

Astrea Academy Trust

Annual Report and Financial Statements

31 August 2021

Company Limited by Guarantee
Registration Number
09791051 (England and Wales)

Reports

| | |
|--|----|
| Reference and administrative information | 1 |
| Trustees' report | 3 |
| Governance statement | 20 |
| Statement of regularity, propriety and compliance | 26 |
| Statement of Trustees' responsibilities | 27 |
| Independent auditor's report on the financial statements | 28 |
| Independent reporting accountant's report on regularity | 33 |

Financial statements

| | |
|-----------------------------------|----|
| Statement of financial activities | 35 |
| Balance sheet | 36 |
| Statement of cash flows | 37 |
| Principal accounting policies | 38 |
| Notes to the financial statements | 46 |

Reference and administrative information

Members

Stephen Chamberlain
Jonathan Simons
Valerie Wass
John Doyle
Anne Moller
Robert Tombs
Simon Gregory

Trustees

Valerie Dunsford
Matthew Robb
Prof Samantha Twiselton
Nicholas Cragg
Chris Rossiter
Dr Tesca Bennett
Julie Bloor (Appointed 1 September 2021)
Benjamin Brown (Appointed 1 September 2021)
Peter Burrows (Appointed 1 September 2021)
Louise Cooper (Appointed 1 September 2021)
Faye Craster (Appointed 1 September 2021)
Glendon Fendley (Resigned 28 April 2021)
Dr Chris Sheasby (Resigned 31 August 2021)
Prof Simon Gregory (Resigned 31 August 2021)

Senior Management Team

CEO and Accounting Officer
Chief Finance Officer
Executive Director of Inclusion
Director of Secondary Education
Director of Primary Education

Rowena Hackwood
James Wright
Dr Nicola Crossley
Hywel Jones
Jo Leishman

Registered address

The Quadrant
99 Parkway Avenue
Sheffield
S9 4WG

Company registration number

09791051 (England and Wales)

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Reference and administrative information

Bankers

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Solicitors

Stone King
Boundary House,
91 Charterhouse Street
Clerkenwell
London
EC1M 6HR

Academies operated

Hexthorpe Primary Academy
Hartley Brook Primary Academy
Gooseacre Primary Academy
The Hill Primary Academy
Highgate Primary Academy
Carrfield Primary Academy
Castle Academy
Greengate Lane Academy
Lower Meadow Primary Academy
Edenthorpe Hall Academy
Hillside Academy
Byron Wood Primary Academy
Cottenham Village College
Denaby Main Primary Academy
Kingfisher Primary Academy
Netherwood Academy
The Centre School
Intake Primary Academy
Atlas Academy
Waverley Primary Academy
Hatfield Primary Academy
Longsands Academy
Ernulf Academy
Astrea Academy Woodfields
Astrea Academy Sheffield
Astrea Academy Dearne
St Ivo Academy

Location

Doncaster
Sheffield
Barnsley
Barnsley
Barnsley
Barnsley
Doncaster
Sheffield
Sheffield
Doncaster
Doncaster
Sheffield
Cambridge
Doncaster
Doncaster
Doncaster
Doncaster
Doncaster
Doncaster
Doncaster
Cambridge
Cambridge
Doncaster
Sheffield
Barnsley
Cambridge

Principal

Mrs J Harrison
Ms C Costello
Mr J Moore
Ms E Cadman
Ms J Temperton
Ms K Adamski
Mrs A Mason
Ms K Robinson
Mrs J Dawtry
Mr J Moody
Ms M Cockayne
Mrs B Wood
Ms Z Andrews
Ms L Dickinson
Ms C Skinn
Mr J Mitchell
Mrs S Raven
Ms H Broad
Mr J Moody
Ms L Stanton
Mrs K Richards
Mr N Owen
Mr A Bissoo
Mr A Atkinson
Mrs K Wilson
Ms J Wilson
Mr S Griffin

Trustees' report Year to 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2021. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

In the year, the Trust operated eighteen primary academies in the South Yorkshire area for pupils aged 2 to 11; one all-through school (3-18) in Sheffield; three secondary schools in South Yorkshire and four secondary schools in Cambridgeshire. The Trust also operates one school as specialist provision in Cambridgeshire. Its academies have a combined pupil capacity of 16,281 and had a roll of 13,880 in June 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Astrea Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as Astrea Academy Trust.

Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

The principal activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of its Master Funding Agreement in place with the Education and Skills Funding Agency, in Primary, Secondary and all through education.

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 amounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

During the reporting year, five new Trustees were recruited (starting 1 September 2021) in order to fill existing and anticipated vacancies. At the Board's direction, the Nominations Committee met to consider the existing composition, geography and experience of the Board and its future requirements. An external recruitment agency was engaged to support a public recruitment campaign, with a clear role description advertised through local and national media.

Candidates were shortlisted and interviewed by a panel comprising Trustees, Members and a local chair of governors, with eventual recommendations endorsed by the full Board.

The Nominations Committee recommended the re-appointments of Professor Twiselton and Mr Cragg during the period.

No Trustees were elected during the period because the Terms of Reference for local governing bodies provides for the election of at least two parent members to each.

At the Nominations Committee's recommendation, Professor Simon Gregory (lately a Trustee, Vice Chair and Chair of the Trust) was appointed as a Member of the Trust with effect from 1 September 2021.

Policies and procedures adopted for the induction and training of Trustees

Training and induction provided for new Trustees will depend on their existing experience. An induction meeting is undertaken to provide training on charity, education, legal and financial matters. This series of meetings also sets out the strategy and objectives of the Trust along with the values and vision. All new Trustees are given a tour of at least one of the academies in the group, and a chance to meet with staff and students. All trustees are provided with copies of the Trust policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and directors of the Trust. On-going governance reviews and training programs are encouraged for all trustees to ensure they continue to make an effective contribution and are keeping up to date with changes in legislation.

Organisational structure

The Trust has established a management structure to enable efficient and effective running of the organisation. The structure consists of three levels: the board of Trustees (the Governors); the Executive team who are the senior leadership team of the trust; and the Local Governance Committee or Trust Management Board of the academies.

Trustees are responsible for setting policy, adopting an annual plan and budget approval, monitoring the impact of the Trust on educational outcomes (including EYFS, KS1, KS2, KS4 and KS5 outcomes, and Ofsted outcomes), making major decisions about the direction of the Trust, oversight of capital expenditure and approval of senior staff appointments.

The Principal of each academy is directly responsible for its day-to-day running and is assisted by their senior leadership team.

Local committees support the Board at a school level by:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- Ensuring that the vision, ethos and strategic direction of Astrea is maintained within each school.
- Holding school leaders to account for the educational performance of the schools, the inclusion of all pupils and the offer of a knowledge-rich and broadly-based curriculum.
- Working with the school's leadership and central team to ensure that high standards of safeguarding are maintained.
- Promoting positive parent, community and stakeholder engagement and driving school-to-school partnerships for improvement within the Trust.
- Identifying, understanding and reporting to Trustees any strategic risks facing the school.

The Chief Executive Officer

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

Arrangements for setting pay and remuneration of key management personnel

When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation, it was proposed that job roles should be banded relative to that of the salary of a newly qualified teacher. The highest paid role will not exceed eight times that of a newly qualified teacher.

The Board of Trustees take great care to ensure the public obtain value for money from the personnel appointed within the Trust.

Trade union facility time

Facility time publication legislation requires public sector employers with more than 49 FTE employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employees' normal role to undertake trade union duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Trust meets its statutory obligation to provide facility time to trade union representatives by pooling resources with other schools and academies within the various local authorities in which the Trust's academies are located, to cover the time spent by TU representatives across a number of different employers.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

The Trust currently pays into facility time arrangements in the following local authorities:

- ◆ Sheffield
- ◆ Cambridge

The Trust also has academies in two other local authority areas which do not allow academies to pay into the facilities time arrangements. These are:

- ◆ Doncaster
- ◆ Barnsley

The Trust therefore publishes facility time information as the total cost of contributions to pooled facility time expressed as a percentage of the total pay bill for the relevant period.

- ◆ Number of employees who were relevant union officials during the relevant period: 34 (30.78 FTE)
- ◆ Percentage of time spent on facilities time: 0.44%
- ◆ Percentage of pay bill spent on facilities time:
- ◆ Total cost of facilities time: £6,403
- ◆ Total pay bill: £64,862,000
- ◆ % of total pay bill spent on facilities time: 0.01%

Time spent on paid trade union activities during the relevant period:

- ◆ 0%: 26 employees
- ◆ 1% - 50%: 8 employees
- ◆ 51% - 99%: 0 employees
- ◆ 100%: 0 employees

Engagement with employees (including disabled persons)

The trust works with employee trade unions and professional associations across the academies and utilises other internally established communication forums to engage the workforce. The Trust also works to ensure that consultation is undertaken, as required, on aspects affecting its employees, including financial, operational and economic factors, and that these are communicated, discussed and consulted on with them.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons) (continued)

The trust is committed to ensuring equality of opportunity to all who work here and gives full and fair consideration to applications for employment made by disabled persons, including accessibility and having regard to their particular aptitudes and abilities; continuing the employment of, and for arranging appropriate training and support for, employees who have become disabled persons during the period when they were employed by Astrea. Our data show that we have relatively low rates of declaration in relation to disability at 0.6%, and we are developing an action plan to increase the percentage of complete declaration rates obtained by equal opportunities monitoring including disability. This will initially focus on raising confidence with colleagues as to how this information will be used and how they will be supported, as well as looking at how this data is captured.

Engagement with suppliers, customers and others in a business relationship with the trust

The trust looks to engage with suppliers to mutual medium to long term benefit and recognises the need to engage with specialists as appropriate, but still focussing on balance of high quality service, value for money and fair remuneration.

Related Parties and other Connected Charities and Organisations

The Trust does not have any related party transactions.

Astrea is a member of the Confederation of School Trusts (CST), formerly known as FASNA and this financial year paid £1,673 in fees. CST is the national organisation and sector body for school Trusts in England advocating for, connecting and supporting executive and governance leaders.

The Trust is also part of a MAT group called The Queen Street Group, a collaboration between Trusts to focus on advocacy for the sector, best practice improvements and conduct. The Group is a vehicle through which leaders at senior levels can learn from each other and accelerate the sharing of best practice.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objective and activity of the charitable company is to advance education in the UK for the public benefit, in particular, by maintaining and developing the operation of academies to provide a broad and balanced education for pupils of all abilities, initially in the South Yorkshire and Cambridge region.

In setting out the trust objectives, consideration has been given to the Charities Commission guidance in respect of public benefit when reviewing the aims and objectives of academies (see 'Public Benefit' section).

Objectives, strategies and activities

During 2020/21, the Trust undertook a significant re-visioning and strategy development exercise, culminating in the publication of its "Astrea 2025" strategy.

Trustees' vision is that:

All Astrea children will learn, thrive and lead successful lives. Working together, Astrea schools will tackle head on the barriers that stand in the way of children's success. We will do this through a relentless commitment to a brilliant education, a focus on inclusion for all, and by delivering on our promise of opportunities that inspire beyond measure.

The strategy commits to delivering on this vision through its theory of change, which focuses on:

- ◆ Securing knowledge, scholarship and outcomes
- ◆ Fostering resilience and stoking ambition
- ◆ Cultivating broad opportunities

The Trust's Values have also been developed as a core set of behaviours needed of adults and children alike in order to deliver on the Vision. These are:

- ◆ **SCHOLARSHIP:** We will be informed by the best of academic and organisational thinking and research, using this where we can and expanding it where possible.
- ◆ **CURIOSITY:** We will ask searching questions, not take things on face value, seek out the best of what is known and engage in appreciative enquiry.
- ◆ **TENACITY:** We will deliver on our promises and see things through to completion. We will embody pace, urgency and determination in our focus on improving outcomes for children and on our own performance.

To achieve its key objectives, the Trust undertakes the following key activities:

- ◆ Review and on-going development of new and existing policies and procedures to strengthen the accountability of the Trust.
- ◆ Ensure a rich and varied educational experience for all pupils by developing best practice, fostering the development of a knowledge-rich curriculum and providing opportunities for enrichment across the Trust such as competitive sport, cultural literacy and community experience. The Trust will also ensure that best practice is secured through the development of communities of practice and strong leadership development programmes.
- ◆ Securing value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services, audit services and responsible officer services. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include: group leadership, training, business and administration. The Trust retains a percentage of each academy's monthly ESFA General Annual Grant (GAG) income in order to provide these services. The percentage retention for the period to 31 August 2021 was 6.6%.

Public Benefit

In setting the objectives, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The main public benefit delivered by the trust is the provision of high quality education to its students, which will be evidenced from feedback from external assessments. The Academy Trust has complied with its duty to have due regard to the guidance on public benefit published by the Charities Commission.

Achievements, performance and Key Performance Indicators

Standardised national assessments did not take place during 2020/21 and are therefore not available to report in these accounts.

During the reporting year, full Ofsted inspections were infrequent across the sector, but the Trust did participate in a small number of remote inspections and a trial inspection. Hexthorpe Academy received a Section 8 monitoring visit, which confirmed that leaders and those responsible for governance are taking effective action in order for the school to become a good school, with no additional areas for improvement.

FINANCIAL REVIEW

During the period, ESFA/LA grants totalled £86,192,000 (2020: £80,640,000). Restricted fund expenditure totalled to £93,727,000 (2020: £85,842,000).

Income from other trading activities during the period amounted to £157,000 (2020: £311,000).

The unrestricted and restricted general revenue reserves grew by £1,288,000 (2020: £1,244,000) for the year ended 31 August 2021, bringing the total restricted and unrestricted revenue reserves to £4,462,000 (2020: £3,174,000) (6.3% of GAG).

The table below shows the operational result for the year on these funds excluding LGPS adjustments.

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Overall net movement in funds | (650) | 895 |
| Less: net income attributable to the fixed assets fund | (10,109) | (1,357) |
| Add: LGPS actuarial loss (gain) | 7,058 | (1,805) |
| Add: LGPS service cost adjustment | 3,252 | 2,629 |
| Add: LGPS McCloud service cost adjustment | — | 14 |
| Add: LGPS interest cost adjustment | 830 | 785 |
| Add: fixed asset funds used on revenue purchases | 907 | 83 |
| Operational surplus (deficit) for the year | 1,288 | 1,244 |

Most of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities SORP FRS 102 and Academies Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP FRS 102 and Academies Accounts Direction, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. This does not present the Trust with any liquidity problem. The employer contributions since July 2017 have increased and it is expected that they will continue to increase further. The deficits in the Local Government Pensions Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS 102.

Overall the Trust has a healthy balance sheet and cash balance and will be using reserves to maintain the current assets and to invest back into the schools in the form of additional resources and facilities in conjunction with the school development plans and Astrea strategic aims.

The Trustees, through the Finance and Budget (FAB) Committee, receive financial progress reports monthly throughout the year and compare actual financial results against budgets submitted to the Education and Skills Funding Agency. This committee also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academies and the Trust and consider future financial risks and opportunities.

The assets were used exclusively for providing education and the associated support services to all the pupils of the academies.

Reserves policy

Trustees have published a Reserves and Investment Policy to describe and account for the use of reserves. Reserves brought over by schools joining the Trust are accounted for as income in the year of conversion or transfer. Schools can apply to access these funds for exceptional expenditure in year once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which become available to the academy trust and is to be spent at the Trustees' discretion in furtherance of any of the academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is free).

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping within the principal object of the Trust.

The Trust has a fiduciary responsibility to carry sufficient free reserves to manage potential future financial risks as a result of structural deficits by maintaining schools with historic and/or structural deficits whilst executing robust deficit recovery plans, and by providing working capital and short-term deficit funding for new schools joining the Trust. Typically, new primary and secondary schools joining the Trust need bridge funding for a period of 1-2 years of, on average, £50k for a primary and £500k for a secondary transition school.

Reserves will cover future capital requirements (e.g. building repairs, IT infrastructure) where it is anticipated that there may be a shortfall against future eligible capital funding, such that free reserves will need to be drawn upon to meet the strategic long-term capital plans of the Trust. Where a shortfall in capital funding is identified, the Trustees have the discretion to designate free reserves against this future funding requirement.

The Trust will provide a buffer of general reserves to be drawn down in times when income is disrupted or decreased, or costs are increased unexpectedly, such that any given buffer will allow the Trust to continue to operate without material impact to educational outcomes or the Trust's pupils or staff.

The Trust also has a responsibility to the beneficiary that reserves are not excessive and as such would represent an educational risk to maximising the educational outcomes of the Trust's pupils. The Trust therefore needs to balance financial risk and educational risk and believes that setting a range of between 3% and 8% of GAG is a reasonable target range to balance both of these risks.

Total reserves at the end of the period amounted to £116,304,000 (2020: £116,954,000). This balance includes unrestricted funds (free reserves) of £3,723,000 (2020: £2,828,000), or approximately 5.2% of GAG, which is considered appropriate and in line with the reserves policy for the academy trust and restricted funds of £112,318,000 (2020: £114,126,000).

Due to accounting for Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling £57,103,000 (2020: £45,963,000). This deficit is included in restricted funds. This does not lead to an immediate liability for this amount.

It should be noted that a surplus or deficit position of the pension scheme would generally result in a cash flow effect on the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this into account when reviewing current business plans and budgets and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment policy

It should be noted that the Academy Trust has substantial powers with regards to investment due to cash balances held in the central bank account. A Trust Investment policy is yet to be fully implemented. However, at academy level, the funds the academy has access to and can cover any immediate expenditure without the need for additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. As of 31 August 2021, no investments, except for bank deposits, were held.

Key Performance Indicators

Income and Expenditure KPIs

The Trust uses certain high level key performance indicators (KPIs) to monitor the overall financial performance of the Trust. The key performance indicators for the year ended 31 August 2021 are shown below, separated out in to Primary and Secondary. These financial KPIs cover per pupil and efficiency assessment in terms of income and costs.

| | <u>Primary</u> | <u>Secondary</u> | <u>All Through</u> | <u>Special</u> | <u>Central</u> | <u>Total Trust</u> |
|-----------------------------|----------------|------------------|--------------------|----------------|----------------|--------------------|
| Pupils | 5,066 | 8,152 | 568 | 110 | | 13,895 |
| Income Per Pupil (£s) | 6,189 | 6,337 | 6,798 | 22,982 | | 6,376 |
| Staff costs/Govt Income | 76.0% | 75.5% | 65.8% | 64.9% | 5.3% | 79.8% |
| Staff costs/total income | 74.3% | 73.3% | 65.4% | 64.8% | 5.1% | 77.7% |
| Non Staff Cost/total income | 22.3% | 24.2% | 23.2% | 32.0% | 1.2% | 24.7% |
| Staff cost/pupil (£s) | 4,481 | 4,523 | 4,422 | 14,822 | | 5,049 |
| Non Staff cost/pupil (£s) | 1,385 | 1,519 | 1,561 | 7,386 | | 1,273 |
| Avg Teaching staff (£s) | 50,593 | 57,213 | 48,564 | 46,734 | | 54,241 |
| Pupil Teacher Ratio | 18.9 | 17.3 | 16.5 | 3.6 | | 17.0 |
| Pupil Adult Ratio | 8.6 | 10.4 | 9.2 | 3.4 | | 9.0 |

These have been compared to the ESFA School Resource Management self-assessment (SRM). The trust submits a detailed report to the ESFA each year comparing each school to the SRM tool data. This covers a number of financial KPI metrics, which helps the Trust focus on areas that require further investigation or need addressing from an efficiency standpoint.

Staffing costs are managed within recommended ESFA benchmark levels and the staffing to pupil ratios are also within recommended guidelines. Costs are continuously being benchmarked and the best deals sought after. Further efficiency opportunities will be exploited in the next year when energy contracts end with the opportunity to harmonise across the Trust. National deals are used where possible.

Non staff costs were lower than planned in 2020/21, due in part to COVID-19.

Balance Sheet KPIs

The Trustees view the reserves at 31 August 2021 as reasonable and not excessive. Unrestricted reserves at 31 August 2021, as a % of GAG were 5.6%. This is in line with the stated Trust reserves policy of between 3 and 8% of GAG.

The reserves were also underpinned by a strong financial position and cash at bank. Net current assets were £7.474m. This included cash at bank and in hand of £12.198m, 3.5 times free reserves.

FUNDRAISING

Fundraising has been undertaken through a salaried member of the Trust's team. The Trust abides by the code of fundraising practice. Fundraising activity in this financial year consisted of applications to grant making trusts and soliciting gifts in kind and corporate volunteering from local partners.

COOP #iwill

During the year the Trust received funding of £34,920 from the Co-op Foundation / National Lottery Community Fund #iwill Fund Grant. Of this funding £29,845 remains unspent and is included within Deferred income, £5,075 has been included within restricted income in the year. The campaign aims to get 6 out of 10 young people involved in social action. Social action involves activities like campaigning, fundraising and volunteering, which make a positive difference to communities while developing young people's skills.

Evolve Health Mentor Programme

Funding of £3,273 was received from Doncaster Council as part of the Doncaster Evolve Health Mentor Project. This money has been used to place Health Mentors in schools to work with at risk pupils".

The fundraising function of the Trust is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received. An external review of fundraising was also undertaken in 2020/21.

PLANS FOR FUTURE PERIODS

In September 2021, the Trust published its 'Astrea 2025' strategy, which set out the way in which Astrea will deliver on the Board's vision to ensure that all Astrea children will learn, thrive and lead successful lives. The Trust will develop further financial resilience and budgetary reserve, building on its current approach, and resourcing all parts of the Trust according to strategic priorities rather than legacy practices. Astrea will apply a policy of 'funding for fairness' and support those schools that need the greatest help in order to enable every child to learn and thrive, and to support the development of focused expertise in the centre that benefits all schools.

PRINCIPAL RISKS AND UNCERTAINTIES

A Trust risk register has been established and is reviewed and updated regularly. Systems and procedures have been established to mitigate the risks the Trust faces. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to recruiting staff, teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors ensuring they are able to work with pupils, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. As part of its risk management strategy the Trust currently uses the 'Risk Protection Arrangements' (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the UK government covers the losses instead of commercial insurance.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

There are 7 principal operational risks and uncertainties relating to the Trust.

| Risk | Mitigation |
|--|---|
| Poor performance at our most high risk schools leads to declining adverse Ofsted judgements (going backwards or static SW/RI judgements) | <ul style="list-style-type: none">• Primary schools categorised against need.• Red schools receive at least one full day of Regional Director support and take priority in the deployment of Central Services especially Maths and English.• AAN and AAW Ambition Institute teaching development programme.• Significant increase resource on behaviour and attendance at AWW.• Significant catch-up P6 lessons and online tuition.• Primaries have a PIP process in place.• Team Around the School called if termly PIP is not having impact.. |

Trustees' report Year to 31 August 2021

| Risk | Mitigation |
|--|--|
| Primary and Secondary attendance. | <ul style="list-style-type: none"> Flagged as a strategic priority for this academic year. Trust Attendance lead moved to Primary for intensive support across primaries. Director of Secondary monitoring and does not feel additional actions needed in Secondary schools at this time, with the exception of Astrea Woodfields where the Trust Attendance Lead is providing support. |
| 11 new SENCOs to the Trust in September - none of whom have SENCO Award. | <ul style="list-style-type: none"> SENCO Coaching / Supervision across all schools. Development of PGCert in Education (SEND Pathway) with University of Warwick - mandated attendance of all new to role SENCOs from January 2022. Autumn term in-house 'new to role' coaching. Nov 21 update - all but ERN attended all coaching sessions and feedback is positive, with gap tasks supporting practice. |
| The rate of improvement at Astrea Academy Woodfields, which has now been with Astrea for 3 years. Evidenced by low attendance and high exclusions, albeit with improving but erratic attainment improvement. | <ul style="list-style-type: none"> £100k of catch-up budget has been targeted at AAW. Assistant EP to be based at AAW to work on Emotionally Based School Avoidance and developing positive relationships with families (including with feeders). Director of Teaching leading twilight CPD for classroom practice and curriculum sharpness. Ambition Institute Teacher Development programme. Regional Director of Education on site twice a week to drive culture and standards. Intensive support from National Leads on curriculum development. Additional staffing Assistant EWO, EAL Mentor (GRT), Maths tutor x2. |
| Non-compliance of Safeguarding statutory requirements at school level. | <ul style="list-style-type: none"> DSL supervision across all schools. CPOMS Deep Dive January 2022. Update to Safeguarding Audit to reflect changes to RSE and KCSIE (2021). |

Trustees' report Year to 31 August 2021

| Risk | Mitigation |
|--|---|
| Principals who are new to Headship and have not headed up an Ofsted. | <ul style="list-style-type: none">• Primary Leadership Programme delivered by RD (Leadership) This includes leadership breakfasts to discuss current issues and solutions, visits to schools of excellence outside the Trust and documents which details and support rapid school improvement.. |
| Non-compliance of Safeguarding statutory requirements at school level. | <ul style="list-style-type: none">• DSL supervision across all schools.• CPOMS Deep Dive January 2022.• Update to Safeguarding Audit to reflect changes to RSE and KCSIE (2021). |

Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021 | |
|--|-----------|
| Energy consumption used to calculate emissions (kWh) | 5,591,203 |
| <u>Scope 1 emissions in metric tonnes CO₂e</u> Gas consumption | 227.05 |
| Owned transport – mini-buses | 5.65 |
| <u>Total scope 1</u> | 232.71 |
| <u>Scope 2 emissions in metric tonnes CO₂e</u> Purchased electricity | 876.11 |
| <u>Scope 3 emissions in metric tonnes CO₂e</u> Business travel in employee owned vehicles | 48.55 |
| Total gross emissions in metric tonnes CO ₂ e | 1,157.37 |
| <u>Intensity ratio</u> Tonnes CO ₂ e per pupil | 0.09 |
| Quantification and Reporting Methodology We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Intensity measurement The chosen intensity measurement ratio is total gross emissions in metric tonnes CO ₂ e per pupil, the recommended ratio for the sector. Measures taken to improve energy efficiency Energy Consumption levels continued to fall as schools remained closed for part of the year due to COVID-19. Staff continued to work from home during this period and make use of teleworking software. Mileage increased on the prior year as following the easing of lockdown staff returned to schools. | |

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In making their assessment, the trustees have considered the current and potential future impact of the COVID-19 pandemic on the operations, activities and finances of the Academy Trust.

Promoting the success of the company

Trustees of Astrea, as Directors of the Company, acknowledge and welcome their duties under Section 172 of the Companies Act 2006.

With reference to the individual provisions of this section of the Act:

The likely consequences of any decision in the long term were foremost in Trustees' minds during the ongoing COVID-19 emergency and through the development of the "Astrea 2025" vision, strategy and values.

The interests of the company's employees were considered throughout all of the meetings of the People and Remuneration Committee and of the main Board. The "Astrea 2025" strategy made a new and specific commitment to supporting the professional development of all employees, through the Astrea Institute, set to be launched during 2021/22.

The need to foster the company's business relationships with suppliers, customers and others was a particularly important consideration during the ongoing COVID-19 emergency. The trust continued to collaborate with the Department for Education, Regional Schools Commissioners and other trusts in order to meet the needs of the communities it serves. Trustees actively encouraged the development of partnerships, including through the Astrea Business Club, set to be launched during 2021/22.

The impact of the company's operations on the community and the environment continued to be a principal consideration, particularly in respect of community impact. Over the period, schools within the trust have facilitated food schemes for local families, made their sites available for adult learning and community events and have engaged in a wide range of public events.

The desirability of the company maintaining a reputation for high standards of business conduct means, to Trustees, that Astrea should be known as an ethical and high-performing trust. The Board has worked to establish an environment of candour in which the executive is expected to report in order to identify barriers to performance and to maintain the values, vision and ethos of the Trust. Operating in a highly-regulated environment, Trustees have sought and received numerous official evaluations of the standards across the Trust from inspectors, regulators, external reviews and other sources. The Board continues to commission and consider these in order to maintain and improve standards.

The need to act fairly as between members of the company did not arise as a particular challenge to the Board because the Astrea's members do not have competing private interests. The Board ensures that all members are kept up-to-date with the work of the Trust by the company secretary and members are frequently invited to observe meetings of the Board.

Employee consultation and disabled employees

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

AUDITOR

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 9th December 2021 and signed on its behalf by:

Valerie Dunsford

A handwritten signature in black ink, appearing to read 'V Dunsford', written in a cursive style.

Chair of Trustees

Scope of responsibility

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 five times during the year and maintains effective oversight by reviewing the reports of its dedicated Finance & Budget and Audit & Risk Assurance Committees.

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Astrea 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.

2020/21 was a period of significant change for the Board's membership, with three retirements and five new appointments. Nevertheless, the Trust continues to benefit from experienced Trustees of long-standing and with a range and depth of expertise from across different sectors. The Board continues to assess its recruitment needs with a view to making further additions once newer Trustees have been fully inducted into their roles.

An external review of governance was commissioned, which reported favourably that the *"Board meeting demonstrated many of the recommendations from 2019 in practice including an open, deliberative, confident board guided by a very high standard of chairing and informed and advised by a positive, constructive, accountable chief executive and senior staff... senior staff provided a collegiate approach to supporting and guiding the board. The culture of the meeting was clearly based on educational values and a determination to take decisions in the best interests of pupils, school staff, and communities."* Further recommendations for improvement were accepted and the Trust continues to invest in professional governance expertise in order to deliver these.

Owing to the ongoing COVID-19 emergency, all meetings during the period took place remotely. From 2021/22, the Board has resolved that main Board meetings will take place in person and that Board committees will meet remotely. Attendance during the Period at meetings of the board of trustees was as follows:

Governance statement Year to 31 August 2021

| Trustees | Ordinary meetings attended | Out of possible |
|---|----------------------------|-----------------|
| Trust Board | | |
| Tesca Bennett | 5 | 5 |
| Nick Cragg | 5 | 5 |
| Valerie Dunsford | 5 | 5 |
| Glen Fendley (resigned 28/04/21) | 1 | 4 |
| Simon Gregory (Chair) (resigned 31/08/21) | 5 | 5 |
| Matt Robb | 5 | 5 |
| Chris Rossiter | 5 | 5 |
| Chris Sheasby (resigned 31/08/21) | 5 | 5 |
| Sam Twiselton | 3 | 5 |
| Finance and Budget Committee | | |
| Nick Cragg | 5 | 5 |
| Matt Robb | 5 | 5 |
| Tesca Bennett | 5 | 5 |
| Chris Sheasby | 4 | 5 |
| Audit & Risk Assurance Committee | | |
| Sam Twiselton | 3 | 4 |
| Glen Fendley (Committee Chair) | 2 | 3 |
| Matt Robb | 3 | 4 |
| Chris Sheasby | 4 | 4 |
| Chris Rossiter (Visiting) | 1 | 1 |
| People and Remuneration Committee | | |
| Simon Gregory | 2 | 3 |
| Valerie Dunsford | 3 | 3 |
| Chris Rossiter (Committee Chair) | 3 | 3 |
| Fiona Spellman (Additional Member) | 2 | 2 |
| Sam Twiselton (Visiting) | 1 | 1 |
| Glen Fendley | 0 | 1 |
| Matt Robb (Visiting) | 1 | 1 |

| Education, Inclusion and Safeguarding Committee | | |
|--|---|---|
| Tesca Bennett | 2 | 3 |
| Valerie Dunsford (Committee Chair) | 2 | 3 |
| Chris Rossiter | 2 | 3 |
| Fiona Spellman (Additional Member) | 2 | 2 |
| Sam Twiselton | 3 | 3 |
| Nick Cragg | 3 | 3 |
| Nominations Committee | | |
| Tesca Bennett | 1 | 1 |
| Chris Rossiter | 1 | 1 |
| Val Wass (Additional Member) | 1 | 1 |
| Joe Woffinden (Additional Member) | 1 | 1 |

The Trust's Assistant CEO has worked with local governance committees to ensure clarity of roles and responsibilities at academy-level, and an appreciation of where local committees fit into the Trust's overall governance structure. The Board of Trustees assesses the effectiveness of the Trust's governance model on an annual basis.

The Finance and Budget Committee's main purposes were:

- ◆ To receive Academies' budgets for approval and consider and recommend acceptance/non-acceptance of the Academy Trust's budget to the Trustees.
- ◆ To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board.
- ◆ To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board.

The Audit and Risk Assurance Committee's main purposes were:

- ◆ To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements for financial and non-financial controls, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports.
- ◆ To direct the programme of internal scrutiny within the Trust.

Review of Value for Money

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

The CEO reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:-

- ◆ Having a dedicated team, who are centrally employed. This will enable more focus on our academies and a more proactive approach being taken.
- ◆ Procurement of services that benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our academies for example through catering tendering for the primary schools.
- ◆ The embedding of curriculum-led financial planning to drive decision-making about resources at school-level.
- ◆ Monthly finance reporting at Trust, Directorate and school level of financial performance vs agreed budgets, along with clear reasons for variances (and the drivers of) and actions to mitigate any potential adverse variances going forward. These reports are communicated Trust wide.
- ◆ Termly whole Trust financial forecasts backed up by finance review meetings with Principals to monitor budgetary compliance and ensure delivery of value for money, year to date and for the whole financial year

During the COVID-19 lockdown the trust committed to supporting key suppliers whilst adhering to the principles of PPN 02/20 and PPN 04/20. These arrangements, discussed and agreed on an individual supplier basis, were conducted according to the PPN guidance and value for money notes as issued by central government, the trust ensured suppliers did not profit from the situation. Clarification through open book discussions were undertaken to ensure value for money. The trust furloughed a small number of staff engaged in lettings and non-core activity.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Astrea Academy Trust for the period to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that have been in place for the period to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit & Risk Assurance Committee, with any recommendations for changes being made to the Board of Trustees.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and financial forecast with periodic financial reports which are reviewed and agreed by the Board of Trustees;
- ◆ regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ identification and management of risks.

The internal auditor's role includes giving expert advice and performing a range of checks on the Trust's system of internal controls. The outputs from these reviews are discussed at the Audit & Risk Assurance Committee, and reported to the Board of Trustees where necessary.

The Board of Trustees has appointed Kreston Reeves as Astrea's internal auditor. The scope of the internal audit work over a three-year internal audit cycle includes the following:-

- ◆ testing of payroll systems
- ◆ Procurement
- ◆ Pupil Data quality
- ◆ GDPR and data security
- ◆ Health and safety policies and procedures
- ◆ Safeguarding policies and procedures

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the risk and audit committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 9th December 2021 and signed on their behalf by:



Valerie Dunsford

(Chair of Trustees)



Rowena Hackwood

(Accounting Officer)

Statement of regularity, propriety and compliance Year to 31 August 2021

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

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

I confirm that 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.



Rowena Hackwood

Accounting Officer

Date: 09/12/2021

Statement of Trustees' responsibilities Year to 31 August 2021

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 9th December 2021 and signed on its behalf by:



Valerie Dunsford

Chair of Trustees

Independent auditor's report to the members of Astrea Academy Trust

Opinion

We have audited the financial statements of Astrea Academy Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Independent auditor's report Year to 31 August 2021

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.



17.12.2021

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's assurance report on regularity to Astrea Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Astrea Academy Trust during the period from 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 Astrea Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Astrea Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Astrea Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Astrea Academy Trust's Accounting Officer and the reporting accountant

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.



17.12.2021

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account)
Year to 31 August 2021

| | Notes | Unrestricted general funds £'000 | Restricted general funds £'000 | Restricted fixed assets fund £'000 | 2021 Total funds £'000 | 2020 Total funds £'000 |
|--|-------|---|---|--|---|---------------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 1 | 34 | — | 16,196 | 16,230 | 5,005 |
| Charitable activities: | | | | | | |
| . Funding for educational operations | 2 | 870 | 89,160 | — | 90,030 | 83,534 |
| Other trading activities | 3 | 157 | — | — | 157 | 311 |
| Investments | 4 | 1 | — | — | 1 | 40 |
| Total | | 1,062 | 89,160 | 16,196 | 106,418 | 88,890 |
| Expenditure on: | | | | | | |
| Raising funds | 5 | 167 | — | — | 167 | 311 |
| Charitable activities: | | | | | | |
| . Educational operations | 6 | 29 | 93,727 | 6,087 | 99,843 | 89,489 |
| Total | | 196 | 93,727 | 6,087 | 100,010 | 89,800 |
| Net income (expenditure) | | 866 | (4,567) | 10,109 | 6,408 | (910) |
| Transfers between funds | 16 | 292 | 615 | (907) | — | — |
| Other recognised gains | | | | | | |
| Actuarial (losses) gains on defined benefit pension scheme | 21 | — | (7,058) | — | (7,058) | 1,805 |
| Net movement in funds | | 1,158 | (11,010) | 9,202 | (650) | 895 |
| Reconciliation of funds | | | | | | |
| Total fund balances brought forward at 1 September 2020 | | 2,828 | (45,617) | 159,743 | 116,954 | 116,059 |
| Total fund balances carried forward at 31 August 2021 | | 3,986 | (56,627) | 168,945 | 116,304 | 116,954 |

Balance sheet Year to 31 August 2021

| | Notes | 2021 £'000 | 2021 £'000 | 2020 £'000 | 2020 £'000 |
|--|-------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 165,933 | | 157,549 |
| Current assets | | | | | |
| Debtors | 13 | 2,948 | | 3,966 | |
| Cash at bank and in hand | | 12,198 | | 7,795 | |
| | | 15,146 | | 11,761 | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (7,672) | | (6,393) | |
| Net current assets | | | 7,474 | | 5,368 |
| Net assets excluding pension scheme liability | | | 173,407 | | 162,917 |
| Defined benefit pension scheme liability | 21 | (57,103) | | (45,963) | |
| Total net assets | | | 116,304 | | 116,954 |
| Funds of the Academy Trust | | | | | |
| Restricted funds | | | | | |
| . Restricted fixed assets fund | 16 | 168,945 | | 159,743 | |
| . Restricted income funds | 16 | 476 | | 346 | |
| . Pension reserve | 16 | (57,103) | | (45,963) | |
| Total restricted funds | | | 112,318 | | 114,126 |
| Unrestricted income funds | | | | | |
| General unrestricted funds | 16 | 3,723 | | 2,828 | |
| Designated funds | 16 | 263 | | — | |
| Total funds | | | 116,304 | | 116,954 |

The financial statements on page 35 to 64 were approved by the Board of Trustees and authorised for issue on 9th December 2021 and are signed on their behalf by:



Valerie Dunsford

Chair of Trustees
Astrea Academy Trust
Company Limited by Guarantee
Registration Number: 09791051 (England and Wales)

Statement of cash flows Year to 31 August 2021

| | | 2021 £'000 | 2020 £'000 |
|---|------------------------------------|--------------------|----------------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | A | 2,677 | 1,804 |
| Cash flows from investing activities | | | |
| | B | 1,726 | 30 |
| Change in cash and cash equivalents in the year | | 4,403 | 1,834 |
| Reconciliation of net cash flow to movement in net funds: | | | |
| Cash and cash equivalents at 1 September 2020 | | 7,795 | 5,961 |
| Cash and cash equivalents at 31 August 2021 | C | 12,198 | 7,795 |
| A Reconciliation of net income (expenditure) to net cash provided by operating activities | | | |
| | | 2021 £'000 | 2020 £'000 |
| Net income (expenditure) for the reporting period (as per the statement of financial activities) | | 6,408 | (910) |
| Adjusted for: | | | |
| Donated tangible fixed assets | | (7,183) | — |
| Depreciation charges | | 3,305 | 3,530 |
| Capital grants from DfE and other capital income | | (9,013) | (4,887) |
| Loss on disposal of fixed assets | | 2,782 | — |
| Interest receivable | | (1) | (40) |
| Defined benefit pension scheme cost less contributions payable | | 3,252 | 2,643 |
| Defined benefit pension scheme finance cost | | 830 | 786 |
| Decrease (increase) in debtors | | 1,018 | (282) |
| Increase in creditors | | 1,279 | 964 |
| Net cash provided by operating activities | | 2,677 | 1,804 |
| B Cash flows from investing activities | | | |
| | | 2021 £'000 | 2020 £'000 |
| Dividends, interest and rents from investments | | 1 | 40 |
| Purchase of tangible fixed assets | | (7,288) | (4,897) |
| Capital grants from DfE/ESFA | | 9,013 | 4,887 |
| Net cash provided by operating activities | | 1,726 | 30 |
| C Analysis of cash and cash equivalents | | | |
| | | 2021 £'000 | 2020 £'000 |
| Cash in hand and at bank | | 12,198 | 7,795 |
| Total cash and cash equivalents | | 12,198 | 7,795 |
| D Analysis of changes in net cash (debt) | | | |
| | At 1 September 2020 £'000 | Cashflows £'000 | At 31 August 2021 £'000 |
| Cash | 7,795 | 4,403 | 12,198 |

Principal accounting policies Year to 31 August 2021

General information

Astrea Academy Trust is a charitable company (the 'Academy Trust'), incorporated in England and Wales. The address of its principal place of business is the same as that of its registered office given on page 1 and the nature of its operations are set out in the Trustees' report.

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

Basis of preparation

The financial statements of the Academy Trust 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 financial statements 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.

Astrea Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

Going concern

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

In making their assessment, the trustees have considered the current and potential future impact of the Covid-19 pandemic on the operations, activities and finances of the Academy Trust.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

Donations

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

Other income

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

Donated fixed assets

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

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 expenditure is inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs or repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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.

Tangible fixed assets and depreciation (continued)

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------------------|------------------------|
| ♦ Long leasehold buildings | 50 years straight line |
| ♦ Freehold buildings | 50 years straight line |
| ♦ Leasehold improvements | 10 years straight line |
| ♦ Fixtures, fittings and equipment | 4 years straight line |
| ♦ Computer equipment | 3 years straight line |

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Pensions benefits (continued)

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

Fund accounting

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

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

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

Employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

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.

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Buildings held under PFI contract

Buildings at Dearne and Netherwood Academy are subject to contracts under the Private Finance Initiative (PFI). Under these contracts, the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy Trust. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy Trust.

These transactions have been accounted for as a leasing transaction. As the Academy Trust only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy Trust does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as a financial commitment. The premises are not therefore recognised as an asset in the Academy Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of property plant and equipment.

Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement (continued)

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

1 Donations and capital grants

| | Unrestricted funds £'000 | Restricted fixed asset funds £'000 | 2021 Total £'000 | 2020 Total £'000 |
|----------------------|--------------------------------|---|------------------------|------------------------|
| Capital grants | — | 9,013 | 9,013 | 4,887 |
| Donated fixed assets | — | 7,183 | 7,183 | — |
| Other donations | 34 | — | 34 | 118 |
| | 34 | 16,196 | 16,230 | 5,005 |

Donated fixed assets includes £6,875,000 in relation to assets built through the ESFA's Priority Schools Building Programme. The asset was not recognised until control of, and the risks and rewards of ownership of the development, was passed back to the Academy Trust.

| | Unrestricted funds £'000 | Restricted fixed asset funds £'000 | 2020 Total £'000 |
|----------------------|--------------------------------|---|------------------------|
| Capital grants | — | 4,887 | 4,887 |
| Donated fixed assets | — | — | — |
| Other donations | 118 | — | 118 |
| | 118 | 4,887 | 5,005 |

2 Funding for the Academy Trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | 2021 Total £'000 | 2020* Total £'000 |
|---|--------------------------------|------------------------------|------------------------|-------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | — | 71,115 | 71,115 | 65,523 |
| . UIFSM | — | 457 | 457 | 506 |
| . Pupil Premium | — | 5,559 | 5,559 | 5,390 |
| Other DfE Group grants | — | 3,623 | 3,623 | 4,005 |
| . Others | — | 80,754 | 80,754 | 75,424 |
| Other government grants | | | | |
| Local authority grants | — | 5,438 | 5,438 | 5,216 |
| | | 5,438 | 5,438 | 5,216 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | — | 807 | 807 | — |
| Other coronavirus funding | — | 788 | 788 | 352 |
| | — | 1,595 | 1,595 | 352 |
| COVID-19 additional funding (non-DfE/ESFA) | | | | |
| Coronavirus Job Retention Scheme grant | — | 69 | 69 | — |
| Other income | 870 | 1,304 | 2,174 | 2,542 |
| 2020 Total funds | 870 | 89,160 | 90,030 | 83,534 |

2 Funding for the Academy Trust's educational operations (continued)

The trust received £1,067,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £807,000, with the remaining £260,000 to be spent in 2021/22.

The trust furloughed some of its staff under the government's CJRS. The funding received of £69,000 relates to staff costs in respect of 18 staff members which are included within note 8 as appropriate.

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

| | Unrestricted funds £'000 | Restricted funds £'000 | 2020 * Total £'000 |
|---------------------------------------|--------------------------------|------------------------------|--------------------------|
| DfE/ESFA grants | | | |
| General annual grant (GAG) | — | 65,523 | 65,523 |
| Other DfE group grants | | | |
| . UIFSM | — | 506 | 506 |
| . Pupil premium | — | 5,390 | 5,390 |
| Other DfE Group grants | — | 4,005 | 4,005 |
| | — | 75,424 | 75,424 |
| Other government grants | | | |
| Local authority grants | — | 5,216 | 5,216 |
| | — | 5,216 | 5,216 |
| Exceptional government funding | | | |
| Other coronavirus funding | — | 352 | 352 |
| | — | 352 | 352 |
| Other income | 1,120 | 1,422 | 2,542 |
| 2020 Total funds | 1,120 | 82,414 | 83,534 |

In 2020 the academy trust was eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". This income has been used to fund additional costs relating to Free School Meals, premises costs and cleaning costs as per government guidance.

3 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | 2021 Total £'000 | 2020 Total £'000 |
|---|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 150 | — | 150 | 311 |
| Income from ancillary charitable activities | 7 | — | 7 | — |
| 2021 Total funds | 157 | — | 157 | 311 |

Notes to the financial statements Year to 31 August 2021

3 Other trading activities (continued)

| | <i>Unrestricted funds £'000</i> | <i>Restricted funds £'000</i> | <i>2020 Total £'000</i> |
|---------------------------|---|---------------------------------------|---------------------------------|
| <i>Hire of facilities</i> | 311 | — | 311 |
| <i>2020 Total funds</i> | 311 | — | 311 |

4 Investment income

| | <i>Unrestricted funds £'000</i> | <i>Restricted funds £'000</i> | 2021 Total £'000 | <i>2020 Total £'000</i> |
|-----------------------------------|---|---------------------------------------|---------------------------------|---------------------------------|
| Interest from short term deposits | 1 | — | 1 | 40 |

| | <i>Unrestricted funds £'000</i> | <i>Restricted funds £'000</i> | <i>2020 Total £'000</i> |
|--|---|---------------------------------------|---------------------------------|
| <i>Interest from short term deposits</i> | 40 | — | 40 |

5 Expenditure

| | Non pay expenditure | | | 2021 Total funds £'000 | <i>2020 Total funds £'000</i> |
|-----------------------------------|----------------------------------|---------------------------|----------------------------------|---|---|
| | <i>Staff costs £'000</i> | <i>Premises £'000</i> | <i>Other costs £'000</i> | | |
| Expenditure on raising funds | | | | | |
| . Direct costs | — | — | 167 | 167 | 311 |
| Academy's educational operations: | | | | | |
| . Direct costs | 56,315 | 6,087 | 5,258 | 67,660 | 61,314 |
| . Allocated support costs | 17,282 | 8,265 | 6,636 | 32,183 | 28,175 |
| Total support costs | 73,597 | 14,352 | 12,061 | 100,010 | 89,800 |

| | <i>Non pay expenditure</i> | | | <i>2020 Total funds £'000</i> |
|--|----------------------------------|---------------------------|----------------------------------|---|
| | <i>Staff costs £'000</i> | <i>Premises £'000</i> | <i>Other costs £'000</i> | |
| <i>Expenditure on raising funds</i> | | | | |
| . <i>Direct costs</i> | — | — | 311 | 311 |
| <i>Academy's educational operations:</i> | | | | |
| . <i>Direct costs</i> | 52,323 | 3,532 | 5,459 | 61,314 |
| . <i>Allocated support costs</i> | 14,735 | 6,609 | 6,831 | 28,175 |
| <i>Total support costs</i> | 67,058 | 10,141 | 12,601 | 89,800 |

5 Expenditure (continued)

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Net income (expenditure) for the year includes: | | |
| Operating lease rentals – equipment | 222 | 311 |
| Operating lease rentals – PFI | 2,183 | 2,156 |
| Loss on disposal of fixed assets | (2,782) | — |
| Depreciation of tangible fixed assets | 3,305 | 3,530 |
| Fees payable to the Academy Trust's auditors in respect of both audit and non-audit services are as follows: | | |
| . Audit | 45 | 46 |
| . Other assurance services | 9 | 12 |
| . All other non-audit services | 1 | 3 |

6 Charitable activities

| | 2021 Total £'000 | 2020 Total £'000 |
|--|------------------------|------------------------|
| Direct costs – educational operations | 67,660 | 61,314 |
| Support costs – educational operations | 32,183 | 28,175 |
| | 99,843 | 89,489 |

| | 2021 Total funds £'000 | 2020 Total funds £'000 |
|----------------------------------|---------------------------------|---------------------------------|
| Analysis of support costs | | |
| Support staff costs | 17,282 | 14,735 |
| Technology costs | 1,240 | 1,078 |
| Legal costs | 77 | 111 |
| Premises costs | 8,265 | 6,609 |
| Other support costs | 5,238 | 5,545 |
| Governance costs | 81 | 97 |
| | 32,183 | 28,175 |

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

| | Unrestricted general funds £'000 | Restricted general funds £'000 | Restricted fixed assets fund £'000 | 2020 Total funds £'000 |
|--|---|---|--|---------------------------------|
| Income from: | | | | |
| Donations and capital grants | 118 | — | 4,887 | 5,005 |
| Charitable activities: | | | | |
| . Funding for educational operations | 1,120 | 82,414 | — | 83,534 |
| Other trading activities | 311 | — | — | 311 |
| Investments | 40 | — | — | 40 |
| Total | 1,589 | 82,414 | 4,887 | 88,890 |
| Expenditure on: | | | | |
| Raising funds | 311 | — | — | 311 |
| Charitable activities: | | | | |
| . Educational operations | 117 | 85,842 | 3,530 | 89,489 |
| Total | 428 | 85,842 | 3,530 | 89,800 |
| Net income (expenditure) | 1,161 | (3,428) | 1,357 | (910) |
| Transfers between funds | (263) | 346 | (83) | — |
| Other recognised gains | | | | |
| Actuarial gains on defined benefit pension scheme | — | 1,805 | — | 1,805 |
| Net movement in funds | 898 | (1,277) | 1,274 | 895 |
| Reconciliation of funds | | | | |
| Total fund balances brought forward at 1 September 2019 | 1,930 | (44,340) | 158,469 | 116,059 |
| Total fund balances carried forward at 31 August 2020 | 2,828 | (45,617) | 159,743 | 116,954 |

8 Staff

(a) Staff costs

Staff costs during the year were:

| | 2021 Total funds £'000 | 2020 Total funds £'000 |
|---------------------------|---------------------------------|---------------------------------|
| Wages and salaries | 51,845 | 47,883 |
| Social security costs | 5,176 | 4,712 |
| Pension costs | 14,650 | 13,012 |
| | 71,671 | 65,607 |
| Agency staff costs | 1,665 | 1,324 |
| Staff restructuring costs | 261 | 127 |
| Total staff expenditure | 73,597 | 67,058 |

Staff restructuring costs comprise:

| | 2021 Total funds £'000 | 2020 Total funds £'000 |
|---------------------|---------------------------------|---------------------------------|
| Severance payments | 141 | 77 |
| Redundancy payments | 120 | 50 |
| | 261 | 127 |

(b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £140,631 (2020: £126,859). Individually the payments were: £40,000, £30,000, £25,631, £20,000, £15,000 and £10,000.

(c) Staff numbers

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

| Charitable activities | 2021 No. | 2020 No. |
|----------------------------|--------------|-------------|
| Teachers | 916 | 897 |
| Administration and support | 1,170 | 1,021 |
| Management | 31 | 27 |
| | 2,117 | 1,945 |

8 Staff (continued)

(d) Higher paid staff

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

| | 2021 No. | 2020 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 32 | 23 |
| £70,001 - £80,000 | 17 | 15 |
| £80,001 - £90,000 | 5 | 5 |
| £90,001 - £100,000 | 1 | 4 |
| £100,001 - £110,000 | 2 | — |
| £110,001 - £120,000 | 7 | 1 |
| £120,001 - £130,000 | — | 1 |
| £130,001 - £140,000 | — | 1 |
| £140,001 - £150,000 | — | 1 |
| £170,001 - £180,000 | 1 | — |

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team roles as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £875,000 (2020: £788,000).

9 Central services

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

- ◆ Accountancy and financial planning systems;
- ◆ Accountancy support;
- ◆ HR support;
- ◆ Payroll;
- ◆ Estates strategic management and capital improvement;
- ◆ Governance support;
- ◆ Policy development;
- ◆ Executive Principals and Associate School Leaders;
- ◆ School Performance Management;
- ◆ Risk Management;
- ◆ School leadership development and training;
- ◆ School leadership performance management;
- ◆ Trust leadership and networking;
- ◆ Liaison with regulators and policy makers (DfE, ESFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House).
- ◆ Media and publicity management; and
- ◆ Crisis management

9 Central services (continued)

The Academy Trust charges for these services on the following basis:

- ♦ flat percentage of GAG income 6.5%

| | 2021 | 2020 |
|-------------------------------|--------------|-------|
| | £'000 | £'000 |
| Hatfield Primary Academy | 120 | 103 |
| Hartley Brook Primary Academy | 177 | 171 |
| Gooseacre Primary Academy | 85 | 78 |
| The Hill Primary Academy | 97 | 101 |
| Highgate Primary Academy | 83 | 76 |
| Carrfield Primary Academy | 84 | 79 |
| Castle Academy | 40 | 39 |
| Greengate Lane Academy | 60 | 59 |
| Lower Meadow Primary Academy | 82 | 78 |
| Edenthorpe Hall Academy | 47 | 49 |
| Hillside Academy | 22 | 24 |
| Byron Wood Primary Academy | 121 | 119 |
| Cottenham Village College | 284 | 258 |
| Denaby Main Primary Academy | 46 | 49 |
| Hexthorpe Primary Academy | 135 | 118 |
| Kingsfisher Primary Academy | 104 | 95 |
| Netherwood Primary Academy | 465 | 410 |
| The Centre School | 67 | 72 |
| Atlas Academy | 87 | 80 |
| Intake Primary Academy | 85 | 80 |
| Waverley Primary Academy | 60 | 59 |
| Astrea Academy Sheffield | 187 | 107 |
| Astrea Academy Dearne | 438 | 375 |
| Ernulf Academy | 193 | 173 |
| Longsands Academy | 590 | 556 |
| St Ivo Academy | 563 | 520 |
| Astrea Academy Woodfields | 296 | 313 |
| | 4,618 | 4,241 |

10 Trustees' remuneration and expenses

The CEO is not a Trustee and only received remuneration in capacity as an employee of the Trust.

Trustees did not receive any remuneration from the Academy Trust during the year (2020: none)

During the year ended 31 August 2021 no trustees claimed expenses from the Academy Trust (2020: one trustee was reimbursed £735 in respect of travel and subsistence).

11 Trustees and officers insurance

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

12 Tangible fixed assets

| | Freehold land and buildings £'000 | Assets under construction £'000 | Long leasehold land and buildings £'000 | Leasehold improve- ments £'000 | Fixtures, fittings and equipment £'000 | Computer equipment £'000 | Total funds £'000 |
|-----------------------|--|--|---|---|---|--------------------------------|-------------------------|
| Cost | | | | | | | |
| At 1 September 2020 | 51,575 | 1,547 | 109,668 | — | 2,806 | 1,723 | 167,319 |
| Additions | — | 5,931 | 63 | 338 | 216 | 740 | 7,288 |
| Donated assets | — | — | 6,875 | — | — | 308 | 7,183 |
| Transfers | (26) | (7,478) | 3,662 | 3,978 | (47) | (89) | — |
| Disposals | — | — | (3,161) | — | (340) | (183) | (3,684) |
| At 31 August 2021 | 51,549 | — | 117,107 | 4,316 | 2,635 | 2,499 | 178,106 |
| Depreciation | | | | | | | |
| At 1 September 2020 | 1,870 | — | 6,178 | — | 1,019 | 703 | 9,770 |
| Charge for the year | 144 | — | 1,312 | 476 | 704 | 669 | 3,305 |
| Disposals | — | — | (378) | — | (345) | (179) | (902) |
| Transfers | 111 | — | (205) | 138 | (23) | (21) | — |
| At 31 August 2021 | 2,125 | — | 6,907 | 614 | 1,355 | 1,172 | 12,173 |
| Net book value | | | | | | | |
| At 31 August 2021 | 49,424 | — | 110,200 | 3,702 | 1,280 | 1,327 | 165,933 |
| At 31 August 2020 | 49,705 | 1,547 | 103,490 | — | 1,787 | 1,020 | 157,549 |

Included within freehold land and buildings is land with a value of £19,477,700 (2020: £9,145,000) which is not depreciated. Included within long leasehold land and buildings is land with a value of £18,323,000 (2020: £7,136,800) which is not depreciated. An exercise was undertaken in the year to review the recorded split of between land and buildings in each of the above categories. This led to revisions to the above categorisations. No changes were made to the total cost of each site. Depreciation charged during the year has been adjusted so that the net book value as at 31 August 2021 reflects the net book value that these assets would have had if the current classifications were applied from the date of acquisition.

12 Tangible fixed assets (continued)

Buildings at Dearne and Netherwood Academy are subject to contracts under the Private Finance Initiative (PFI). Under these contracts, the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy Trust. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy Trust.

These transactions have been accounted for as a leasing transaction. As the Academy Trust only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy Trust does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as a financial commitment. The premises are not therefore recognised as an asset in the Academy Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

13 Debtors

| | 2021 £'000 | 2020 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 78 | 189 |
| VAT recoverable | 450 | 761 |
| Other debtors | 32 | 13 |
| Prepayments and accrued income | 2,388 | 3,003 |
| | 2,948 | 3,966 |

14 Creditors: amounts falling due within one year

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Trade creditors | 1,941 | 1,651 |
| Other taxation and social security | 1,238 | 1,114 |
| Other creditors | 1,285 | 1,133 |
| Accruals and deferred income (see note 15) | 3,208 | 2,495 |
| | 7,672 | 6,393 |

15 Deferred income

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Deferred income at 1 September 2020 | 1,087 | 547 |
| Released from previous years | (1,087) | (547) |
| Resources deferred in the year | 1,383 | 1,087 |
| Deferred income at 31 August 2021 | 1,383 | 1,087 |

The deferred income balance carried forward relates to free school meals and other income received for future periods.

16 Funds

| | Balance at 1 September 2020 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2021 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 83 | 71,115 | (71,600) | 878 | 476 |
| Pupil Premium | — | 5,559 | (5,559) | — | — |
| UIFSM | — | 457 | (457) | — | — |
| Catch-up premium | — | 807 | (807) | — | — |
| Coronavirus Job Retention Scheme grant | — | 69 | (69) | — | — |
| Other COVID-19 funding | — | 788 | (788) | — | — |
| Other grants | 263 | 10,365 | (10,365) | (263) | — |
| Pension reserve | (45,963) | — | (4,082) | (7,058) | (57,103) |
| | (45,617) | 89,160 | (93,727) | (6,443) | (56,627) |
| Restricted fixed assets fund | | | | | |
| Transfer on conversion | 124,060 | — | (4,132) | — | 119,928 |
| Donated fixed assets | 25,512 | 7,183 | (657) | — | 32,038 |
| DfE/ESFA capital grants | 9,919 | 8,916 | (922) | (1,749) | 16,181 |
| Local Authority capital grants | 59 | 97 | (156) | 17 | 17 |
| Capital expenditure from GAG | 193 | — | (220) | 825 | 798 |
| | 159,743 | 16,196 | (6,087) | (907) | 168,945 |
| Total restricted funds | 114,126 | 105,356 | (99,814) | (7,350) | 112,318 |
| Unrestricted funds | | | | | |
| General funds | 2,828 | 1,062 | (196) | 29 | 3,273 |
| Designated funds | — | — | — | 263 | 263 |
| | 2,828 | 1,062 | (196) | 292 | 3,986 |
| Total funds | 116,954 | 106,418 | (100,010) | (7,058) | 116,304 |

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

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

Restricted general funds

These grants relate to the Trust's development and operational activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to each Academy within the Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies within the Trust.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion of each Academy, and through which all the pension scheme movements are recognised. The Trustees will continue to monitor this situation closely.

Other restricted funds relate to specific income streams received by the Academy Trust.

16 Funds (continued)

During the year the Trust received funding of £34,920 from the Co-op Foundation / National Lottery Community Fund #iwill Fund Grant. Of this funding £29,845 remains unspent. The campaign aims to get 6 out of 10 young people involved in social action. Social action involves activities like campaigning, fundraising and volunteering, which make a positive difference to communities while developing young people's skills"

Funding of £3,273 was received from Doncaster Council as part of the Doncaster Evolve Health Mentor Project. This money has been used to place Health Mentors in schools to work with at risk pupils"

Restricted fixed assets funds

The 'transferred on conversion' fund has been set up to recognise the tangible assets gifted to the academies upon conversion and transfer into the Academy Trust which represents the school sites including the long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The capital grants fixed assets fund recognises the tangible assets purchased by the Trust that have been funded by capital grants. Depreciation charged on those tangible assets is allocated to the fund. Transfers out represent the utilisation of these grants on qualifying purchases which do not meet the capitalisation policy of the Trust, such as significant maintenance which does not enhance the value of the Academy Trust's properties.

Designated funds

These funds relate to sinking funds for the future maintenance of specific assets.

Comparative information

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

| | Balance at 1 September 2019 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2020 £'000 |
|-------------------------------------|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | — | 65,523 | (65,523) | 83 | 83 |
| Pupil Premium | — | 5,390 | (5,390) | — | — |
| UIFSM | — | 506 | (506) | — | — |
| Other grants | — | 10,995 | (10,995) | 263 | 263 |
| Pension reserve | (44,340) | — | (3,428) | 1,805 | (45,963) |
| | <u>(44,340)</u> | <u>82,414</u> | <u>(85,842)</u> | <u>2,151</u> | <u>(45,617)</u> |
| Restricted fixed assets fund | | | | | |
| Transfer on conversion | 126,612 | — | (2,552) | — | 124,060 |
| Donated fixed assets | 25,996 | — | (484) | — | 25,512 |
| DfE/ESFA capital grants | 5,861 | 4,744 | (387) | (299) | 9,919 |
| Local Authority capital grants | — | 143 | (84) | — | 59 |
| Capital expenditure from GAG | — | — | (23) | 216 | 193 |
| | <u>158,469</u> | <u>4,887</u> | <u>(3,530)</u> | <u>(83)</u> | <u>159,743</u> |
| Total restricted funds | <u>114,129</u> | <u>87,301</u> | <u>(89,372)</u> | <u>2,068</u> | <u>114,126</u> |
| Unrestricted funds | | | | | |
| General funds | 1,930 | 1,589 | (428) | (263) | 2,828 |
| Total funds | <u>116,059</u> | <u>88,890</u> | <u>(89,800)</u> | <u>1,805</u> | <u>116,954</u> |

16 Funds (continued)

Funds by school

The Academy Trust has a policy to pool its reserves. This has been agreed by the Board of Trustees, and has been in place since the Academy Trust came into operation.

| | 2021 £'000 | 2020 £'000 |
|---|----------------|----------------|
| Trust revenue reserves | 4,462 | 3,174 |
| Total before fixed assets fund and pension reserve | 4,462 | 3,174 |
| Restricted fixed asset fund | 168,945 | 159,743 |
| Pension reserve | (57,103) | (45,963) |
| Total funds | 116,304 | 116,954 |

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

| | Teaching and educational support staff £'000 | Other support staff costs £'000 | Educational supplies £'000 | Other costs excluding depreciation and losses on disposal £'000 | 2021 Total £'000 |
|-------------------------------|---|---------------------------------------|----------------------------------|--|------------------------|
| Carrfield Primary Academy | 980 | 186 | 70 | 198 | 1,434 |
| Castle Academy | 590 | 70 | 59 | 132 | 851 |
| Hillside Academy | 293 | 100 | 10 | 89 | 492 |
| Edenthorpe Hall Academy | 668 | 133 | 37 | 153 | 991 |
| Goosacre Primary Academy | 1,118 | 202 | 72 | 252 | 1,644 |
| Hartley Brook Primary Academy | 2,125 | 502 | 204 | 555 | 3,386 |
| Hatfield Primary Academy | 1,370 | 312 | 111 | 257 | 2,050 |
| Highgate Primary Academy | 1,106 | 153 | 60 | 247 | 1,566 |
| Lower Meadow Primary Academy | 1,250 | 229 | 54 | 231 | 1,764 |
| The Hill Primary Academy | 1,421 | 333 | 71 | 358 | 2,183 |
| Byron Wood Primary Academy | 1,633 | 383 | 87 | 181 | 2,284 |
| Greengate Lane Academy | 765 | 124 | 51 | 205 | 1,145 |
| Hexthorpe Primary Academy | 1,540 | 276 | 172 | 405 | 2,393 |
| Denaby Main Primary Academy | 651 | 156 | 39 | 193 | 1,039 |
| Kingfisher Primary Academy | 1,259 | 242 | 99 | 333 | 1,933 |
| Netherwood Academy | 4,607 | 540 | 406 | 1,834 | 7,387 |
| Cottenham Centre | 1,477 | 199 | 481 | 333 | 2,490 |
| Cottenham Village College | 3,357 | 1,000 | 313 | 1,008 | 5,678 |
| Intake Primary Academy | 1,030 | 166 | 83 | 304 | 1,583 |
| Atlas Academy | 940 | 247 | 110 | 289 | 1,586 |
| Astrea Academy Sheffield | 1,999 | 537 | 286 | 470 | 3,292 |
| Waverley Academy | 756 | 178 | 53 | 243 | 1,230 |
| Ernulf Academy | 2,681 | 816 | 174 | 1,113 | 4,784 |
| Longsands Academy | 6,536 | 1,758 | 816 | 1,158 | 10,268 |
| Astrea Academy Woodfields | 3,146 | 1,120 | 248 | 665 | 5,179 |
| Astrea Academy Dearne | 4,861 | 528 | 326 | 1,522 | 7,237 |
| St Ivo Academy | 6,521 | 1,674 | 536 | 832 | 9,563 |
| Central services | 18 | 6,735 | 280 | 1,458 | 8,491 |
| Total expenditure | 54,698 | 18,899 | 5,308 | 15,018 | 93,923 |

Notes to the financial statements Year to 31 August 2021

16 Funds (continued)

| | Teaching and educational support staff £'000 | Other support staff costs £'000 | Educational supplies £'000 | Other costs excluding depreciation £'000 | 2020 Total £'000 |
|--------------------------------------|---|---------------------------------------|----------------------------------|---|------------------------|
| <i>Carrfield Primary Academy</i> | 937 | 212 | 89 | 219 | 1,457 |
| <i>Castle Academy</i> | 511 | 119 | 37 | 158 | 825 |
| <i>Hillside Academy</i> | 296 | 91 | 20 | 95 | 502 |
| <i>Edenthorpe Hall Academy</i> | 547 | 131 | 80 | 169 | 927 |
| <i>Goosacre Primary Academy</i> | 1,096 | 182 | 97 | 257 | 1,632 |
| <i>Hartley Brook Primary Academy</i> | 2,086 | 624 | 198 | 482 | 3,390 |
| <i>Hatfield Primary Academy</i> | 1,217 | 310 | 106 | 298 | 1,931 |
| <i>Highgate Primary Academy</i> | 951 | 193 | 90 | 255 | 1,489 |
| <i>Lower Meadow Primary Academy</i> | 1,066 | 243 | 71 | 248 | 1,628 |
| <i>The Hill Primary Academy</i> | 1,434 | 364 | 77 | 404 | 2,279 |
| <i>Byron Wood Primary Academy</i> | 1,555 | 430 | 76 | 241 | 2,302 |
| <i>Greengate Lane Academy</i> | 685 | 131 | 57 | 227 | 1,100 |
| <i>Hexthorpe Primary Academy</i> | 1,386 | 306 | 147 | 344 | 2,183 |
| <i>Denaby Main Primary Academy</i> | 577 | 189 | 31 | 182 | 979 |
| <i>Kingfisher Primary Academy</i> | 1,211 | 275 | 109 | 379 | 1,974 |
| <i>Netherwood Academy</i> | 4,220 | 533 | 455 | 1,836 | 7,044 |
| <i>Cottenham Centre</i> | 1,615 | 185 | 355 | 243 | 2,398 |
| <i>Cottenham Village College</i> | 3,230 | 1,003 | 417 | 576 | 5,226 |
| <i>Intake Primary Academy</i> | 952 | 207 | 88 | 313 | 1,560 |
| <i>Atlas Academy</i> | 786 | 258 | 94 | 286 | 1,424 |
| <i>Astrea Sheffield Academy</i> | 1,410 | 372 | 153 | 334 | 2,269 |
| <i>Waverley Academy</i> | 768 | 223 | 58 | 213 | 1,262 |
| <i>Ernulf Academy</i> | 2,595 | 896 | 208 | 571 | 4,270 |
| <i>Longsands Academy</i> | 6,213 | 1,792 | 773 | 1,174 | 9,952 |
| <i>Astrea Woodfields Academy</i> | 3,174 | 1,198 | 291 | 818 | 5,481 |
| <i>Astrea Dearne Academy</i> | 4,046 | 631 | 382 | 1,556 | 6,615 |
| <i>St Ivo Academy</i> | 6,401 | 1,895 | 576 | 761 | 9,633 |
| <i>Central services</i> | 78 | 3,026 | 323 | 1,113 | 4,540 |
| Total expenditure | 51,043 | 16,019 | 5,458 | 13,752 | 86,272 |

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

| | Unrestricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Fund £'000 | Total 2021 £'000 | Total 2020 £'000 |
|-----------------------------------|--------------------------------|---|---|---------------------------------|------------------------|
| Tangible fixed assets | — | — | 165,933 | 165,933 | 157,549 |
| Current assets | 3,752 | 8,382 | 3,012 | 15,146 | 11,761 |
| Current liabilities | — | (7,672) | — | (7,672) | (6,393) |
| Defined benefit pension liability | — | (57,103) | — | (57,103) | (45,963) |
| Total net assets | 3,752 | (56,393) | 165,933 | 116,304 | 116,954 |

17 Analysis of net assets between funds (continued)

Fund balances at 31 August 2020 are represented by:

| | Unrestricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Fund £'000 | Total 2020 £'000 |
|-----------------------------------|--------------------------------|---|---|------------------------|
| Tangible fixed assets | — | — | 157,549 | 157,549 |
| Current assets | 2,828 | 6,739 | 2,194 | 11,761 |
| Current liabilities | — | (6,393) | — | (6,393) |
| Defined benefit pension liability | — | (45,963) | — | (45,963) |
| Total net assets | 2,828 | (45,617) | 159,743 | 116,954 |

18 Capital Commitments

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Expenditure contracted for, but not provided in the financial statements | 1,091 | 7,356 |

19 Commitments under operating leases

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

| | Buildings | | Equipment | |
|--|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Amounts due within one year | 2,220 | 2,184 | 112 | 191 |
| Amounts due between one and five years | 9,239 | 9,095 | 65 | 105 |
| Amounts due after five years | 28,368 | 30,732 | — | — |
| | 39,827 | 42,011 | 177 | 296 |

Building leases relate to Dearne Academy and Netherwood Academy which are held under PFI contracts. The annual charges under the PFI agreement are subject to fixed formula but will vary over time. At 31 August 2021, the remaining term on both PFI contracts was 17 years.

20 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.

21 Pension and similar obligations

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

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 2019.

Contributions amounting to £909,000 (2020: £809,000) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ 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%.

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the period amounted to £7,753,000 (2020: £7,022,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made were as follows:

| | 2021 £'000 | 2020 £'000 |
|---------------------------------|---------------|---------------|
| Total contributions made | | |
| Employer's contributions | 3,645 | 3,060 |
| Employees' contributions | 1,019 | 780 |
| Total contributions | 4,664 | 3,840 |

The agreed contribution rates for future years are between 10.6% to 23.0% for employers and 5.5% to 12.5% for employees depending on the specific LGPS fund.

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

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2021 by a qualified independent actuary.

| | 2021 % | 2020 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.50 | 3.41 |
| Rate of increase for pensions in payment | 2.90 | 2.43 |
| Discount rate for scheme liabilities | 1.66 | 1.80 |
| Inflation assumption (CPI) | 2.88 | 2.31 |

21 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

The assumed life expectations on retirement age 65 are:

| | 2021 | 2020 |
|-----------------------------|------|------|
| <i>Retiring today</i> | | |
| Males | 22.3 | 22.4 |
| Females | 24.6 | 25.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.3 | 23.9 |
| Females | 26.4 | 27.1 |

| Sensitivity analysis | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Discount rate +0.1% | (2,602) | (2,012) |
| Discount rate -0.1% | 2,643 | 2,042 |
| Mortality assumption - 1 year increase | 4,004 | 2,518 |
| Mortality assumption - 1 year decrease | (3,932) | (2,472) |
| CPI rate +0.1% | 2,583 | 1,991 |
| CPI rate -0.1% | (2,542) | (1,960) |

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

| | 2021 £'000 | 2020 £'000 |
|----------------------------|---------------|---------------|
| Equities | 33,892 | 26,383 |
| Bonds | 11,235 | 7,437 |
| Cash | 880 | 1,690 |
| Property | 6,635 | 5,295 |
| Other assets | 6,184 | 3,544 |
| Total fair value of assets | 58,826 | 44,349 |

| Amounts recognised in statement of financial activities | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Current service cost (net of employer contributions) | 3,191 | 2,546 |
| Past service cost | — | 14 |
| Interest income | (837) | (777) |
| Interest cost | 1,667 | 1,562 |
| Plan introductions, changes, gain on curtailment and gain on settlement | — | 38 |
| Admin expenses | 61 | 45 |
| Total amount operating charge | 4,082 | 3,428 |

21 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

| Changes in the present value of defined benefit obligations | 2021 £'000 | 2020 £'000 |
|--|-----------------------|-----------------------|
| At 1 September 2020 | (90,312) | (85,994) |
| Current service cost | (6,897) | (5,651) |
| Past service cost | — | (14) |
| Interest cost | (1,667) | (1,562) |
| Employee contributions | (1,019) | (780) |
| Actuarial (loss) gain | (16,847) | 2,600 |
| Benefits paid | 813 | 1,127 |
| Losses on curtailment | — | (38) |
| At 31 August 2021 | (115,929) | (90,312) |

| Changes in the fair value of the Academy's share of scheme assets: | 2021 £'000 | 2020 £'000 |
|---|-----------------------|-----------------------|
| At 1 September 2020 | 44,349 | 41,654 |
| Interest income | 837 | 777 |
| Actuarial gain (loss) | 9,789 | (795) |
| Expected return on assets | — | — |
| Employer contributions | 3,645 | 3,060 |
| Employee contributions | 1,019 | 780 |
| Benefits paid | (813) | (1,127) |
| At 31 August 2021 | 58,826 | 44,349 |

22 Related party transactions

Other than as disclosed in note 10, there were no related party transaction, falling under the definition in the Academies Accounts Direction and Charities SORP (FRS 102) during the year (2020: none)

23 Post balance sheet events

Hillside Academy closed during the year ended 31 August 2021 due to financial and demographic pressures as well as the very close proximity of three of Astrea's Doncaster Academies; Castle, Hillside, and Denaby Main. The ongoing viability of Hillside Academy presented considerable challenges for the Trust both educationally and economically. The Funding agreement with the Secretary of State was terminated with effect from 1 September 2021 and the school premise were surrendered to Doncaster Borough Council.

No further schools are planned to be closed.