restricted funds	43,947	504,036	(547,983)	-	-	-
COVID Catch-up	-	105,000	(84,963)	-	-	20,037
PE funding	-	75,930	(69,055)	(6,875)	-	-
Pension reserve	(4,904,000)	-	(891,000)	379,000	(380,000)	(5,796,000)
	(4,565,189)	6,453,242	(6,877,670)	2,363	(380,000)	(5,367,254)
Restricted fixed asset funds						
Restricted Fixed Asset funds	14,923,659	22,138	(366,449)	89,696	-	14,669,044
Condition Improvement Fund (CIF)	56,560	-	-	(56,560)	-	-
Devolved Formula Capital (DFC)	12,727	30,693	-	(35,499)	-	7,921
	14,992,946	52,831	(366,449)	(2,363)	-	14,676,965
Total Restricted funds	10,427,757	6,506,073	(7,244,119)	-	(380,000)	9,309,711
Total funds	10,970,292	6,757,560	(7,481,348)	-	(380,000)	9,866,504

21. Statement of funds (continued)

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

The General Annual Grant restricted fund includes all restricted GAG income funding from the ESFA to cover the costs of recurrent expenditure.

Pupil Premium restricted fund represents funding received to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Special Educational Needs (SEN) represents allocated funding for special education needs pupils.

The pension reserve represents the deficit on the LGPS pension scheme.

The restricted fixed asset fund represents the cost or valuation of fixed assets held by the academy trust and any unspent capital grant funding. Additions acquired during the year will form part of this fund.

Devolved Formula Capital (DFC) is used to maintain and improve the Trust's buildings and facilities.

Condition Improvement Fund (CIF) represents grants received or receivable for building and capital projects and their associated costs.

During the year £2,363 was transfered from restricted fixed asset reserve to restricted funds. This is capital funding supporting revenue expenditure.

Unrestricted funds are those arising from unrestricted activities and can be applied for any purpose.

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

21. Statement of funds (continued)

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

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2020* £
Unrestricted funds						
General Funds - all funds	*447,028*	*256,809*	*(161,302)*	-	-	*542,535*
Restricted general funds						
General Annual Grant (GAG)	*468,862*	*4,922,290*	*(4,766,288)*	*(330,000)*	-	*294,864*
Pupil Premium	-	*333,689*	*(333,689)*	-	-	-
SEN funding	-	*178,313*	*(178,313)*	-	-	-
Other grants and restricted funds	-	*547,932*	*(491,820)*	*(12,165)*	-	*43,947*
Pension reserve	*(4,160,000)*	-	*(718,000)*	*330,000*	*(356,000)*	*(4,904,000)*
	(3,691,138)	*5,982,224*	*(6,488,110)*	*(12,165)*	*(356,000)*	*(4,565,189)*
Restricted fixed asset funds						
Restricted Fixed Asset funds	*15,198,001*	*4,579*	*(348,150)*	*69,229*	-	*14,923,659*
Condition Improvement Fund (CIF)	*39,092*	*47,272*	-	*(29,804)*	-	*56,560*
Devolved Formula Capital (DFC)	*9,261*	*30,726*	-	*(27,260)*	-	*12,727*
	15,246,354	*82,577*	*(348,150)*	*12,165*	-	*14,992,946*
Total Restricted funds	*11,555,216*	*6,064,801*	*(6,836,260)*	-	*(356,000)*	*10,427,757*
Total funds	*12,002,244*	*6,321,610*	*(6,997,562)*	-	*(356,000)*	*10,970,292*

21. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	*2020 £*
Fund balances at 31 August 2021 and 31 August 2020 were allocated as follows:		
Central fund	**983,177**	*881,346*
Restricted fixed asset fund	**14,676,965**	*14,992,946*
Pension reserve	**(5,796,000)**	*(4,904,000)*
Total	**9,864,142**	*10,970,292*

The Academy Trust maintains centrally retained reserves, therefore fund balances for each school at 31 August 2021 were zero and a breakdown by school is not included in these accounts. The Academy Trust believes this presentation better reflects what has historically been the case in how it operates. Reserves held individually for the Financial Statements at school level are seen to be available for all schools in the Trust and not belonging to any individual school.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	*Total 2020 £*
Cann Hall Primary School	1,518,048	198,672	105,321	175,675	**1,997,716**	*2,003,042*
John Ray Junior School	1,537,499	168,122	133,483	186,819	**2,025,923**	*1,938,556*
Notley Green Primary School	1,272,184	246,396	113,144	284,907	**1,916,631**	*1,696,099*
Shalford Primary School	322,076	63,283	24,311	120,388	**530,058**	*455,739*
Central fund	139,631	374,081	12,179	118,680	**644,571**	*555,976*
Trust	4,789,438	1,050,554	388,438	886,469	**7,114,899**	*6,649,412*

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	14,669,044	**14,669,044**
Current assets	556,793	902,582	7,921	**1,467,296**
Creditors due within one year	-	(450,874)	-	**(450,874)**
Creditors due in more than one year	-	(22,962)	-	**(22,962)**
Provisions for liabilities and charges	-	(5,796,000)	-	**(5,796,000)**
Total	556,793	(5,367,254)	14,676,965	**9,866,504**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Restricted fixed asset funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	-	-	*14,923,659*	*14,923,659*
Current assets	*542,535*	*678,135*	*69,287*	*1,289,957*
Creditors due within one year	-	*(310,310)*	-	*(310,310)*
Creditors due in more than one year	-	*(29,014)*	-	*(29,014)*
Provisions for liabilities and charges	-	*(4,904,000)*	-	*(4,904,000)*
Total	*542,535*	*(4,565,189)*	*14,992,946*	*10,970,292*

23. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	**(723,788)**	*(675,952)*
Adjustments for:		
Depreciation	**366,449**	*348,150*
Capital grants from DfE and other capital income	**(52,831)**	*(82,577)*
Interest receivable	**(149)**	*(713)*
Defined benefit pension scheme cost less contributions payable	**435,000**	*312,000*
Defined benefit pension scheme finance cost	**77,000**	*76,000*
Decrease in stocks	**268**	*1,969*
Decrease in debtors	**22,982**	*97,828*
Increase/(decrease) in creditors	**134,512**	*(265,152)*
Net cash provided by/(used in) operating activities	**259,443**	*(188,447)*

24. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	**149**	*713*
Purchase of tangible fixed assets	**(111,834)**	*(73,807)*
Capital grants from DfE Group and other capital funding	**52,831**	*82,577*
Net cash (used in)/provided by investing activities	**(58,854)**	*9,483*

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	**1,248,285**	*1,047,696*
Total cash and cash equivalents	**1,248,285**	*1,047,696*

26. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,047,696	200,589	1,248,285
Debt due within 1 year	(6,052)	-	(6,052)
Debt due after 1 year	(29,014)	6,052	(22,962)
	1,012,630	206,641	1,219,271

27. Capital commitments

	2021 £	*2020 £*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	*44,498*

At the previous year end the trust had committed to the purchase of IT equipment.

28. Pension commitments

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

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

Contributions amounting to £63,049 were payable to the schemes at 31 August 2021 *(2020 - £ -)* and are included within creditors.

Teachers' Pension Scheme

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

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

28. 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 £563,425 *(2020 - £549,399)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £472,000 *(2020 - £415,000)*, of which employer's contributions totalled £379,000 *(2020 - £330,000)* and employees' contributions totalled £ 93,000 *(2020 - £85,000)*. The agreed contribution rates for future years are 23.2-25.0 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.

28. Pension commitments (continued)

Principal actuarial assumptions

Essex Pension Fund

	2021 %	*2020 %*
Rate of increase in salaries	**3.89**	*3.25*
Rate of increase for pensions in payment/inflation	**2.89**	*2.25*
Discount rate for scheme liabilities	**1.65**	*1.61*
Inflation assumption (CPI)	**2.89**	*2.25*
Commutation of pensions to lump sums	**50**	*50*

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

	2021 Years	*2020 Years*
Retiring today		
Males	**21.6**	*21.8*
Females	**23.6**	*23.8*
Retiring in 20 years		
Males	**22.9**	*23.2*
Females	**25.1**	*25.2*

Sensitivity analysis

Essex Pension Fund

	2021 £000	*2020 £000*
Discount rate +0.1%	**(274)**	*(217)*
Discount rate -0.1%	**283**	*214*
Mortality assumption - 1 year increase	**(396)**	*(288)*
Mortality assumption - 1 year decrease	**412**	*298*
CPI rate +0.1%	**16**	*13*
CPI rate -0.1%	**(15)**	*(13)*

Share of scheme assets

28. Pension commitments (continued)

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

	2021 £	*2020* *£*
Equities	**3,023,000**	*2,124,000*
Gilts	**119,000**	*147,000*
Corporate bonds	**220,000**	*191,000*
Property	**329,000**	*267,000*
Cash and other liquid assets	**132,000**	*92,000*
Alternative assets	**525,000**	*398,000*
Other managed funds	**376,000**	*208,000*
Total market value of assets	**4,724,000**	*3,427,000*

The actual return on scheme assets was £841,000 *(2020 - £85,000).*

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

	2021 £	*2020* *£*
Current service cost	**(811,000)**	*(639,000)*
Interest income	**59,000**	*58,000*
Interest cost	**(136,000)**	*(134,000)*
Administrative expenses	**(3,000)**	*(3,000)*
Total amount recognised in the Statement of Financial Activities	**(891,000)**	*(718,000)*

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

	2021 £	*2020* *£*
At 1 September	**8,331,000**	*7,120,000*
Current service cost	**811,000**	*639,000*
Interest cost	**136,000**	*134,000*
Employee contributions	**93,000**	*85,000*
Actuarial losses	**1,162,000**	*476,000*
Benefits paid	**(13,000)**	*(123,000)*
At 31 August	**10,520,000**	*8,331,000*

28. Pension commitments (continued)

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

	2021 £	*2020* *£*
At 1 September	**3,427,000**	*2,960,000*
Interest income	**59,000**	*58,000*
Actuarial gains	**782,000**	*120,000*
Employer contributions	**379,000**	*330,000*
Employee contributions	**93,000**	*85,000*
Benefits paid	**(13,000)**	*(123,000)*
Administration expenses	**(3,000)**	*(3,000)*
At 31 August	**4,724,000**	*3,427,000*

29. Operating lease commitments

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

	2021 £	*2020* *£*
Not later than 1 year	**79,458**	*39,491*
Later than 1 year and not later than 5 years	**65,202**	*49,137*
	144,660	*88,628*

30. 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.

31. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the trust received income for services of £59,024 from Compass Academy Trust, of which Stuart Ellis was CEO.
At the year end, £9,184 was due from Compass Academy Trust.

During the year, M Ellis the wife of Stuart Ellis was employed by the trust in a part time administration post and was paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the SLT member.