Company Registration No. 10473528 (England and Wales)

MOSAIC ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

THURSDAY

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MOSAIC ACADEMY TRUST

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MOSAIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	Mr A P Hardy
	Mr P Leadbetter
	Mr M Houghton
	Mr C M Davis
	Mr P Ogden
Trustees	Mr A P Hardy (Chair)
	Mr S M Jones (Vice Chair)
	Mr A Pollard (Accounting Officer)
	Mr M T Humphreys
	Ms R Fairhurst
	Ms A Patel
	Ms P Jones
	Dr M Lawty-Jones
	Mrs E M Kelly (Resigned 8 April 2021)
	Ms A Burgess
	Ms A Isherwood (Resigned 23 September 2020)
	Ms A Halliwell (Appointed 8 October 2020)
	Mr W S Pearson (Appointed 14 July 2021)
Senior management team	
- Chief Executive Officer	Mr A Pollard
- Chief Finance Officer	Mrs N Law (Appointed 5 October 2020)
- Headteacher (Standish)	Mrs L Barker
- Senior Deputy Headteacher (Standish)	Mr J Miller
- Deputy Headteacher (Standish)	Mr S Peters
- Director of Quality Assurance (Trust & Standish)	Mr M Heron
- Assistant Headteacher (Standish)	Mr G Billington
- Assistant Headteacher (Trust & Standish)	Mr P Blakemore
- Assistant Headteacher (Standish)	Mrs M Collier
- Assistant Headteacher (Trust & Standish)	Mrs J Roberts
- Assistant Headteacher (Standish)	Mr N Walker
- Headteacher (Southlands)	Miss K Millar (Resigned 31 August 2021) Mr P Bousefield (Interim Headteacher from 1 September 2021)
- Deputy Headteacher (Southlands)	Mrs C Rimmer (Sabbatical 1 August 2020 for one year, Resigned 31 August 2021)
- Deputy Headteacher (Southlands)	Mr N Riley
- Deputy Headteacher (Southlands)	Mrs D Woods (Resigned 31 October 2021)
- Assistant Headteacher (Southlands)	Mr N White
- Assistant Headteacher (Southlands)	Mrs L Turner
- Headteacher (Golborne)	Mr A Hunt
- Deputy Headteacher (Golborne)	Mrs R Baxter
- Assistant Headteacher (Golborne)	Miss C Oddie
- Assistant Headteacher (Golborne)	Mrs S Taylor (Resigned 31 August 2021)
- Assistant Headteacher (Golborne)	Mrs A Gomes
Company secretary	Mrs N Law
Company registration number	10473528 (England and Wales)

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and registered office	Standish Community High School Kenyon Road Standish Wigan WN6 0NX	
Academies operated	**Location**	**Chief Executive Officer**
Standish Community High School	Wigan	Mrs L Barker
Southlands High School	*Chorley*	Miss K Millar (resigned 31 August 2021)
Golborne Community Primary School	Wigan	Mr A Hunt
Independent auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	
Solicitors	Eversheds LLP 70 Great Bridgewater Street Manchester M1 5ES	

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 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.

The Trust was incorporated on 10 November 2016 and operates 3 academy schools, Standish Community High School, Southlands High School for pupils aged 11 – 16 and Golborne CPS for pupils aged 4-11. The two high schools joined the Trust as part of incorporation on 13th December 2017. Golborne Community Primary School joined the Trust in July 2019.

Standish Community High School serves a catchment area in Wigan. It has a pupil capacity of 1300 (by the academic year 2020/21) and had a roll of 1288 in the school census on October 2020. Southlands High School serves students in Chorley. It has a pupil capacity of 1100 and had a roll of 906 in the school census on October 2020. Golborne Community Primary School has a capacity of 331 (including the nursery), and a capacity of 315 (excluding the nursery) and a roll of 301 (including the nursery) in the October 2020 census.

Structure, governance and management

Constitution

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

The charitable company is known as Mosaic Academy Trust.

The Trustees of Mosaic Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Trust has taken out insurance. However this is under the Risk Protection Arrangement (RPA) from the ESFA. The Trust has been advised that this insurance provides unlimited cover for directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance cost relating to the Trustees is not separately identifiable and is included within the total cost for the RPA.

Method of recruitment and appointment or election of Trustees

Under Article 46 of the Memorandum and Articles the Members appoint seven Trustees to the Board, and when any of these become vacant the Members seek suitable new Trustees who have the skills required to serve on the Board. In addition to these seven appointed Trustees, the Chief Executive Officer is a Trustee, and there are up to five other Trustees who are co-opted by the Board. There are elected parent Governors on each of the local governing bodies for schools within the Trust, so there is no requirement to have elected parent Trustees on the Board.

Where co-opted Trustee positions become vacant the Board seeks to fill these by recourse to the skills required and then inviting potential trustees with those skills to join the Board. These potential Trustees may be identified by existing Trustees researching among those people in the local area with whom they have contacts or more recently by use of Governors for Schools services.

The new Trustees named by the Members are not subject to approval by the Board; where co-opted Trustees are being replaced those appointments are subject to approval by the full Board.

Policies and procedures adopted for the induction and training of Trustees

Where new Trustees are appointed they are invited to meet with the Chairman and Chief Executive Officer to clarify their roles and responsibilities and identify what areas of additional training may be needed. Many of the Trustees that have been appointed are already Trustees of charities (which are not financially associated with the MAT in any way) and so have familiarity with the roles and responsibilities that come with the role.

Copies of the Memorandum and Articles, Funding Agreement, Business Plan (which includes the Scheme of Delegation and Risk Register) are also provided to the new Trustees.

Organisational structure

The Chief Executive Officer is the Accounting Officer for the Trust and is responsible for the day-to-day management of the Trust. The Scheme of Delegation makes clear those areas for which additional consultation with the Trust Board is required and those which are reserved to the Trust Board, principally the appointment and remuneration of the Chief Executive Officer, Heads of School, their deputies and the Chief Finance Officer.

The Board has established a series of sub-boards, generally with five Trustees in each, to conduct detailed discussions on relation to Educational Improvement, Asset Management (staff, buildings and finance), Leadership Performance Review and Safeguarding. An Audit Committee is not separately required given the current size of the MAT budget. External Auditors are employed to give advice to the Board in respect of compliance with Accounting obligations.

The Board has recruited external, qualified advisors to assist it in discharging its Educational Improvement, Leadership Performance Review and Safeguarding functions.

Arrangements for setting pay and remuneration of key management personnel

None of the Trustees, with the exception of the Chief Executive Officer, are employed in any context by the MAT. Whilst legitimately incurred expenses may be reimbursed, no Trustee has to date made any such claim.

The pay and remuneration of the Chief Executive Officer is set by the Leadership Performance Review Board on an annual basis, after they have received external, independent advice on the extent to which the agreed objectives for the previous year have been achieved by the Chief Executive Officer. The Chief Executive Officer does not participate in the discussion or determination of their pay or any pay progression.

The Chief Executive Officer is involved, as a Trustee member of the Leadership Performance Review Board in the determination of pay for all other members of the SLT and direct employees of the MAT.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.10

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	445
Total pay bill	-
Percentage of the total pay bill spent on facilty time	-

Paid trade union activities

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

Engagement with employees

The Mosaic Multi Academy Trust works with professional associations and trade unions and engages in consultation, as required, to ensure that all aspects of the Trust's performance affecting its employees are conveyed, discussed and consulted upon with them.

The Trust's Policy is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, making support resources available and through training and career development. Ramps and disabled toilets have been installed and door widths are adequate to enable access. Lifts have been included in upgraded buildings which have upper storeys; where access is not possible room allocations are amended to enable all students to participate in lessons.

The Trust has established consultation structures at each academy which ensure that Headteachers and staff are able to raise and resolve issues of concern in a constructive manner. This includes staff questionnaires, regular meetings with union representatives and a programme of staff wellbeing.

Staff are encouraged to take up the seats on each LGB which are reserved for them, which ensures that they have a chance to understand the influences on the MAT budget, targets that are set and the success of their academy.

In making all decisions in respect of staff employment the Trust Board have been able to abide by the undertakings given at the time of establishing the Trust to maintain their existing terms and conditions of employment. National pay awards for respective staff groups have been honoured.

Related parties and other connected charities and organisations

There are no connected organisations and no transactions with related parties were conducted during the period.

Objectives and activities

Objects and aims

The Objects and Aims of the Trust as set out in the Memorandum and Articles are:

- to advance for the public benefit education in the United Kingdom, in particular,by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum

- to promote for the benefit of the public in the United Kingdom the provision of facilities for recreation or other leisure time occupation of individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the economic conditions of the said inhabitants.

The Trustees have had due regard to the guidance on public benefit as published by the Charity Commission as they have exercised their powers and duties.

Objectives, strategies and activities

The objectives for the Trust during 2020/21 were to maintain excellent quality of education with ambitious design and delivery; establish partnership and accountability across all schools and develop sustainable, efficient and effective planning and management to ensure best learning opportunities for our students. The following points demonstrate the extent of success achieved:

- The production of Teacher Assessed Grades (TAGs) was successfully undertaken by both high schools. This is demonstrated by the external quality assurance of the policy statements, the student's basket of evidence which was called for by the relevant exam boards and by the very small number of appeals.
- The Trust's commitment to providing the highest quality of education and personal development received an endorsement from Ofsted in October 2021. Following the inspection at Standish the Trust has been able to reflect on its successes in its plan for curriculum content, implementation and impact along with its development of activities to ensure our students are successful learners, confident individuals and responsible citizens. Standish received the comment from the lead inspector that students "learn more and remember more".
- The environment for all schools has been improved with investment, partly funded by successful CIF bids, in the buildings including heating system, roofing, CCTV and outdoor activity areas.
- Financial systems continued to develop including management accounts and budgets presented with benchmarking data and curriculum planning. All audit recommendations have been addressed.

Public benefit

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

Strategic report

Achievements and performance

Standish Community High School is an agent for school improvement via school-to-school support in Wigan and the North West. It received an Ofsted judgement of 'Good' in December 2014. The results for 2019 place Standish as performing 'above average'. A Section 8 Inspection took place in October 2021 and the school retained its 'Good' status with a next inspection due in the next 4 years. The school judges itself as 'good to outstanding'.

Southlands High School received an Ofsted judgement of 'Good' in June 2013. Outcome data for Southlands rose between 2017 and 2018. The results for 2019 place Southlands as performing 'below average'. In 2016 it was 'well below average.' The school judges itself as 'Requires Improvement to Good'.

- Both secondary schools submitted their teacher assessment grades on schedule in 2021 with a very small number of appeals. These were accepted as a record of achievement for all Year 11 students
- All schools have addressed, and continue to embed, well designed schemes of work and curriculum which meet the changes made to the Quality of Education in the new framework
- All schools have developed pedagogy and practice with colleagues

Golborne Primary School is placed 'well above average' by its data. The school judges itself as 'Good to Outstanding.'

With the lockdown of schools as a result of the Covid-19 pandemic from mid-March 2020 and continuing into the current year the CEO together with the Heads and SLTs at each academy were fully engaged in ensuring compliance with the ever-changing advice, requirements and regulations coming from the government. This included the development of remote learning material and its delivery and managing physical restrictions in school. This required a wide-ranging review of our estate, the introduction of additional hand washing and sanitising facilities, and the demarcation of routes and rooms within schools for specific 'bubbles' of students. Over the summer holidays the CEO, Heads and SLTs together with site staff were involved in revising timetables, areas allocated to each year group, arrangements for peripatetic teaching and on-line teaching facilities to enable the whole school to return safely in September 2020.

It is not possible to over-state the continuing efforts taken by the leadership teams to ensure that on-line teaching resources were available for students at home, whilst continuing to provide on-site lessons for the remaining students. Throughout this period staff continued to closely monitor all vulnerable pupils, be they at home or school, as well as maintaining regular contact with every pupil by video or phone.

For the staff in our secondary academies, the need to co-ordinate Teacher Assessed Grades for all students in each GCSE or BTec subject created additional pressure on classroom teachers, departmental management, the SLT and the CEO to ensure that we complied with the Ofqual requirements.

In light of all of the above, the Board continues to take a realistic view to the interpretation of data relating to the outcomes for 2020/21 and the potential targets that can be set for 2021/22. This does not mean, however, that the aspiration for each student to achieve their highest potential has been given any lower a priority; it has instead led to additional weight being given to the mental health of pupils and staff.

Key performance indicators

The key measures of success used by the Trust for the High Schools are based on exam results. For the second year running due to the exceptional circumstances of the Covid pandemic our pupils were not able to sit exams but were awarded their teacher assessment grades. This has an impact in particular on the Progress 8 scoring.

Standish Community High School

	2020	2021
Basics English and Maths 4+	85%	85%
Basics English and Maths 5+	64%	67%
Attainment 8	55.6	52.2
Progress 8	Not Available	Not Available

Southlands High School

	2020	2021
Basics English and Maths 4+	65%	59.2%
Basics English and Maths 5+	42%	41.4%
Attainment 8	44.6	44.5
Progress 8	Not Available	Not Available

Golborne Community Primary School

KS2 Attainment	2020	2021
Reading (Exp+/GD)	96%/51%	84%/30%
Writing (Exp+/GD)	91%/45%	84%/39%
Maths (Exp+/GD)	93%/50%	86%/20%

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The Trust's total incoming resources during the year were £14,919,987. The majority of the Trust's income derives from central government funding via the Education and Skills Funding Agency, in the form of government grants. Total funding received for the Trust's educational operations in the period was £14,429,158 and further details are provided in note 4 to the accounts.

Total outgoing resources for the year were £16,022,386. All of the Trust's expenditure related to the direct provision of educational operations. The excess of expenditure over income was £1,102,399, however this included CIF expenditure funded in the prior year £1,319,559, depreciation charges on inherited assets of £373,524 and the FRS102 pension deficit movements recognised as expenses of £592,000.

At the period end the Trust's total reserves were in surplus by £16,472,128. This included the deficit on the Local Government Pension Scheme of £6,094,000. Excluding this balance leaves a surplus of £22,566,128 including unrestricted funds of £605,419 and restricted fixed assets of £20,930,982. The remaining surplus on restricted funds of £1,029,727 relates to the General Annual Grant (GAG). Further detail is provided in note 20.

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

On conversion the Trust inherited deficits totalling £2,080,000 in respect of the Local Government Pension Schemes, which many of the non-teaching staff belong to. This deficit has increased to £6,094,000 by 31 August 2021, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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. The Trust had entered into an agreement to make deficit contributions towards the Lancashire County Pension Fund deficit until 31 March 2021.

The Covid pandemic has continued to put pressure on schools. Since the full return to school in September 2020 measures have been in place to ensure the safety of children and staff including creating isolated spaces to form 'bubbles', additional cleaning and hygiene measures and significant safety measures to be put in place to allow for social distancing and reduced contact between staff and students when in school. Staff and students have been required to isolate for periods of time which has created demand on supply teaching and the need for IT systems and equipment to support virtual learning. The Trust has drawn on government funding to support some of these costs where possible, including Covid-catch up funding and laptops scheme. Other costs are being managed through reprioritisation of budgets, particularly with savings to occupancy costs as a result of reduced attendance in school.

Reserves policy

Restricted GAG reserves

At 31 August 2021 the Trust had a surplus on GAG reserves of £938,499 (2020: £343,677).

Other restricted reserves

At 31 August 2021 the Trust held other restricted reserves totalling £91,228 (2020: nil).

Restricted Capital reserves
At 31 August 2021 the Trust held Capital reserves of £351,253 (2019: £1,319,559) being CIF grant and DFC grant unspent at the year end.

Unrestricted Reserves
The Trust aspires to hold free reserves at a level of 3% of the GAG, excluding Pupil Premium and External income, in order to provide the Trust with a backup fund in the event of an exceptional circumstance arising such as essential building works or significant changes to funding. Where additional work is required within the schools this amount may increase in order for the works to be facilitated.

Reserves held as at 31 August 2021 were as follows:

	£
Total reserves	16,472,128
Add back pension reserve	6,094,000
Less Fixed Assets	(20,930,982)
Unrestricted and general restricted funds	1,635,146
Less other restricted funds	(1,029,727)
Free reserves	605,419

This represents approximately 5% of the GAG income for the year. Whilst this is higher than the 3% aspired to the balance will be used to support the changes in pupil numbers, pay and future funding uncertainties in coming years.

The Trust reviews the level of reserves throughout the year as part of management reporting.

Investment policy
Management of cash flow should ensure that there are always sufficient funds in the main bank account to cover operational costs. Trustees are committed to ensuring that all funds are managed in such a way as to maximise return whilst minimising risk, seeking to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. The approval of the Accounting Officer is required before any investment is made and a report is presented to the Asset Board.

Principal risks and uncertainties
The Trust has developed risk management procedures as outlined above. The Trustees have assessed the major risks to which the schools are exposed and a formal review of the Trust's risk management process is undertaken on an annual basis.

This year the Trust has added the uncertainties surrounding the Covid pandemic to the risk register. Mitigations have been put in place to ensure continuity of business can be achieved and Health and Safety measures are in place to protect staff and students.

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Principal risks include:

- reputational risks arising from health and safety issues or failure to safeguard students. Trustees continue to ensure child protection policies are updated and circulated to all members of staff in its academies. Trustees continue to monitor staff recruitment and development process in academies and training programmes. Trustees have implemented additional monitoring of risks associated with the Covid pandemic; and
- risks associated with financial mismanagement and/or compliance failure. Trustees review procedures regularly to ensure that appropriate measures are in place to mitigate these risks.
- uncertainties around teachers' pay increases in future years and how these will be funded
- uncertainties around increases to the Teachers' Pension Scheme employer's contribution rates of approximately 40%, how this will be funded, and for how long.

Key controls are in place

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the local governing bodies;
- financial planning, budgeting and monthly management reporting highlighting areas of financial risk
- formal written and published policies for employees
- vetting procedures as required by law for the protection of the vulnerable; and
- robust security systems including CCTV
- risks associated with Covid19 have been minimised and managed through liaison with a Risk Management Consultancy and all risk assessments have been implemented after receiving approval from the Board of Trustees

Financial and risk management objectives and policies

Fundraising

Bids for funding from specific government departments for improvements to premises have been made.

The Trust has undertaken fundraising during 2020/21. Firstly funds have been raised to support local and national charities. Traditional approaches to fundraising have been used, including non-uniform days and cakes sales. All funds are collected by the Finance Department and paid to the relevant charity via BACS or Cheque.

All fundraising activities are monitored by the Senior Leadership Team and are undertaken in accordance with regulations. The Trust does not work with professional fundraisers or commercial participators and has received no complaints in relation to its fundraising activities.

Plans for future periods

Mosaic Academy Trust has gained approval to become, through Standish Community High School, a sponsor Academy Trust and is now in regular contact with the North West Regional Schools Commissioner to identify opportunities. The Trust is committed to its growth strategy based on success and capacity to deliver quality educational outcomes for all of its students.

We will, in due course, be submitting CIF funding bids.

Our plans at Standish are to bid to continue the plans for new roofing and rewiring across the school with phase 3 targeting the oldest building on site after narrowly missing out in the current year. At Southlands we hope to secure funding for phase two of a new heating system along with continued replacement of outdated electrical installations.

We do not expect the Covid pandemic to impact significantly on future plans but new ways of working and additional costs to ensure safety of staff and students will be considered should the situation continue in the longer term. Budgets are being controlled closely at each academy to ensure that at the year-end there are not deficits.

Auditor

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

MHA Moore and Smalley was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15/12/2021..... and signed on its behalf by:

Adrian P Hardy

Mr A P Hardy
Chair

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mosaic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year to 31 August 2021 at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr A P Hardy (Chair)	3	4
Mr S M Jones (Vice Chair)	4	4
Mr A Pollard (Accounting Officer)	4	4
Mr M T Humphreys	4	4
Ms R Fairhurst	4	4
Ms A Patel	4	4
Ms P Jones	4	4
Dr M Lawty-Jones	3	4
Mrs E M Kelly (Resigned 8 April 2021)	3	3
Ms A Burgess	3	4
Ms A Isherwood (Resigned 23 September 2020)	0	1
Ms A Halliwell (Appointed 8 October 2020)	2	4
Mr W S Pearson (Appointed 14 July 2021)	1	1

The change in board membership during the year was the result of a resignation of Ms E Kelly. Ms Kelly resigned as she was also Chair of Trustees at a Blackpool trust and was unable to commit her time fully to the Mosaic MAT. Mr W S Pearson, a Health and Safety Co-ordinator, joined the board in July 2021.

The Board undertakes a bi-annual skills audit using NGA guidance and scoring system to assess its effectiveness and collectively scores highly on the key experience, skills and behaviours expected.

The Board had an external review of governance undertaken in the Autumn of 2019 by an external agency. Arising from this has been an identification of the need for clearer communication between the Board and the LGBs. Work on this had started prior to the Covid lockdown and was then put into abeyance. The matter has now been taken up again, with termly meetings between the Trust Chair and the LGB chairs, to identify issues that need mutual support and decisions made by the Trust. Communication is also being improved by the attendance of either the CEO or Trust Chair as observers at LGB meetings so that governors can raise matters directly with the Trust Board.

The management accounts prepared on a monthly basis during the year ended 31 August 2021 were not fully compliant with the requirements of the Academies Financial Handbook 2020. The management accounts include information for income and expenditure and KPI's but don't currently include a balance sheet or cash flow forecast. The focus in the year was developing the budget monitoring element and the reports will be further developed in the coming year to include a balance sheet and cash flow forecast.

One benefit that has arisen from the lockdown is the use of Zoom and Teams as the method for virtual meetings. As Trustees and governors have gained experience with the system it is notable that attendance at meetings has increased whilst discussion and debate has not been curtailed.

The Board met 4 times during the year and Asset Board met 5 times. The Chair of the Board and Asset Committee receive monthly management accounts. There are detailed agenda setting meetings with the respective Chairs to ensure that all necessary items are included in the agendas and reports cover in detail areas highlighted by Trustees as critical to their decision-making ability. All agendas and documentation are circulated a week in advance of meetings, ensuring that Trustees are able to question effectively the progress of the Trust. These are considered to be adequate arrangements to ensure effective oversight of funds.

The Asset Board

The Asset Board is a sub-committee of the main Board of Trustees whose purpose is to monitor the use of finance, staff and premises across the Trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A P Hardy (Chair)	5	5
Mr S M Jones (Vice Chair)	5	5
Mr A Pollard (Accounting Officer)	5	5
Ms R Fairhurst	4	5
Ms P Jones	4	5

Education Improvement Board

The Education Improvement Board is a sub-committee of the main Board of Trustees. The group meet termly with the Headteacher of each Academy, to review progress being made by students across the curriculum, in all year groups and cohorts of students. They challenge the head in respect of this data, how robustly it has been generated and seek to establish performance criteria against which it will be possible to determine progress at their next meeting. The first meeting in September each year will be a thorough review of the outcome of the exam results in July and August for the respective KS group.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A P Hardy (Chair)	3	3
Mr M T Humphreys	3	3
Ms A Patel	2	3
Dr M Lawty-Jones	1	3
Mrs E M Kelly (Resigned 8 April 2021)	2	3

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of appropriate benchmarking data. This year has been an exceptional year due to the Covid Pandemic. Whilst focus has been around carefully managing the additional costs to install safety and hygiene measures in response to the pandemic, the Accounting Officer has identified opportunities to achieve improved value for money that have arisen through re-investing savings in occupancy costs and taking the opportunity to use premises staff to undertake improvement works that would normally be contracted out. The Accounting Officer has also delivered improved value for money during the year by the successful applications for CIF funding of around £0.3m across the Trust.

The appointment of a Chief Finance Officer, who started in post in October 2020, has greatly assisted the Accounting Officer and Trustees in the monitoring of and application of funding across the Trust. The CFO has also enabled the Accounting Officer to concentrate more fully on the overall development of the Trust and specifically in support of Southlands School.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Asset Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- the adoption of a comprehensive financial procedures' manual across the Trust;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an external consultant as internal auditor.

This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Banking and Cash handling
- Purchases and expenses
- Payroll processes
- Income recognition processes
- General ledger and budget monitoring
- Tendering

On an annual basis, the internal auditor reports to the Board of Trustees, through the Asset Board, on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees. The Responsible Officer has delivered their schedule of work as planned and there are no material control issues arising as a result of this work.

Review of effectiveness

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

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

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

Approved by order of the Board of Trustees on 15/12/2021..... and signed on its behalf by:

Adrian P Hardy

Mr A P Hardy
Chair

A Pollard

Mr A Pollard
Accounting Officer

MOSAIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

As described in the Governance Statement, the management accounts prepared on a monthly basis during the year ended 31 August 2021 were not fully compliant with the requirements of the Academies Financial Handbook 2020. The management accounts include information for income and expenditure and KPI's but don't currently include a balance sheet or cash flow forecast. The focus in the year was developing the budget monitoring element and the reports will be further developed in the coming year to include a balance sheet and cash flow forecast.

With the exception of the above, 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 Pollard

Mr A Pollard
Accounting Officer

15/12/2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15/12/2021..... and signed on its behalf by:

Adrian P Hardy

Mr A P Hardy
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOSAIC ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Mosaic Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Trustees Report incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibility Statement. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

We identified the following areas as those most likely to have a material impact on the financial statements:

- Enquiries of management, those charged with governance, including directors,about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates , we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academies Financial Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Nicola Mason

Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

21/12/2021

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 15 November 2018 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 Mosaic Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Mosaic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mosaic Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

We have undertaken testing as appropriate in line with the guidance included in technical release 08/12AAF from the Institute of Chartered Accountants in England and Wales. This includes an evaluation of the control environment of the school together with enquiry, analytical review and substantive testing.

Conclusion

As noted in the Statement of Regularity, Propriety and Compliance, the management accounts prepared on a monthly basis during the year ended 31 August 2021 were not fully compliant with the requirements of the Academies Financial Handbook 2020. The management accounts include information for income and expenditure and KPI's but don't currently include a balance sheet or cash flow forecast. The focus in the year was developing the budget monitoring element and the reports will be further developed in the coming year to include a balance sheet and cash flow forecast.

Notwithstanding the above, 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.

MHA Moore and Smalley

Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

21/12/2021

MOSAIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	3,659	411,900	415,559	1,421,511
Charitable activities:						
- Funding for educational operations	4	85,769	14,343,389	-	14,429,158	13,460,200
Other trading activities	5	75,000	-	-	75,000	30,472
Investments	6	270	-	-	270	2,271
Total		161,039	14,347,048	411,900	14,919,987	14,914,454
Expenditure on:						
Charitable activities:						
- Educational operations	9	139,059	14,009,332	1,873,994	16,022,385	14,390,975
Total	7	139,059	14,009,332	1,873,994	16,022,385	14,390,975
Net income/(expenditure)		21,980	337,716	(1,462,094)	(1,102,398)	523,479
Transfers between funds	19	-	(243,663)	243,663	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(1,171,000)	-	(1,171,000)	29,000
Net movement in funds		21,980	(1,076,947)	(1,218,431)	(2,273,398)	552,479
Reconciliation of funds						
Total funds brought forward		583,439	(3,987,326)	22,149,413	18,745,526	18,193,050
Total funds carried forward	19	605,419	(5,064,273)	20,930,982	16,472,128	18,745,529

MOSAIC ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	13		1,226		4,780
Tangible assets	14		20,603,959		20,865,206
			20,605,185		20,869,986
Current assets					
Debtors	15	1,138,283		1,648,600	
Cash at bank and in hand		2,268,407		1,908,879	
		3,406,690		3,557,479	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,203,759)		(1,218,789)	
Net current assets			2,202,931		2,338,690
Total assets less current liabilities			22,808,116		23,208,676
Creditors: amounts falling due after more than one year	17		(241,988)		(132,147)
Net assets before defined benefit pension scheme liability			22,566,128		23,076,529
Defined benefit pension scheme liability	21		(6,094,000)		(4,331,000)
Total net assets			16,472,128		18,745,529
Funds of the Trust:					
Restricted funds	19				
- Fixed asset funds			20,930,982		22,149,413
- Restricted income funds			1,029,727		343,677
- Pension reserve			(6,094,000)		(4,331,000)
Total restricted funds			15,866,709		18,162,090
Unrestricted income funds	19		605,419		583,439
Total funds			16,472,128		18,745,529

The accounts on pages 25 to 51 were approved by the Trustees and authorised for issue on 15/12/2021..... and are signed on their behalf by:

Adrian P Hardy

Mr A P Hardy
Chair

Company Number 10473528

MOSAIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	22		66,237		(751,855)
Cash flows from investing activities					
Dividends, interest and rents from investments		270		2,271	
Capital grants from DfE Group		411,900		1,416,369	
Purchase of tangible fixed assets		(205,827)		(105,890)	
Net cash provided by investing activities			206,343		1,312,750
Cash flows from financing activities					
New other loan		132,050		-	
Repayment of long term bank loan		(8,910)		(35,642)	
Repayment of other loan		(36,192)		37,808	
Net cash provided by financing activities			86,948		2,166
Net increase in cash and cash equivalents in the reporting period			359,528		563,061
Cash and cash equivalents at beginning of the year			1,908,879		1,345,818
Cash and cash equivalents at end of the year			2,268,407		1,908,879

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

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.

1 **Accounting policies** **(Continued)**

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

- Purchased computer software - 33.3%

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets and depreciation

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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	2 - 10% straight-line, land is depreciated over 125 years
Computer equipment	33.33%
Fixtures, fittings & equipment	20%

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1 Accounting policies (Continued)

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

2 Critical accounting estimates and areas of judgement (Continued)

Critical accounting estimates and assumptions

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

Useful economic life of intangible fixed assets

The useful economic life of intangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 3 years is applied to computer software.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 125 years is applied to leasehold land, 50 years for buildings, 3 years for computer equipment and 5 years for fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

2 ***Critical accounting estimates and areas of judgement*** **(Continued)**

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The Trust's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the Trust's business and are held within the Trust accounts.

The valuation used in the accounts has been estimated based upon the valuation provided by the ESFA at 31 August 2018 and 31 August 2019 respectively.

Subsequent purchases of land and buildings are initially measured at cost.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

3 **Donations and capital grants**

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	411,900	411,900	1,416,369
Other donations	-	3,659	3,659	5,142
	-	415,559	415,559	1,421,511

The income from donations and capital grants was £415,559 (2020: £1,421,511) of which £3,659 was restricted (2020: £5,142) and £411,900 was restricted fixed assets (2020: £1,416,369).

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	12,351,517	12,351,517	11,512,472
Other DfE / ESFA grants:				
UIFSM	-	23,342	23,342	8,394
Pupil premium	-	619,052	619,052	595,012
Others	-	827,057	827,057	760,631
	-	13,820,968	13,820,968	12,876,509
Other government grants				
Local authority grants	-	248,447	248,447	213,940
Exceptional government funding				
Other Coronavirus funding	-	247,654	247,654	-
Other incoming resources	85,769	26,320	112,089	369,751
Total funding	85,769	14,343,389	14,429,158	13,460,200

The income from funding for educational operations was £14,429,158 (2020: £13,460,200) of which £85,769 was unrestricted (2020: £126,145) and £14,343,389 was restricted (2020: £13,334,055).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	35,989	-	35,989	5,739
Other income	39,011	-	39,011	24,733
	75,000	-	75,000	30,472

The income from other trading activities was £75,000 (2020: £30,472) of which £75,000 was unrestricted (2020: £28,972) and £- was restricted (2020: £1,500).

6 Investment income

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Short term deposits	270	-	270	2,271

The income from funding for investment income was £270 (2020: £2,271) of which £270 was unrestricted (2020: £2,271).

7 Expenditure

	Staff costs	Non-pay expenditure: Premises	Non-pay expenditure: Other	Total 2021	Total 2020
	£	£	£	£	£
Academy's educational operations					
- Direct costs	9,959,080	73,546	908,620	10,941,246	10,722,252
- Allocated support costs	1,724,210	2,901,279	455,650	5,081,139	3,668,723
	11,683,290	2,974,825	1,364,270	16,022,385	14,390,975

Net income/(expenditure) for the year includes:	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	15,025	14,450
- Other services	6,519	5,230
Operating lease rentals	14,351	30,740
Depreciation of tangible fixed assets	467,074	438,237
Amortisation of intangible fixed assets	3,554	7,992
Net interest on defined benefit pension liability	82,000	72,000

8 Central services

The Trust has provided the following central services to its schools during the year:
Include list of services, such as:

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

The Trust charges for these services based on 3% of each school's General Annual Grant funding.

8 Central services (Continued)

The amounts charged during the year were as follows:

	2021	2020
	£	£
Standish Community High School	226,100	186,243
Southlands High School	163,530	123,717
Golborne Community Primary School	42,562	35,413
	432,192	345,373

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Direct costs				
Educational operations	63,589	10,877,657	10,941,246	10,722,252
Support costs				
Educational operations	75,470	5,005,669	5,081,139	3,668,723
	139,059	15,883,326	16,022,385	14,390,975

The expenditure on charitable activities was £16,022,385 (2020: £14,390,975) of which £139,059 was unrestricted (2020: £112,164), £14,009,332 was restricted (2020: £13,832,582) and £1,873,994 was restricted fixed assets (2020: £446,229).

	2021	2020
	£	£
Analysis of support costs		
Support staff costs	1,724,210	1,457,417
Depreciation and amortisation	397,082	384,491
Premises costs	2,432,532	1,368,310
Other support costs	480,535	404,821
Governance costs	46,780	53,684
	5,081,139	3,668,723

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	8,249,728	7,865,220
Social security costs	819,275	760,932
Pension costs	2,421,030	2,180,908
Staff costs - employees	11,490,033	10,807,060
Agency staff costs	193,257	184,210
Staff restructuring costs	-	17,520
Total staff expenditure	11,683,290	11,008,790

Staff restructuring costs comprise:

Severance payments	-	17,520

Staff numbers

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

	2021 Number	2020 Number
Teachers	129	133
Administration and support	115	110
Management	22	20
	266	263

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	119	120
Administration and support	87	84
Management	22	19
	228	223

10 Staff (Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	3	4
£80,001 - £90,000	2	-
£110,001 - £120,000	1	1

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,676,023 (2020: £1,591,288).

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

A Pollard (Executive Headteacher and Trustee):
Remuneration £115,000 - £120,000 (2020: £110,000 - £115,000)
Employer's pension contributions paid £25,000 - £30,000 (2020: £25,000 - £30,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £nil were reimbursed to trustees (2020: £nil).

12 Trustees' and officers' insurance

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

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2020 and at 31 August 2021	23,964
Amortisation	
At 1 September 2020	19,184
Charge for year	3,554
At 31 August 2021	22,738
Carrying amount	
At 31 August 2021	1,226
At 31 August 2020	4,780

14 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2020	21,589,808	269,384	89,830	21,949,022
Additions	-	22,897	182,930	205,827
At 31 August 2021	21,589,808	292,281	272,760	22,154,849
Depreciation				
At 1 September 2020	926,264	132,374	25,178	1,083,816
Charge for the year	373,524	69,992	23,558	467,074
At 31 August 2021	1,299,788	202,366	48,736	1,550,890
Net book value				
At 31 August 2021	20,290,020	89,915	224,024	20,603,959
At 31 August 2020	20,663,544	137,010	64,652	20,865,206

The net book value of land and buildings comprises:

	2021 £	2020 £
Long leaseholds (over 50 years)	20,290,020	20,663,544

15 Debtors

	2021	2020
	£	£
Trade debtors	4,413	2,977
VAT recoverable	478,428	147,003
Other debtors	2,279	-
Prepayments and accrued income	653,163	1,498,620
	1,138,283	1,648,600

16 Creditors: amounts falling due within one year

	2021	2020
	£	£
Government loans	-	8,910
Other loans	31,109	45,092
Trade creditors	89,780	260,792
Other taxation and social security	199,125	188,531
Other creditors	208,286	195,098
Accruals and deferred income	675,459	520,366
	1,203,759	1,218,789

Included within other loans are Salix loans totalling £31,109 (2020: £45,092) which are interest free loans to be deducted biannually from the General Annual Grant.

Included within government loans is a loan from Lancashire County Council of £nil (2020: £8,910). The balance was inherited prior to conversion and is interest free to be repaid monthly.

17 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other loans	241,988	132,147

17 Creditors: amounts falling due after more than one year (Continued)

Analysis of loans	2021 £	2020 £
Wholly repayable within five years	273,097	186,149
Less: included in current liabilities	(31,109)	(54,002)
Amounts included above	241,988	132,147

Loan maturity		
Debt due in one year or less	31,109	54,002
Due in more than one year but not more than two years	35,861	20,159
Due in more than two years but not more than five years	107,583	80,634
Due in more than five years	98,544	31,354
	273,097	186,149

Included within other loans are Salix loans totalling £241,988 (2020: £132,147) which are interest free loans to be deducted biannually from the General Annual Grant.

18 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	49,994	53,296
Deferred income at 1 September 2020	53,296	61,958
Released from previous years	(53,296)	(61,958)
Resources deferred in the year	49,994	53,296
Deferred income at 31 August 2021	49,994	53,296

At the balance sheet date the Trust was holding funds received in advance of the related expenditure for ESFA rates reimbursements and trips due to take place after the year end.

19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	343,674	12,351,517	(11,513,029)	(243,663)	938,499
UIFSM	-	23,342	(23,342)	-	-
Pupil premium	-	619,052	(619,052)	-	-
Other DfE / ESFA grants	-	827,057	(827,057)	-	-
Other government grants	-	496,101	(412,774)	-	83,327
Other restricted funds	-	29,979	(22,078)	-	7,901
Pension reserve	(4,331,000)	-	(592,000)	(1,171,000)	(6,094,000)
	(3,987,326)	14,347,048	(14,009,332)	(1,414,663)	(5,064,273)
Restricted fixed asset funds					
Inherited on conversion	20,672,821	-	(378,372)	-	20,294,449
DfE group capital grants	1,319,559	411,900	(1,423,046)	37,836	346,249
Capital expenditure from GAG	157,033	-	(71,896)	201,030	286,167
Private sector capital sponsorship	-	-	(680)	4,797	4,117
	22,149,413	411,900	(1,873,994)	243,663	20,930,982
Total restricted funds	18,162,087	14,758,948	(15,883,326)	(1,171,000)	15,866,709
Unrestricted funds					
General funds	583,439	161,039	(139,059)	-	605,419
Total funds	18,745,526	14,919,987	(16,022,385)	(1,171,000)	16,472,128

19 Funds **(Continued)**

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

General Annual Grant must be used for the normal running expenses of the Schools and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

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

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes Local Authority and Central Government funding for educational purposes which includes Special Educational Needs and other smaller grants for specific projects.

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure.

The pension reserve represents the value of the Trust's share of the deficit in the Local Government Pension Scheme. The value of the deficits for each school inherited on conversion totalled £2,080,000 and had risen to £6,094,000 at 31 August 2021.

Restricted fixed asset funds include funds invested in fixed assets and unspent capital grants. Depreciation is charged against the fund.

19 Funds (Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	71,846	11,512,472	(11,518,852)	278,211	343,677
Start up grants	8,505	-	(8,505)	-	-
Other DfE / ESFA grants	-	1,364,037	(1,364,037)	-	-
Other government grants	-	213,940	(213,940)	-	-
Other restricted funds	-	250,248	(250,248)	-	-
Pension reserve	(3,883,000)	-	(477,000)	29,000	(4,331,000)
	(3,802,649)	13,340,697	(13,832,582)	307,211	(3,987,323)
Restricted fixed asset funds					
Transfer on conversion	21,048,661	-	(375,840)	-	20,672,821
DfE group capital grants	185,768	1,416,369	(19,680)	(262,898)	1,319,559
Capital expenditure from GAG	101,852	-	(50,709)	105,890	157,033
	21,336,281	1,416,369	(446,229)	(157,008)	22,149,413
Total restricted funds	17,533,632	14,757,066	(14,278,811)	150,203	18,162,090
Unrestricted funds					
General funds	659,418	157,388	(112,164)	(121,203)	583,439
Total funds	18,193,050	14,914,454	(14,390,975)	29,000	18,745,529

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:	2021 £	2020 £
Standish Community High School	1,105,041	651,373
Southlands High School	579,261	88,826
Golborne Community Primary School	366,224	269,487
Central services	(171,718)	(82,570)
Total before fixed assets fund and pension reserve	1,878,808	927,116
Restricted fixed asset fund	20,930,982	22,149,413
Pension reserve	(6,094,000)	(4,331,000)
Total funds	16,715,790	18,745,529

19 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Standish Community High School	5,134,482	857,625	439,205	1,063,669	7,494,981	7,046,274
Southlands High School	3,561,899	477,525	329,967	1,545,275	5,914,666	5,012,886
Golborne Community Primary School	1,008,894	272,993	103,216	233,892	1,618,995	1,433,314
Central services	253,806	116,067	36,233	117,010	523,116	452,271
	9,959,081	1,724,210	908,621	2,959,846	15,551,758	13,944,745

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	1,226	1,226
Tangible fixed assets	-	-	20,603,959	20,603,959
Current assets	605,419	2,373,564	427,707	3,406,690
Creditors falling due within one year	-	(1,101,849)	(101,910)	(1,203,759)
Creditors falling due after one year	-	(241,988)	-	(241,988)
Defined benefit pension liability	-	(6,094,000)	-	(6,094,000)
Total net assets	605,419	(5,064,273)	20,930,982	16,472,128

20 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	-	-	4,780	4,780
Tangible fixed assets	-	-	20,865,206	20,865,206
Current assets	583,439	1,523,858	1,450,182	3,557,479
Creditors falling due within one year	-	(1,048,034)	(170,755)	(1,218,789)
Creditors falling due after one year	-	(132,147)	-	(132,147)
Defined benefit pension liability	-	(4,331,000)	-	(4,331,000)
Total net assets	583,439	(3,987,323)	22,149,413	18,745,529

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £138,771 (2020: £nil) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

21 **Pension and similar obligations** **(Continued)**

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,130,289 (2020: £1,058,752).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.6% for employers and 5.5-12.5% for employees.

The Trust had entered into an agreement to make deficit contributions towards the Lancashire County Pension Fund deficit. Amounts committed to April 21 to March 22 are £11,081.

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

Total contributions made	**2021**	**2020**
	£	**£**
Employer's contributions	384,000	344,000
Employees' contributions	119,000	103,000
Total contributions	503,000	447,000

Principal actuarial assumptions	**2021**	**2020**
	%	**%**
Rate of increase in salaries	3.9	3.3
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.9	2.3

21 Pension and similar obligations **(Continued)**

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

	2021 Years	2020 Years
Retiring today		
- Males	21.1	21.1
- Females	23.9	23.4
Retiring in 20 years		
- Males	22.6	23.0
- Females	25.8	25.6

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre April 2008 and 80% of the maximum tax-free cash for post April 2008 service.

The following schedule provides an analysis of the sensitivity of results of the calculations to changes in the actuarial assumptions used:

Standish Community High School:	**Approximate increase to employer liability %**	**Approximate monetary amount £000**
0.1% decrease in real discount rate	3	167
0.5% increase in the salary increase rate	0	25
0.5% increase in the pension increase rate	2	139

Golborne Community Primary School:	**Approximate increase to employer liability %**	**Approximate monetary amount £000**
0.1% decrease in real discount rate	3	58
0.5% increase in the salary increase rate	1	11
0.5% increase in the pension increase rate	2	46

Southlands High School:	**Central £000**	**Sensitivity 1 + 0.1% p.a. discount rate £000**	**Sensitivity 2 + 0.1% p.a. inflation £000**	**Sensitivity 3 + 0.1% p.a. pay growth £000**	**Sensitivity 4 1 yr increase in life expectancy £000**
Liabilities	5,125	5,009	5,243	5,139	5,290
Assets	(2,871)	(2,871)	(2,871)	(2,871)	(2,871)
Deficit	2,254	2,138	2,372	2,268	2,419
Projected service cost for next year	288	279	297	288	298
Projected net interest cost for next year	37	37	39	38	40

21 **Pension and similar obligations** (Continued)

The Trust's share of the assets in the scheme	**2021 Fair value £**	**2020 Fair value £**
Equities	4,152,000	3,044,000
Government bonds	571,000	459,000
Other bonds	152,000	166,000
Cash/liquidity	326,000	301,000
Property	553,000	527,000
Other assets	922,000	771,000
Total market value of assets	6,676,000	5,268,000

The actual return on scheme assets was £945,000 (2020: £397,000).

Amount recognised in the statement of financial activities	**2021 £**	**2020 £**
Current service cost	890,000	738,000
Past service cost	-	8,000
Interest income	(96,000)	(88,000)
Interest cost	178,000	160,000
Benefit changes, curtailments and settlements gains or losses	(4,000)	(3,000)
Administration expenses	4,000	3,000
Total operating charge	972,000	818,000

Changes in the present value of defined benefit obligations	**2021 £**
At 1 September 2020	9,599,000
Current service cost	894,000
Interest cost	174,000
Employee contributions	119,000
Actuarial loss	2,020,000
Benefits paid	(36,000)
At 31 August 2021	12,770,000

21 Pension and similar obligations (Continued)

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

	2021 £
At 1 September 2020	5,268,000
Interest income	96,000
Actuarial gain	849,000
Employer contributions	384,000
Employee contributions	119,000
Benefits paid	(36,000)
Administrative expenses	(4,000)
At 31 August 2021	6,676,000

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

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,102,398)	523,479
Adjusted for:		
Capital grants from DfE and other capital income	(411,900)	(1,416,369)
Investment income receivable	(270)	(2,271)
Defined benefit pension costs less contributions payable	510,000	405,000
Defined benefit pension scheme finance cost	82,000	72,000
Depreciation of tangible fixed assets	467,074	438,237
Amortisation of intangible fixed assets	3,554	7,992
Decrease/(increase) in debtors	510,317	(588,512)
Increase/(decrease) in creditors	7,860	(191,411)
Net cash provided by/(used in) operating activities	66,237	(751,855)

23 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,908,879	359,528	2,268,407
Loans falling due within one year	(54,002)	22,893	(31,109)
Loans falling due after more than one year	(132,147)	(109,841)	(241,988)
	1,722,730	272,580	1,995,310

24 Long-term commitments, including operating leases

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	2,020	15,527
Amounts due in two and five years	505	2,020
	2,525	17,547

25 Related party transactions

No related party transactions took place in the period of account (other than certain Trustees remuneration and expenses already disclosed in note 1).

26 Members' liability

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