



**ALTUS EDUCATION PARTNERSHIP  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
For the year to 31 August 2021**

Company Number: 10578239

## Contents

	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	4 - 10
Governance Statement	11 – 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 - 21
Independent Reporting Accountant's Report on Regularity	22 - 23
Statement of Financial Activities incorporating Income & Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements, incorporating Statement of Accounting Policies	27 - 31
Other Notes to the Financial Statements	32 - 44

## Reference and Administrative Details

<b>Members:</b>	Dame Pamela Coward Darren Randle Marcus Towse Sandra Bowness Deborah Ball (appointed 21 June 2021)
<b>Trustees:</b>	Dame Pamela Coward (retired as Chair/Trustee August 2021) Richard Bramwell (retired 3 February 2021) Deborah Ball (Chair – appointed 1 September 2021) Jo Wiggans (Vice Chair) Stephen Beckwith Kitsa Efthymiadis Susan Gettings (26 April 2021 moved to RSFC Local Governing Body (LGB)) Aleksandra Hartshorne (retired 26 April 2021) Jennifer Hulme Rodger Owen (retired 7 July 2021) Jock Rodger Richard Ronksley (Principal & CEO) Rupert Ward (26 April 2021 moved to RSFC Local Governing Body) Andrea Daubney (appointed 1 January 2021) Mary Blauciak (appointed 1 January 2021; 1 September 2021 moved to be Chair of RSFC Local Governing Body) John Smart (appointed 1 January 2021) Umar Khan (appointed 1 January 2021) Steven Peacock (appointed 1 January 2021)
<b>Company Secretary:</b>	Maria Jorysz
<b>Key management personnel:</b>	
CEO & Executive Principal of RSFC	Richard Ronksley
Chief Financial Officer	Maria Jorysz
Deputy Principal of RSFC	Heather Ellison
Headteacher of Edgar Wood Academy	Marcin Kojder (from 1 September 2021)
<b>Company Name:</b>	Altus Education Partnership
<b>Registered Office:</b>	c/o Rochdale Sixth Form College College Road, Rochdale OL12 6HY
<b>Independent Auditor:</b>	Crowe U.K. LLP The Lexicon, Mount Street, Manchester M2 5NT
<b>Bankers:</b>	Barclays Bank Level 1, 20 Chapel Street Liverpool L3 9AG
<b>Solicitors:</b>	Stone King LLP 1 Park Row Leeds LS1 5HN

## **Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. Altus Education Partnership commenced operations on 1 April 2017 when Rochdale Sixth Form College converted to academy status.

The Trust currently contains two academies:

- Rochdale Sixth Form College, for students aged 16 to 19 based in central Rochdale and serving the local area. Around 90% of students live or attend a school in the Rochdale local authority area, serving a catchment area in Rochdale. It has a current student body of 1931 and funding based on a lagged learner number calculated from the academic year 2020-21 of 1852. The admissions policy gives priority to the students within the catchment area, but to date all applicants have been offered a place if they meet the entry criteria of 5 GCSEs or equivalent at grade 9-4 across 4 separate subjects to include English language or mathematics.
- The Edgar Wood Academy is a free school opened by the Trust in September 2021. The school is currently in temporary accommodation at a site on the Middleton campus of Hopwood Hall College. The school will move to its permanent site near Bowlee Park in September 2022. There are 106 year 7 pupils studying at the school in the academic year 2021-22.

Kingsway Park High School will be joining the Trust early in 2022.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee, incorporated in England and Wales, and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Altus Education Partnership are also the directors of the charitable company for the purposes of company law. The charitable company is known as Altus Education Partnership.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

### **Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of its 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' indemnity provisions are described in note 10 to the financial statements.

### **Method of Recruitment and Appointment or Election of Trustees**

The number of Trustees of the company shall be not less than three in total. The categories of trustees are as follows:

- up to 12 appointed by members
- the Executive Principal/Chief Executive Officer (ex-officio, appointed by members)
- co-opted trustees (appointed by the Board).

## Trustees' Report (continued)

### Method of Recruitment and Appointment or Election of Trustees (continued)

The members appoint trustees by written resolution through recommendation by the Chair of the Trustees following a skills audit and gap analysis. If necessary, the Board will advertise and interview prospective trustees. Trustees with the appropriate skills and experience are sought out to ensure a good balance of knowledge and expertise on the Board.

Newly appointed trustees are invited to tour the academy and meet key staff with responsibilities for core functions. Strategic seminars take place twice a year where presentations from the Trust's management surrounding risk and opportunities are delivered. Trustees have the opportunity to review the Trust's strategic direction and review the risk appetite.

### Organisational Structure

The Trust Board agreed a new scheme of delegation in 2020; that scheme sets out the decision-making responsibilities of the members, Board of Trustees, the CEO, academy principals/headteachers and local governing bodies. Decisions affecting the principal or headteacher of an academy and the senior leaders of the trust are made in conjunction with the trust board, for example pay and remuneration, appointments and dismissals. The principal or headteacher of each academy is accountable for decisions affecting staff at the individual academy. The Executive Principal/CEO is the Chief Accounting Officer and the Chief Financial Officer is a specifically defined role.

### Arrangements for setting pay and remuneration of key management personnel

The scheme of delegation requires the trust board to approve pay recommendations for senior staff. Cost of living pay recommendations are benchmarked against the Sixth Form College Association's pay settlement recommendations for teachers and support staff.

### Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£4,000
Total pay bill	£6,689,000
Percentage of total pay bill spent on facility time	0.06%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	10%
---------------------------------------------------------------------------------------------	-----

## **Trustees' Report (continued)**

### **Related Parties and other Connected Charities and Organisations**

From 1 September 2020 to 31 August 2021, donations of £20 and purchases of £360 were made from Springhill Hospice and income of £600 was received from Kingsway Park High School.

A trustee of Altus Education Partnership is also a trustee of Springhill Hospice and the Chair of the Trust Board (to 31 August 2021) is a governor of Kingsway Park High School. In recognition of the potential conflict of interests, she left the respective board meetings when the matter of the transfer of Kingsway Park High School to Altus Education Partnership was discussed.

### **Objectives and Activities**

#### **Objects and Aims**

The objective of the trust is to create a family of academies enabling all students, regardless of background, to progress to an aspirational career, a fulfilling life and make a positive contribution to their local community. The trust will undertake the following.

#### **Provide students with a high quality of education in all of our academies by:**

- Delivering excellent teaching and learning across the MAT which results in our students achieving at the highest possible level; as a result they will be able to progress positively to the next stage of their local, national or international education, training or employment.
- Closing gaps in prior achievement between groups so that all students, regardless of their social characteristics or background, make excellent progress.
- Ensuring all of our academies offer our students a dynamic and 'joined-up' curriculum which promotes students' academic progress, emotional wellbeing, community involvement and the wider skills needed for later life, learning and employment.
- Committing ourselves to ensuring that all academies in the partnership are judged at least good by Ofsted.
- Developing transition pathways between the key stages so that students move smoothly through the different levels of their education.

#### **Recruit, retain and professionally develop our staff by:**

- Being an attractive employer for prospective high-quality staff.
- Working efficiently and collaboratively across the MAT with regard to curriculum, teaching, staffing, facilities, and resources.
- Supporting the health, wellbeing and professional development of all of our staff.
- Recognising and working with support and teaching staff unions.
- Sharing expertise and opportunities between our academies to benefit student learning and the development of staff at all levels.
- Striving to be one of the country's top 100 not-for-profit employers.

#### **Work in partnership to help transform communities, support local businesses and contribute to the wider regeneration of Rochdale by:**

- Being an anchor organisation for local communities where our academies are located.
- Making a major contribution towards the development of talent and skills in the local workforce.
- Supporting the local community and economy in our staffing and resourcing.
- Working collaboratively with partners outside the MAT, including the local authority, employers and other education providers at all levels (including other MATs).

## Trustees' Report (continued)

### Objectives and Activities (continued)

#### Objects and Aims (continued)

##### Create a financially viable and sustainable MAT by:

- Setting an efficient and effective staffing structure both for teaching and support services.
- Following rigorous financial procedures which ensure the delivery of value for money whilst also minimising risk.
- Distributing resources effectively and according to need so that we maximise the amount of money available for teaching, learning and assessment in our academies.
- Developing an efficient and effective estates strategy which supports the delivery of high-quality education across the trust.

##### Enhance the environmental sustainability of our academies by:

- Raising staff and students' awareness of the need to improve environmental sustainability.
- Minimising waste and improving energy conservation.
- Constructing buildings of excellent design that contribute to the regeneration of the borough and have a positive impact on the environment.
- Incorporating environmental considerations into all purchasing decisions.
- Having trust board oversight of environmental sustainability.

#### Public Benefit

In exercising its powers and duties the Trust Board has paid due regard to the published guidance from the Charity Commission on the operation of the public benefit requirement under the Charities Act 2006. The main public benefit delivered by the Trust was high quality A Level provision for 16-18 year old students in the Borough of Rochdale.

### Strategic Report

#### Financial Performance

Financial performance is monitored throughout the year through monthly management accounts and termly reports to the Trust Board. The financial performance of the College remains strong:

- actual expenditure did not exceed planned expenditure
- reserves are available to fund capital expenditure (IT replacement and building projects)
- financial forecasts are prepared to ensure the Trust remains a going concern.

#### Educational Performance

Performance Indicator	Target	Outturn
Pass Rate	99%	99.4%
Retention Rate	92%	94.5%
Achievement	93%	93.9%
Alps (quality indicator)	3	2
DfE Value Added Point Score	0.25	0.37
Attendance	95%	97.2%

## **Trustees' Report (continued)**

### **Strategic Report (continued)**

#### **Educational Performance (continued)**

Note: Pass, achievement, Alps, and DfE VA are all based on grades awarded under the system of teacher assessed grades introduced as a result of the pandemic.

The retention rate is the only entirely statistically nationally reliable indicator of institutional performance available in the academic year 2021-22 and is outstanding.

The college maintains the outstanding status it achieved in 2013.

In 2020/21 staff attendance was 96%. Average days lost due to illness was 1.5, which includes a number of long-term absences. The average number of days absence, excluding long-term sickness was 0.7, against a target of 2.5.

#### **Going Concern**

After making appropriate enquiries the Trust Board has a reasonable expectation that the Altus Education Trust has adequate resources to continue to operate in the foreseeable future and is able to adopt the going concern basis in preparing the financial statements. This assessment has been made through the consideration of student recruitment, lagged learner numbers, cash reserves in the bank and quality of provision, in addition to an assessment of external risks. These risks include the supply and quality of other 16-18 A Level provision with the ability to serve the Rochdale area.

#### **Financial Review**

The total incoming resources of the Trust for the year to 31 August 2021 were £10,336,000 (2020: £8,401,000). The majority of the Trust's income derives from central government funding via the Education and Skills Funding Agency (ESFA), in the form of recurrent grants. Total funding received for the Trust's educational operations in the period was £9,748,000 (2020: £8,183,000), with capital grants of £570,000 (2020: £185,000) and other income and investments amounting to £18,000 (2020: £33,000).

Total outgoing resources for the period were £9,192,000 (2020: £8,360,000), which related to the direct provision of educational operations. The net income on restricted and unrestricted general funds was £1,258,000, after deducting pension fund charges of £366,000 (2020: £585,000, after deducting pension fund charges of £303,000). The net expenditure on the fixed asset fund is £114,000 (2020: £544,000), giving a total net income of £1,144,000 (2020: £41,000).

Fixed asset additions during the period amounted to £238,000, comprising £59,000 for the completion of the fire protection works to external areas of the college; £41,000 of work-in-progress for phase 2 of the internal fire protection works; £61,000 of costs incurred on the commencement prior to 31 August 2021 of the roof replacement; £51,000 for the new finance and HR system; £19,000 for the development of new websites for the trust and its academies, and other minor additions of £6,000.

Altus Education Partnership held cash balances of £7,043,000 at 31 August 2021 (2020: £5,624,000).

At the year end the Trust's total reserves were £25,542,000 (2020: £25,056,000). The reserves comprise entirely restricted funds (in 2020 unrestricted funds were £1,000) of which £21,665,000 were restricted fixed asset funds (2020: £21,779,000).

At 31 August 2021 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Trust.



## **Trustees' Report (continued)**

### **Strategic Report (continued)**

#### **Covid-19**

The College building closed on 20 March 2020 in line with the government's lockdown requirements, but during this period a highly successful on-line teaching programme took place.

From 1 September 2020 a hybrid system of face-to-face and remote learning was implemented such that a maximum of 50% of students were in the building at any one time. During the subsequent full lockdown from January to March 2021, the full timetable of teaching continued through on-line delivery using Microsoft Teams. All students participated in full return to face-to-face teaching from March 2021.

During the year to 31 August 2021, extra measures were put in place to ensure the safety of students and staff. In addition to increased supplies of hygiene products and PPE, significant costs were incurred in deploying agency cleaning and security staff. However, significant operating cost savings were realised, which, together with exam board refunds, offset the increase expenditure.

Funding of £38,000 was received to defray the costs of mass testing. This is disclosed in note 3 to the accounts.

#### **Reserves Policy**

The Trustees review reserve levels of the Altus Education Partnership annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, future uncertainties in funding and costs, as well as the development of future strategy. Normally, free reserves are defined as unrestricted funds freely available to spend. However, given the nature of the academy's funding, it considers GAG to be akin to free reserves, as the Trust's focus is on educational activities. Therefore as at 31 August 2021, it considers free reserves to be £6,716,000.

Restricted reserves amount to £25,542,000 which include the fixed asset reserve of £21,665,000, the restricted income fund of £6,733,000 and the pension deficit of £2,856,000. The Trustees believe that the current level of reserves is in line with the Trust's policy to protect against future uncertainties highlighted in the risk register, to cover fluctuations and timing differences between cash receipts and payments, and to enable the future strategic objectives for the sixth form college and the expansion of the multi-academy trust to be delivered. The target level of income fund reserves is £9,000,000 to allow for capital developments.

#### **Investment Policy**

The Trust has adopted a low-risk strategy to investment. All surplus cash is held in accounts of major banking institutions, with a proportion being deposited in notice accounts to enhance the interest return. The Trustees approve any new accounts and deposits.

#### **Principal Risks and Uncertainties**

The Trust has a risk management policy framework in place, which is reviewed and approved by the Trust Board annually. The Audit and Risk Committee reviews the operation of the framework three times a year through the receipt of the risk register and risk management update. Significant risks and risks increasing in severity are individually reviewed and an evaluation of controls is presented to the Trust Board annually. This is to ensure that risks are not being under or over controlled and ultimately determines the risk appetite of the Trust.

## **Trustees' Report (continued)**

### **Strategic Report (continued)**

#### **Principal Risks and Uncertainties (continued)**

The principal risks identified for the Trust are as follows:

- embedding the trust's culture and strategic plan in all academies so that there is a common and productive understanding of core values, accountabilities, and autonomies
- failing to maintain and develop its high quality of education and standards of student achievement and outcomes across all member schools as the Trust grows
- failing to manage the potential changes around AGQ's and T-Levels and the impact this will have on RSFC curriculum and student intake.

Altus Education Partnership manages its financial risk through its risk management processes and the formulation of its reserves policy. The Trust holds no financial instruments in addition to bank balances, trade creditors and minimal debtors' balances.

#### **Fund raising**

The Trust is committed to the Fundraising Code of Practice upheld by the Fundraising Regulator.

The Trust does not make direct fundraising appeals. The students, on occasion, carry out fundraising activities to raise funds for charities. No complaints were received concerning The Trust's fundraising activities.

#### **Plans for Future Periods**

Through RSFC, the Altus Education Partnership will continue to provide high quality A Level and level 3 BTEC provision together with a relatively small GCSE English language and mathematics retake programme. Kingsway Park High School is highly likely to join the Trust by year end 2021. Any further decision to expand the trust will be made on the basis of local educational need and our capacity to deliver excellence.

#### **Funds Held as Custodian Trustee on Behalf of Others**

The Trust does not act as a custodian trustee for any other charities.

#### **Auditor**

Insofar as the trustees are aware:

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

The current auditors were appointed on 4 July 2018.

The Board of Trustees approved the trustees' report, incorporating a strategic report, as the company directors, on 15 December 2021.



**Deborah Ball**

Chair of Trustees

**15 December 2021**

## **Governance Statement**

### **Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Altus Education 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.

The Board of Trustees has delegated the day-to-day responsibility to the CEO & Executive Principal, 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 Altus Education 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. The Trust has appointed RSM as internal auditor to assist in this duty with a breadth of programme able to offer a full assurance.

### **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 six times during the year. The board has made productive use of a committee structure to assist with the achievement of its responsibilities. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dame Pamela Coward (Chair)	5	6
Deborah Ball	3	4
Stephen Beckwith	6	6
Richard Bramwell	1	2
Kitsa Efthymiadis	5	6
Jock Rodger	6	6
Rodger Owen	6	6
Jo Wiggans (Vice Chair)	6	6
Susan Gettings	3	3
Rupert Ward	3	3
Aleks Hartshorne	2	3
Jennifer Hulme	4	6
Steven Peacock	4	4
Mary Blauciak	4	4
John Smart	3	4
Umar Khan	4	4
Andrea Daubney	4	4
Richard Ronksley (CEO/Principal and Accounting Officer)	6	6

### **Governance Reviews**

Regular skills audits are undertaken to identify the skills set of trustees which informs the recruitment needs. The Trust has strengthened the governance through the new trustee appointments over the past 12 months. Governance will continue to be reviewed annually to ensure that the arrangements meet the changing needs of the Trust. Governor and trustee appraisals will be held on an annual basis to review effectiveness across the boards.

## **Governance Statement (continued)**

### **The Finance and Resources Committee**

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

1. consider and advise the Board on any matter relating to Trust policy within the Committee's remit, including but not limited to:
  - financial matters including investment and borrowing
  - risk management
  - land, buildings and estates
  - human resources
  - health & safety
2. monitor established Trust policies and to recommend changes thereto as necessary
3. recommend the annual estimates of income and expenditure for approval by the Board
4. consider, at each meeting, a monitoring report on progress in implementing the Risk Management Plan
5. monitor the deployment of non-financial resources, including personnel and property, with a view to advising the Board on the effectiveness of the use of such resources
6. advise the Board on any course of action regarding the Trust in any respect or, in urgent circumstances, to consider and determine such action, subject to the action being reported to the next meeting of the Board
7. deal with any matters specifically referred by the Board or by the CEO.

Attendance at meetings during the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Deborah Ball	1	1
Stephen Beckwith	5	5
Rodger Owen	5	5
Rupert Ward	3	3
John Smart	3	3
Umar Khan	3	3
Jennifer Hulme	5	5
Richard Ronksley	5	5

### **The Audit and Risk Committee**

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

1. advise the Board of Trustees on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness
2. advise the Board on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the internal audit service (IAS)
3. advise the Board on the scope and objectives of the work of the IAS, the financial statements auditor
4. ensure effective coordination between the IAS and the financial statements auditor

## Governance Statement (continued)

### The Audit and Risk Committee (continued)

5. consider and advise the Board on the financial statements/external audit strategy and annual internal audit plans for the IAS
6. advise the Board on internal audit assignment reports and annual reports and on control issues included in the management letters of the external auditor and management's responses to these
7. monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the financial statements and regularity auditor's management letters
8. establish, in conjunction with Trust management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate
9. produce an annual report for the Board of Trustees and Accounting Officer, which should include the Committee's advice on the effectiveness of the Trust's risk management, control and governance processes, and any significant matters arising from the work of the IAS and the financial statements auditor. This report will inform the Board of Trustees and the Accounting Officer when considering the Annual Statement of Internal Control
10. ensure that all allegations of fraud and irregularity are properly followed up
11. be informed of all additional services undertaken by the IAS and the financial statements auditors.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jock Rodger	3	3
Kitsa Efthymiadis	3	3
Susan Gettings	1	1
Jo Wiggans	1	1
Steven Peacock	2	2
Mary Blauciak	2	2

### Review of Value for Money

As accounting officer, the Executive Principal & CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

## **Governance Statement (continued)**

### **Review of Value for Money (continued)**

- systematically reviewing its staffing to ensure that it continues to deliver outstanding outcomes for A-Level students in the Rochdale Borough
- implementing robust financial systems and procedures for procurement to ensure purchasing efficiencies are realised.

### **The Purpose of the System of Internal Control**

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

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Resources 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
- financial regulations and procedures
- delegation of authority and segregation of duties
- identification and management of risks
- fraud risk assessment and a fraud response plan.

## **Governance Statement (continued)**

### **The Risk and Control Framework (continued)**

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint RSM UK Audit LLP as internal auditor.

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

- reviewing the risk management framework
- reviewing the system for budgetary control
- testing the IT cyber security measures
- reviewing the employee performance management processes.

On a termly basis, reports are presented to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor delivered the schedule of work as planned. No material control issues were identified as a result of the internal auditor's work and a report was submitted to the Audit and Risk Committee giving the trust board full assurance on the internal control framework.

### **Review of Effectiveness**

As accounting officer the Principal & CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

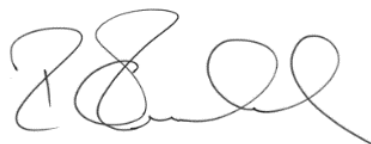
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of the review of the system of internal control by the audit and risk committee. No significant weaknesses were identified and any recommendations have been addressed within the year.

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



**Deborah Ball**  
Chair of Trustees




**Richard Ronksley**  
Accounting Officer

## **Statement of Regularity, Propriety and Compliance**

As accounting officer of Altus Education Partnership I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.

A handwritten signature in black ink, appearing to read 'R Ronksley', with a stylized flourish at the end.

**Richard Ronksley**

Accounting Officer

**15 December 2021**



## **Statement of Trustees' Responsibility**

The trustees (who act as governors of Altus Education Partnership and 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 Annual 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 in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



**Deborah Ball**

Chair of Trustees

## **Independent Auditor's Report to the Members of Altus Education Partnership**

### **Opinion**

We have audited the financial statements of Altus Education Partnership (the 'academy') 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 academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

## **Independent Auditor's Report to the Members of Altus Education Partnership (continued)**

### **Other information**

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

We have nothing to report in this regard.

### **Opinion on other matter 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 academy 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.

### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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.

## **Independent Auditor's Report to the Members of Altus Education Partnership (continued)**

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

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company/group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company/group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company/group for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and

## Independent Auditor's Report to the Members of Altus Education Partnership (continued)

transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### Use of our report

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



Michael Jayson

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

The Lexicon  
Mount Street  
Manchester  
M2 5NT

15 December 2021

## **Independent Reporting Accountant's Assurance Report on Regularity to Altus Education Partnership and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 25 June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Altus Education Partnership during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

### **Respective responsibilities of Altus Education Partnership's accounting officer and the reporting accountant**

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

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

**Independent Reporting Accountant's Assurance Report on Regularity to Altus Education Partnership and the Education and Skills Funding Agency (cont'd)**

**Conclusion**

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

*Crowe U.K. LLP.*

**Crowe U.K. LLP**

Statutory Auditor

The Lexicon  
Mount Street  
Manchester  
M2 5NT

15 December 2021

**Statement of Financial Activities for the year ended 31 August 2021  
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	570	<b>570</b>	185
Charitable activities:						
Funding for the academy trust's educational operations	3	101	9,647	-	<b>9,748</b>	8,183
Other trading activities	4	10	-	-	<b>10</b>	10
Investments	5	8	-	-	<b>8</b>	23
<b>Total</b>		<b>119</b>	<b>9,647</b>	<b>570</b>	<b>10,336</b>	<b>8,401</b>
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust educational operations	6, 7	120	8,388	684	<b>9,192</b>	8,360
<b>Total</b>		<b>120</b>	<b>8,388</b>	<b>684</b>	<b>9,192</b>	<b>8,360</b>
<b>Net income / (expenditure)</b>		<b>(1)</b>	<b>1,259</b>	<b>(114)</b>	<b>1,144</b>	<b>41</b>
<b>Transfers between funds</b>	15	-	-	-	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(658)	-	<b>(658)</b>	(239)
<b>Net movement in funds</b>		<b>(1)</b>	<b>601</b>	<b>(114)</b>	<b>486</b>	<b>(198)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1	3,276	21,779	<b>25,056</b>	25,254
<b>Total funds carried forward</b>		<b>0</b>	<b>3,877</b>	<b>21,665</b>	<b>25,542</b>	<b>25,056</b>



**Balance Sheet as at 31 August 2021**

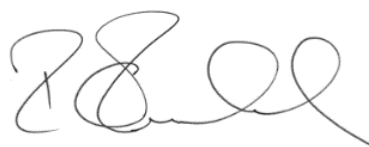
**Company Number: 10578239**

	Note	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Tangible assets	11		<b>21,333</b>		21,779
<b>Current assets</b>					
Stock	12	<b>7</b>		2	
Debtors	13	<b>685</b>		368	
Cash at bank and in hand		<b>7,043</b>		5,624	
		<b>7,735</b>		5,994	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<b>(670)</b>		(885)	
<b>Net current assets</b>			<b>7,065</b>		5,109
<b>Total assets less current liabilities</b>			<b>28,398</b>		26,888
Creditors: Amounts falling due after more than one year			-		-
<b>Net assets excluding pension liability</b>			<b>28,398</b>		26,888
Defined benefit pension scheme liability	24		<b>(2,856)</b>		(1,832)
<b>Total net assets</b>			<b>25,542</b>		25,056
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	<b>21,665</b>		21,779	
Restricted income fund	15	<b>6,733</b>		5,108	
Pension reserve	15	<b>(2,856)</b>		(1,832)	
<b>Total restricted funds</b>			<b>25,542</b>		25,055
<b>Unrestricted income funds</b>	15		-		1
<b>Total funds</b>			<b>25,542</b>		25,056

The financial statements on pages 24 to 44 were approved by the trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:



**Deborah Ball**  
Chair of Trustees



**Richard Ronksley**  
Accounting Officer

**Statement of Cash Flows for the year ended 31 August 2021**

	Notes	<b>2020/21</b> <b>£000</b>	2019/20 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<b>1,079</b>	949
<b>Cash flows from investing activities</b>	19	<b>340</b>	(292)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,419</b>	657
<b>Cash and cash equivalents at 1 September 2020</b>		5,624	4,967
<b>Cash and cash equivalents at 31 August 2021</b>	20	<b>7,043</b>	5,624

## Notes to the Financial Statements for the year ended 31 August 2021

### 1 Statement of accounting policies

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

#### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Altus Education Partnership meets the definition of a public benefit entity under FRS102.

#### Going Concern

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

#### Income

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

- **Grants**

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

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

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

## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 1 Statement of accounting policies (continued)

- **Donations**

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

- **Other Income**

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

#### **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

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

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

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:

## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 1 Statement of accounting policies (continued)

#### Tangible Fixed Assets (continued)

• Freehold buildings	50 years
• Building improvements	15 years
• Technical equipment	15 years
• Fixtures, fittings and equipment	10 years
• Computer hardware	4 years

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

A review for impairment of a fixed 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.

#### Liabilities

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

#### Provisions

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

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

#### Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 1 Statement of accounting policies (continued)

#### Stock

Catering stock is valued at the lower of cost or net realisable value.

#### Taxation

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

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

#### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 1 Statement of accounting policies (continued)

#### Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Skills Funding Agency.

#### Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and but none has been recognised in the statement of financial activities in 2020/21. The funds received and paid, and any balances held are disclosed in note 24.

#### Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions surrounding the valuation of the local government pension scheme is the sole example for Altus Education Partnership that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Capital grants	-	570	570	185
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		570	570	185

All 2019/20 income related to restricted funds.

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	8,764	8,764	7,450
Project development grant	-	270	270	30
Academy conversion grant	-	25	25	-
Other DfE/ESFA grants	-	526	526	498
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		9,585	9,585	7,978
<b>Other Government grants</b>				
Local authority grants		23	23	17
Other income from the academy trust's educational operations	101	1	102	188
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Other DfE/ESFA COVID-19 funding	-	38	38	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	101	9,647	9,748	8,183

Within the comparative figure of £188k, £151k related to unrestricted and £37k to restricted funds. All other 2019/20 items in the table above relate to restricted funds.

The other DfE/ESFA grants include the Teachers' Pay Grant of £127,000 (2020: £117,000) and the Teachers' Pension Grant of £357,000 (2020: £325,000).

The Trust received £38,000 of funding for the Covid-19 mass testing programme which financed the costs of agency staff who assisted in the management of the process. All of this funding was spent in the 2020/21.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, Trust's funding for the project development grant is separately classified. The prior year numbers have been reclassified.



Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Hire of facilities	10	-	10	10
	<u>10</u>	<u>-</u>	<u>10</u>	<u>10</u>

All income from other trading activities was unrestricted in 2019/20.

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Short-term deposits	8	-	8	23
	<u>8</u>	<u>-</u>	<u>8</u>	<u>23</u>

All investment income in 2019/20 was unrestricted.

6 Expenditure

	Non-Pay Costs			Total 2020/21 £000	Non-Pay Costs			Total 2019/20 £000
	Staff Costs £000	Prem- ises £000	Other £000		Staff Costs £000	Prem- ises £000	Other £000	
Academy's educational operations:								
Direct costs	4,501	501	567	5,569	4,071	537	696	5,304
Allocated support costs	2,382	374	867	3,623	1,960	374	722	3,056
	<u>6,883</u>	<u>875</u>	<u>1,434</u>	<u>9,192</u>	<u>6,031</u>	<u>911</u>	<u>1,418</u>	<u>8,360</u>

Net income/(expenditure) for the period includes:

	2020/21 £000	2019/20 £000
Depreciation	684	728
Fees payable to auditor for:		
- audit	8	8
- other services	2	2

Included within expenditure were no other transactions requiring disclosure.

Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

7 Charitable activities

	2020/21	2019/20
	£000	£000
Direct costs – educational operations	5,569	5,304
Support costs – educational operations	3,623	3,056
	<u>9,192</u>	<u>8,360</u>

Analysis of support costs	Educational operations	Total	
		2020/21	2019/20
	£000	£000	£000
Support staff costs	2,382	2,382	1,960
Depreciation	88	88	92
Technology costs	174	174	152
Premises costs	318	318	314
Legal costs - conversion	22	22	-
Legal costs - other	22	22	13
Other support costs	454	454	413
Governance costs	163	163	112
<b>Total support costs</b>	<u>3,623</u>	<u>3,623</u>	<u>3,056</u>

All the expenditure for 2019/20 related to educational operations.

8 Staff

a. Staff costs

Staff costs during the period were:

	Total	Total
	2020/21	2019/20
	£000	£000
Wages and salaries	4,859	4,307
Social security costs	496	438
Operating costs of defined benefit pension schemes	1,002	878
LGPS charges	332	276
	<u>6,689</u>	<u>5,899</u>
Agency staff costs	166	106
Staff restructuring costs	28	26
	<u>6,883</u>	<u>6,031</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £6,102 made on 12 May 2021 and £21,605 made on 13 September 2021.

**Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)**

**8 Staff (continued)**

**c. Staff numbers**

The average number of persons employed by the academy during the period was as follows:

	2021	2021	2020	2020
	No.	FTE	No.	FTE
Teachers	85	82	79	76
Administration and support	59	45	50	38
Management	7	7	8	7
	<u>151</u>	<u>134</u>	<u>137</u>	<u>121</u>

**d. Higher paid staff**

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

	2020/21	2019/20
	No.	No.
£30,001 - £40,000	-	1
£50,001 - £60,000	-	1
£60,001 - £70,000	1	-
£70,001 - £80,000	-	2
£80,001 - £90,000	3	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	-

In 2019/20 the £30,001 - £40,000 band relates to an employee who joined the trust during the course of the year and whose equivalent annual salary was in the £70,001 - £80,000 band; the £50,001 - £60,000 band relates to an employee who was on maternity leave during part of the year and whose equivalent annual salary was in the £70,001 - £80,000 band.

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £500,130 (2020: £452,204).

**9 Related Party Transactions – Trustees’ remuneration and expenses**

The trustees have not been paid remuneration or other benefits from an employment with the academy trust. The principal only receives remuneration and expenses in respect of services he provides undertaking the role of principal under his contract of employment.

The value of the trustees’ remuneration, other benefits and expenses was as follows:

Richard Ronksley (principal/CEO and trustee: appointed 1 June 2018)

Remuneration: £120,001 - £130,000 (2020: £100,001 - £110,000)

Employer’s pension contributions paid: £20,001 - £30,000 (2020: £20,001 - £30,000)

Expenses: £88

**Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)**

**10 Trustees and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2021 was £825 (2020: £647). The cost of this insurance is included in the total insurance cost.

**11 Tangible fixed assets**

	Freehold land and buildings £000	Improvements to land and buildings £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	<b>Total £000</b>
<b>Cost</b>						
At 1 September 2020	25,016	695	1,621	1,247	184	<b>28,763</b>
Additions	-	59	6	71	102	<b>238</b>
Transfers	184	-	-	-	(184)	-
At 31 August 2021	<b>25,200</b>	<b>754</b>	<b>1,627</b>	<b>1,318</b>	<b>102</b>	<b>29,001</b>
<b>Depreciation</b>						
At 1 September 2020	4,563	54	1,363	1,004	-	<b>6,984</b>
Charged in year	488	62	31	103	-	<b>684</b>
At 31 August 2021	<b>5,051</b>	<b>116</b>	<b>1,394</b>	<b>1,107</b>	-	<b>7,668</b>
<b>Net book values</b>						
At 1 September 2020	20,453	641	258	243	184	21,779
At 31 August 2021	<b>20,149</b>	<b>638</b>	<b>233</b>	<b>211</b>	<b>102</b>	<b>21,333</b>

**12 Stock**

	<b>2021 £000</b>	2020 £000
Catering	<b>4</b>	2
Stationery	<b>3</b>	-
	<b>7</b>	2

**13 Debtors**

	<b>2021 £000</b>	2020 £000
Trade debtors	<b>2</b>	-
VAT recoverable	<b>34</b>	<b>102</b>
Other debtors	<b>46</b>	<b>31</b>
Prepayments and accrued income	<b>603</b>	<b>234</b>
	<b>685</b>	<b>368</b>

**Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)**

**14 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	112	362
Other taxation and social security	128	118
Other creditors	226	253
Accruals and deferred income	204	152
	<u>670</u>	<u>885</u>
	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2020	-	14
Released from previous years	-	(14)
Deferred income at 31 August 2021	<u>-</u>	<u>-</u>

**15 Funds**

	<b>Balance at</b>			<b>Gains,</b>	<b>Balance at</b>
	<b>1 September</b>	<b>Income</b>	<b>Expenditure</b>	<b>losses and</b>	<b>31 August</b>
	<b>2020</b>	<b>£000</b>	<b>£000</b>	<b>transfers</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	5,105	8,764	(7,153)	-	6,716
Project development grant	3	270	(259)	-	14
Academy conversion grant	-	25	(22)	-	3
Other DfE/ESFA grants	-	526	(526)	-	-
DfE/ESFA COVID-19 funding	-	38	(38)	-	-
Other income	-	24	(24)	-	-
Pension reserve	(1,832)	-	(366)	(658)	(2,856)
	<u>3,276</u>	<u>9,647</u>	<u>(8,388)</u>	<u>(658)</u>	<u>3,877</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	19,384	-	(546)	-	18,838
DfE/ESFA capital grants	330	570	(30)	-	870
Capital expenditure from GAG	2,065	-	(108)	-	1,957
	<u>21,779</u>	<u>570</u>	<u>(684)</u>	<u>-</u>	<u>21,665</u>
<b>Total restricted funds</b>	<u>25,055</u>	<u>10,217</u>	<u>(9,072)</u>	<u>(658)</u>	<u>25,542</u>
<b>Total unrestricted funds</b>	<u>1</u>	<u>119</u>	<u>(120)</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u>25,056</u>	<u>10,336</u>	<u>(9,192)</u>	<u>(658)</u>	<u>25,542</u>

The specific purposes for which the funds are to be applied are as detailed below.

General Annual Grant must be used for the normal running of the academy trust.

The project development grant is for the set up of the free school, Edgar Wood Academy.

The academy conversion grant relates to the conversion of Kingsway Park High School, prior to its transfer to the Trust.

## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 15 Funds (continued)

Other DfE/ESFA grants represent the rates reclaim, the teachers' pay grant and basic maths premium pilot funding. These are represented by direct expenditure.

The DfE/ESFA COVID-19 funding relates to the mass testing programme against which agency staff expenditure was incurred.

Other income comprises sources of revenue derived from restricted funds.

Restricted fixed asset funds comprise the assets recognised on conversion from the sixth form corporation to the academy trust, the devolved formula capital grant and the transfer from GAG to finance capital expenditure. Resources expended from these funds represent annual depreciation charges.

The unrestricted reserves comprise the catering receipts offset by direct catering costs, trading income and investment income.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021. The restricted reserves carried forward will be utilised in accordance with the academy trust's reserves policy.

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

	Balance at 1 September			Gains, losses and transfers	Balance at 31 August
	2019 £000	Income £000	Expenditure £000	£000	2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	4,506	7,450	(6,536)	(315)	5,105
Project development grant		30	(27)		3
Other DfE/ESFA grants	-	498	(498)	-	-
Other income	-	54	(54)	-	-
Pension reserve	(1,290)	-	(303)	(239)	(1,832)
	<u>3,216</u>	<u>8,032</u>	<u>(7,418)</u>	<u>(554)</u>	<u>3,276</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	19,943	-	(559)	-	19,384
DfE/ESFA capital grants	175	185	(30)	-	330
Capital expenditure from GAG	1,890	-	(140)	315	2,065
	<u>22,008</u>	<u>185</u>	<u>(729)</u>	<u>315</u>	<u>21,779</u>
<b>Total restricted funds</b>	<u>25,224</u>	<u>8,217</u>	<u>(8,147)</u>	<u>(239)</u>	<u>25,055</u>
<b>Total unrestricted funds</b>	<u>30</u>	<u>184</u>	<u>(213)</u>	<u>-</u>	<u>1</u>
<b>Total funds</b>	<u>25,254</u>	<u>8,401</u>	<u>(8,360)</u>	<u>(239)</u>	<u>25,056</u>

### Total funds and cost analysis by academy

During the year to 31 August 2021 there was only one operating academy: Rochdale Sixth Form College. Project development costs were incurred for the set-up of the Edgar Wood Academy which opened on 1 September 2021 which have been disclosed in the table at the top of this note.

**Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)**

**16 Analysis of net assets between funds**

Fund balances at 31 August 2020 are represented by:

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total Funds £000</b>
Tangible fixed assets	-	-	21,333	<b>21,333</b>
Current assets	-	7,403	332	<b>7,735</b>
Current liabilities	-	(670)	-	<b>(670)</b>
Pension scheme liability	-	(2,856)	-	<b>(2,856)</b>
<b>Total net assets</b>	<b>-</b>	<b>3,877</b>	<b>21,665</b>	<b>25,542</b>

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

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total Funds £000</b>
Tangible fixed assets	-	-	21,779	<b>21,779</b>
Current assets	1	5,993	-	<b>5,994</b>
Current liabilities	-	(885)	-	<b>(885)</b>
Pension scheme liability	-	(1,832)	-	<b>(1,832)</b>
<b>Total net assets</b>	<b>1</b>	<b>3,276</b>	<b>21,779</b>	<b>25,056</b>

**17 Capital commitments**

	<b>2021 £000</b>	<b>2020 £000</b>
Contracted for, but not provided in the financial statements	<b>575</b>	<b>77</b>

Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020/21 £000	2019/20 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,144	41
Adjusted for:		
Depreciation	684	728
Capital grants from DfE and other capital income	(570)	(185)
Loss on disposal of fixed assets	-	1
Interest receivable	(8)	(23)
Defined benefit pension scheme cost less contributions payable (note 24)	332	276
Defined benefit pension scheme finance cost (note 24)	34	27
Increase in stock	(5)	(2)
(Increase)/decrease in debtors	(317)	(170)
Increase/(decrease) in creditors	(215)	256
<b>Net cash provided by operating activities</b>	<b>1,079</b>	<b>949</b>

19 Cash flows from investing activities

	2020/21 £000	2019/20 £000
Dividends, interest and rents from investments	8	23
Purchase of tangible fixed assets	(238)	(500)
Capital grants from DfE/ESFA	570	185
<b>Net cash generated/(used) in investing activities</b>	<b>340</b>	<b>(292)</b>

20 Analysis of cash and cash equivalents

	At 31 August 2021 £000	At 31 August 2020 £000
Cash in hand and at bank	2,121	710
Notice deposits (less than 3 months)	4,922	4,914
<b>Total cash and cash equivalents</b>	<b>7,043</b>	<b>5,264</b>

21 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Acquisition/ disposal of subsidiaries £000	New finance leases £000	Other non- cash changes £000	At 31 August 2021 £000
Cash	5,624	1,419	-	-	-	7,043
<b>Total</b>	<b>5,624</b>	<b>1,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,043</b>



## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 22 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.

### 23 Connected parties

One of the trustees of the Trust is also a trustee of the Springhill Hospice in Rochdale which has been supported by the College during the year.

The Chair of the Trust Board is a governor of Kingsway Park School which is one of the Trust's partner schools and is in the advanced stages of potentially joining the Trust.

### 24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Greater Manchester Pension Fund. 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 £121,000 were payable to the schemes at 31 August 2021 (2020: £112,000) and are included within creditors.

#### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £831,000 (2020: £722,000) and at the year-end £100,000 (2020 - £94,000) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

## **Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)**

### **24 Pension and similar obligations (continued)**

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

#### **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 £206,000 (2020: £206,000), of which employer's contributions totalled £172,000 (2020: £146,000) and employees' contributions totalled £72,000 (2020: £60,000). The agreed contribution rates for future years are 15.4% for employers and bands from 5.5% to 9.4% for employees dependent on salary. There are also employees in a 50/50 pension scheme where their contribution is set at 2.75%.

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.

Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

24 Pension and similar obligations (continued)

Principal actuarial assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.65%	3.0%
Rate of increase for pensions in payment/inflation	2.9%	2.2%
Discount rate for scheme liabilities	1.65%	1.7%
Inflation assumption (CPI)	2.9%	2.2%
Commutation of pensions to lump sums pre April 2008 service	55%	55%
Commutation of pensions to lump sums post April 2008 service	60%	60%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	20.5 years	20.5 years
Females	23.3 years	23.1 years
<i>Retiring in 20 years</i>		
Males	21.9 years	22.0 years
Females	25.3 years	25.0 years

Sensitivity analysis

Change in assumptions at 31 August 2020	Approximate % increase to defined benefit obligation	Approximate monetary amount (£000)
0.5% decrease in real discount rate	15%	945
0.5% increase in the salary increase rate	0%	30
0.5% increase in the pension increase rate (CPI)	15%	900

The academy trust's share of the assets in the scheme were:

	2021 £000	2020 £000
Equity instruments	2,577	1,930
Bonds	544	454
Property	254	199
Cash	254	255
<b>Total market value of assets</b>	<b>3,629</b>	<b>2,838</b>

The actual return on scheme assets was £50,000 (2020: £52,000)

## Notes to the Financial Statements for the year ended 31 August 2021 (cont'd)

### 24 Pension and similar obligations (continued)

#### Amount recognised in the statement of financial activities

	2020/21	2019/20
	£000	£000
Current service cost (net of employee contributions)	(332)	(276)
Past service cost	-	-
Interest income	50	56
Interest cost	(84)	(83)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement		
Admin expenses		
Total amount recognised in the SOFA	(366)	(303)

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

	2020/21	2019/20
	£000	£000
<b>At 1 September</b>	<b>4,670</b>	4,135
Current service cost	504	422
Interest cost	84	83
Employee contributions	72	60
Actuarial loss	1,190	1
Benefits paid	(35)	(31)
Past service cost	-	-
<b>At 31 August</b>	<b>6,485</b>	4,670

#### Changes in the fair value of academy's share of scheme assets:

	2020/21	2019/20
	£000	£000
<b>At 1 September</b>	<b>2,838</b>	2,845
Interest income	50	56
Actuarial gain/(loss)	532	(238)
Employer contributions	172	146
Employee contributions	72	60
Benefits paid	(35)	(31)
<b>At 31 August</b>	<b>3,629</b>	2,838

### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £338,314 and disbursed £375,699 from the fund. An amount of £136,951 of undistributed funds was brought forward from the prior year, leaving an amount of £99,566 which is included in other creditors relating to undistributed funds that will be disbursed in the following year.

### 26 Events after the end of the reporting period

The Edgar Wood Academy successfully opened in temporary accommodation on 1 September 2021.