

**University Schools Trust,
East London**

**(A company limited by
guarantee)**

**Annual Report and Financial
Statements**

31 August 2021

Company registration number

07742547 (England and Wales)



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Reference and administrative details

Members
Queen Mary University London
King's College London
London Borough of Tower Hamlets
Poplar HARCA
AXA (formally XL Catlin)
Lord A Mawson

Trustees
A Bhattacharjee
P Blagburn
W Carroll (Resigned 19 October 2021)
S Cows
C Goudy
S Hall
J Harris (Resigned 31 August 2021)
P Heathcote (Chair)
A Islam
G Kemp (Trust Leader and Accounting Officer)
E Marshall
G May
I McFadzean
M O'Thomas (Appointed 23 March 2021)
C van Randwyck (Appointed 1 September 2021)

Trust Partners
AXA (formally XL Catlin)
King's College London
London Borough of Tower Hamlets
NHS London
Poplar HARCA
Queen Mary University of London
University College London
University of East London
University of Greenwich
University of Warwick

Senior management team:

Director of Data and Compliance	D Kulesza-Smith
Director of Finance and Operations	R Dearing
Director of Human Resources	E de Diego Hamilton
Trust Leader	G Kemp

Reference and administrative details

Registered office UST House
Limehouse Causeway
London
E14 8AQ

Company registration number 07742547 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Bank of Scotland Plc
The Mound
Edinburgh
EH1 1YZ

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors Browne Jacobson
15th Floor
6 Bevis Marks
London
EC3A 7BA

Legal Services Royal Borough of
Greenwich
The Woolwich Centre - 4th Floor
35 Wellington Street
Woolwich
SE18 6HQ

Legal Services, London Borough of Tower
Hamlets
Mulberry Place
5 Clove Crescent
London
E14 2BG

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

University Schools Trust, East London (the Trust) operates three member schools located in two London Boroughs:

- ◆ St Paul's Way Trust School is an Outstanding all-through school in Tower Hamlets;
- ◆ Royal Greenwich Trust School, a former University Technical College and which is now a growing mainstream secondary school (our first Year 11 pupils started in September 2021) with a Sixth Form, in Greenwich; and
- ◆ Cyril Jackson Primary School, an Outstanding two-form primary school in Tower Hamlets joined the Trust on the 1 September 2021.

During the year the Trust had a total pupil capacity of 2,870 (Royal Greenwich Trust School and St Pauls Way Trust School), when the schools fill all year groups. The total pupil capacity at the Trust will increase to 3,342 pupils from 1 September 2021 with Cyril Jackson Primary School joining the Trust. In 2020/21 St Pauls Way Trust School had pupils in all year groups for the first time, whilst Royal Greenwich Trust School did not have any pupils in year 11. The Trust will fill the empty year group at Royal Greenwich Trust School in the 2021/22 academic year.

The total number of pupils attending at the time of the October census in the 2020/21 academic year was 2,557. This was comprised of 1,799 pupils at St Paul's Way Trust School and 758 pupils at Royal Greenwich Trust School, with 410 pupils in primary, 1,802 pupils in secondary and 345 pupils in the sixth form across the two schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of the Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the University Schools Trust or the UST.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Constitution (continued)

A key strength of the Trust is its Trustees, appointed from our world leading and internationally renowned University Partners, and from key organisations in both the charitable and statutory sectors. They are able to open up to our staff, pupils and families an extensive and comprehensive range of experiences and opportunities. Our schools and Trust partners are committed to empowering communities, improving social justice and breaking barriers for social mobility, and have a particular focus on reducing the attainment gap for those who are amongst the most disadvantaged in our society.

Members' liability

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

Method of recruitment and appointment or election of trustees

The Board of Trustees (Board) comprises nominee trustees from the Trust partners and any persons appointed by the Trust by special resolution. An employee of the Trust cannot be a trustee, with the exception of the Trust Leader.

The Board shall not have less than three trustees. The Board shall have:

- ◆ up to ten trustees appointed by members and partners
- ◆ up to two trustees appointed by the foundation / sponsor body
- ◆ the Trust Leader

The Trust has a School Committee (Local Governing Body) for each of its schools, including parent governors, and so there are no parent trustees on the Board.

The Trustees who are appointed may co-opt additional trustees.

Policies and procedures adopted for the induction and training of trustees

All new trustees and governors receive an induction including tours of all Trust sites and the opportunity to attend professionally run training courses. Trustees and governors are also provided with ongoing opportunities to undertake and receive suitable training so as to enable them to undertake their role more effectively. To this end the Trust and each School Committee (Local Governing Body) has contracts with the Confederation of School Trusts, the National Governance Association and Hub4Leaders. These contracts allow for any or all of the members of the Board and School Committees to attend any of the training courses provided. All new trustees and governors are actively encouraged to take advantage of these resources so as to gain a better understanding of the role and responsibilities of being a trustee or governor. Additionally, trustees and governors with specific roles within the Board or School Committees are linked to an appropriate member of staff and strongly encouraged to undertake specific training.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The organisational structure of the Trust consists of three levels:

- ◆ Members;
- ◆ Board (trustees and directors); and
- ◆ School Committees (Local Governing Bodies).

The Board has five Committees: Standards; Resources; Communication, Marketing and Strategy; Audit and Risk; and Remuneration.

The Board is responsible for, and oversees, the management and administration of the Trust and the schools run by the Trust. Whilst legal and strategic decision-making authority rests with the trustees, in order to discharge these responsibilities, the Articles and Master Funding Agreement provide the trustees with the power to delegate decision making as it deems appropriate to: Committees; the Trust Leader; School Committees; and the individual school Executive Headteacher or Headteacher.

The trustees retain overarching responsibility for governance and have the power to direct and make changes where required, as defined in the Trust's Scheme of Delegation. The Board has retained responsibility for all financial and employment matters, again as defined in the Scheme of Delegation, and is responsible for setting Trust policy in these areas. The Board monitors the overall Trust budget and makes major decisions about the direction of the Trust, capital expenditure and senior staff appointments. Governors are responsible for implementing both those policies and the School Development Plan within the resources available at their school.

The trustees are responsible for exercising oversight over the governance and management of the Trust. In exercising their responsibilities, trustees consider the advice given by the Executive, the Executive Headteacher or Headteacher and the Chairs of the School Committees.

The Trust Leader is the Accounting Officer.

During the period from 1 September 2020 to 31 August 2021, the Trust Board met six times (inclusive of two extraordinary meetings) and one governance conference (not recorded as a formal meeting).

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and remuneration of the Trust's key management personnel is the responsibility of the Remuneration Committee. Key management personnel of the Trust comprise its members, trustees, Trust Leader and Executive Team. Neither members nor trustees receive any remuneration for their role beyond the reimbursement of expenses incurred directly in connection with their role.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel
(continued)

In setting pay and remuneration for the Trust Leader and Executive Team, the Remuneration Committee considers performance management information and relevant benchmarks within the sector.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number	3
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Percentage of time spent on facility time

	Number of employees
Percentage of time	
0%	—
1% - 50%	3
51% - 99%	—
100%	—

Percentage of pay bill spent on facility time

Total cost of facility time	£2,835
Total pay bill	£12,181,641
Percentage of the total pay bill spent on facility time	—

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	27.3%
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Engagement with employees

The Trust communicates and engages with all its employees continuously and through a range of different approaches. This includes regular meetings and briefings between the Trust Executive, Headteachers and Chair of Governors. Regular senior leadership meetings and whole school staff meetings and briefings also take place at school level.

There are regular communications to staff from the Trust and School Management on a range of teaching and learning and staff related matters, including the impact of Covid-19. A termly Trust newsletter is produced for all staff, which outlines all key decisions made by the Trust Board for that specific period. Regular newsletters are produced at school level, focused on school related matters and achievements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (continued)

Positive staff and trade union relationships are fundamental to the Trust's ethos on ensuring good employee relations. There are regular staff meetings and meetings with the relevant trade unions at school level, with input at Trust level as required. These meetings are used to discuss matters of mutual interest and to resolve potential problems before they escalate. The Trust now has a Trade Union Facility Time Agreement and will establish a Joint Staff Consultation and Negotiation Committee (JCNC) at Trust level in early 2022. The JCNC will involve the Trade Union representatives at Borough level and will further proactively support staff engagement.

In September 2021, the Trust implemented a staff facing personnel portal (I-Trent) in order to support all staff and Trust in the management of HR payroll and personnel services.

The Trust ethos is that every employee is treated equally, fairly and aware of their obligations under the Equality Act 2010. All HR policies, procedures and processes strongly reflect this ethos. Appropriate support is given to all (including potential) employees, as appropriate, to help them secure and remain in suitable positions within the Trust. This also includes securing promotion. Managers are given appropriate training and guidance to enable them to support disabled applicants and employees, including seeking Occupational Health advice and implementing reasonable workplace adjustments.

The Trust has proactively engaged all staff on the review of its equality objectives for the next 2 years and to help form a positive response to the Black Lives Matters agenda. A range of staff meetings/forums have been set up to enable staff to lead on, input into and feedback on particular priority areas.

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

The trust works with its internal stakeholders being its pupils, parents, local communities and external stakeholders including the Department for Education and in doing so follows the "Seven Principles of Public Life", which are;

- ◆ Selflessness
- ◆ Integrity
- ◆ Objectivity
- ◆ Accountability
- ◆ Openness
- ◆ Honesty
- ◆ Leadership

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with suppliers, customers and others in a business relationship with the Trust (continued)

Suppliers from whom the Trust purchases goods and services and service providers are also key stakeholders. Over the past couple of years, the Trust is in the process of introducing key contracts across the schools in the Trust, to achieve economies of scale and hence best value for money.

Related parties and other connected charities and organisations

The Trust enjoyed an effective partnership with six world-leading university partners (Queen Mary University of London, King's College London, University College London, University of East London, University of Greenwich, and the University of Warwick) and four sector-leading bodies (AXA, NHS, Poplar HARCA and the London Borough of Tower Hamlets). These partners actively worked with the Trust by supporting the delivery of the curriculum, assisting in the development of staff and providing opportunities for students.

OBJECTIVES AND ACTIVITIES

Objects and aims

We are a group of schools, with strong, mutually impactful relationships - which is key to our success. Our Trustees have set the strategic direction in partnership with school leaders, local school committees and staff. All Trustees understand the challenges facing both our individual schools and the wider education setting. Consequently, our ambitious strategic plan is captured by our mission statement of:-

UST Guarantee: Achieving Excellence through Transformational Education that Empowers Communities.

Achieving Excellence:

The Trust inspires each member of our learning community to be ambitious, to realise their potential and to succeed academically and vocationally.

Transformational Education:

The Trust ensures that the dynamic curricula and pastoral offers of our schools are enriched by the civic leadership and research from our university, public and private Trust partners.

Empowering Communities:

The Trust strives to equip all pupils and staff with the skills to transform their lives, empower communities, and excel in our global society.

Objectives, strategies and activities

We bring together, as one family, our schools across London to continue serving our communities. For this, we have developed a strategic plan based around four key areas:-

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Our Pupils:

- ◆ To deliver transformational education within high quality learning environments so that staff make a real difference for pupils, and every member of our community is empowered with the knowledge and skills required to realise their chosen journeys of success as global citizens.
- ◆ To offer dynamic curricula by sharing expertise and providing high-quality resources to ensure a clear progress in knowledge and skills towards agreed end points.
- ◆ To deliver a world-class education utilising our collective wealth of people and physical resources - which include co-curriculum development, enrichment opportunities and structured pastoral support and peer group collaboration.
- ◆ To ensure digital and other technologies are used creatively to improve and widen the experience of our learners.
- ◆ To ensure the safety and physical, emotional and mental well-being of all pupils and the promotion of social mobility.
- ◆ To close performance gaps wherever they manifest.

Our People:

- ◆ To ensure robust and effective governance and leadership for a growing Trust, demonstrating strong governance disciplines which provide effective oversight, financially sound strategic planning, ambition and clarity of vision for all.
- ◆ To develop talented practitioners in all areas of the Trust and create a culture of succession planning and excellence.
- ◆ To deliver appropriate and effective professional development in order to improve practice and develop talented practitioners within the organisation.
- ◆ To implement a people strategy which is aligned with the Trust's aspiration to support the highest quality recruitment, retention, and welfare of the staff across our organisation.

Our Partnerships:

- ◆ To involve all parents / carers, ensuring they benefit from and contribute to the education of their children and the wider school community. Trust schools will offer support and guidance for parents / carers to engage with their own learning and development.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Our Partnerships (continued):

- ◆ To enrich both the Trust and our communities by engaging and embracing local communities - enabling all stakeholders to benefit from an excellent educational offer, exceptional facilities and to contribute to the work of our schools.
- ◆ To develop our distinctive and impactful relationships with the Trust university partners and make full use of their civic leadership and research for the benefit of all - such as enrichment opportunities and academic learning path choices for students and highest quality continual professional learning opportunities for staff.
- ◆ To implement internal and external growth plans within our family of schools with the purpose of widening the scope of, and improving the provision for our young people, extending training opportunities to our staff, and improving efficiencies for all.
- ◆ The Trust will engage with local education providers both sharing and benefiting from each other's expertise.

Our Processes:

- ◆ The Trust manages and ensures effective and efficient systems which deliver comprehensive data and drive school improvement.
- ◆ To ensure that as the Trust increases in size, the benefits and financial advantages are optimised through our dynamic finance and procurement strategies.
- ◆ To maintain the security of data within the Trust, through widespread understanding and disciplined compliance with procedures.
- ◆ To build on our excellent facilities in which to learn and work.
- ◆ To ensure we have an evolving IT infrastructure which is fit for purpose and aligned to our operational needs, and with the capacity for future growth and the inclusion of emerging technologies for our pupils, staff and community.
- ◆ To maintain our healthy, safe and secure environments.
- ◆ To audit and assess risk continuously, ensuring all areas within the Trust are supported fully and risks are identified and managed.
- ◆ To develop a dynamic marketing and communications programme that is wide-reaching and effective.
- ◆ To widen the Trust's contribution, both as an organisation and as individuals, to support the green agenda and an increase in sustainability.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Guided by and working with our Trust Partners:

The Trust is a family of inclusive schools where collaborative partnerships deliver a **transformational education** which **empowers our pupils and the communities, they come from** to realise their full potential. A culture of high expectations nurtures a drive to achieve excellence and to take ownership of future academic and vocational learning paths in order to equip our pupils as global citizens and inspire their communities.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Admission arrangements for Trust schools

In line with its declared vision and ethos each school within the Trust recruited a comprehensive and balanced intake of students across the ability range in each year of entry, during the year in question.

Admission arrangements for the 2022 academic year are available on each constituent school's website as well as the Trust's own website.

- ◆ St Paul's Way Trust School (<http://www.spwt.net/about-us/admissions>)
- ◆ Royal Greenwich Trust School (<http://www.rgtrustschool.net/secondary/admissions>)
- ◆ Cyril Jackson Primary School
(<https://www.cyriljackson.towerhamlets.sch.uk/parents/admission-transfer>)

STRATEGIC REPORT

Achievements and performance

The coronavirus pandemic has tested our teams to the extreme again this year, but it has been apparent that our ethos and values have shone through during these difficult times. As we all continued to reflect on the feedback from staff and our families, we ensured the:

- ◆ safety of all;
- ◆ drafting, implementing, and delivering of a strong home-school curriculum; and
- ◆ resources and buildings were safe and available for our most vulnerable and key worker students.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Staff across UST rose to this challenge and the strong leadership demonstrated by so many has enabled our wider community to receive the welfare support and education they so rightly deserve.

The Trust Executive and a working group of Trustees have spent significant time reviewing the Trust strategy for the next five years. We feel the document clearly encompasses our vision, ethos and values and articulates our strategy for the years ahead.

We recognise the significant work around staff and pupil recruitment and induction at the schools. During 'normal' times, co-ordinating this piece of work would have been difficult, but it has been especially challenging due to the increasing year groups at Royal Greenwich Trust School and St Paul's Way Trust School. We are delighted to have a full complement of staff across the Trust for September and are excited by the growth of these schools and the further opportunities this will bring.

Senior leaders across the Trust have implemented the new curriculum and teaching and learning principles to ensure our curriculum is progressive, inclusive, and academically rigorous. This work has laid the foundations for the teaching requirements for the academic year ahead.

We have also embraced the collaborative work within our assessment and data teams to ensure our systems for collecting and analysing data incorporates best practice and continues to reduce teacher workload. At the current time, understanding and addressing the learning gaps of our students, has never been more important to ensure our students make the significant gains.

Since September 2020, due diligence has been undertaken with Cyril Jackson Primary School their Governing Body voted unanimously to join UST. We know the Trust will benefit from the outstanding practice and skilled staff that the school will bring to us as well as the school benefiting from our central services team.

Running in parallel with the student facing work, we have continued to review the 'backbone' of the organisation. A high level governance review has ensured our governance documentation, roles and responsibilities are effective and an exemplary model. A governance handbook has been approved to support those who govern UST.

The new finance systems are embedded and fully functional with a permanent effective staff team. The introduction of financial reporting software will provide will enable greater scrutiny at school and Board level. Trust policies, compliance and tracking have been embedded providing greater clarity and consistency for all.

A new senior HR team has been appointed and the work of the wider HR team has been collaborative as a central function. We are also delighted to have increased the staffing capacity within the central facilities team and appointed other Trust wide functions e.g. IT, legal, catering and audit to ensure we achieve success whilst maintaining best value.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Comparisons with national data for Summer 2021 are challenging due to the changes implemented as a result of the coronavirus over the previous two years. The data below is produced from Summer 2021 and where comparisons are made, the nature of the comparison is stated.

Royal Greenwich Trust School

Key Stage 5:

- ◆ The A level Average Grade has improved on previous years (C-, C and C+ for the last three years respectively) to a B- grade this year. This is above the national average for 2019 (the last year of examinations) and that our students with higher prior attainment made significant progress.
- ◆ Level 3 BTECs Average points score has improved on previous years (M+ for the previous 2 years), with an average grade of D (Distinction) with a particular growth at Distinction* this year.
- ◆ Our 3 year Trend in relation to the GCSE re-sits continued to outperform national benchmarks in all previous years for students taking re-sits by a significant amount.

St Paul's Way Trust School

Key Stage 4:

- ◆ The 2021 results, using the 2019 Progress 8 national information, produced a P8 score of +1.35, up from +0.63 in 2020 and +0.36 in 2019.
- ◆ English and Maths 4+ and 5+ are up slightly from last year with the highest recorded results. Achievement at the highest levels (7+) were significantly improved with particularly improvement in non-core subject areas.

Key Stage 5:

- ◆ The A level Average Grade has improved on previous years (B, B- and B+ for the last three years respectively) to an A- grade this year, above the national average for 2019 (C+).

Primary School National Assessments:

- ◆ No overall national assessments were made in 2021 regarding the above areas due to the coronavirus.

Key performance indicators

The impact of our improvement strategy will be measured by a set of KPI's that are aligned to the 4 key areas of our strategy: Our Pupils, Our People, Our Partnership and Our Processes which in turn are broken down into our Strategic Objectives outlined below.

STRATEGIC REPORT (continued)

Key performance indicators (continued)

- ◆ Strategic Objective #1 – Leadership and Governance
- ◆ Strategic Objective # 2 – Growth
- ◆ Strategic Objective # 3 - School Improvement – Standards
- ◆ Strategic Objective # 4 - School Improvement – Professional Development
- ◆ Strategic Objective # 5 - Data:
- ◆ Strategic Objective # 6 - Information Governance
- ◆ Strategic Objective # 7 - Marketing and Communications:
- ◆ Strategic Objective # 8 - People Strategy HR
- ◆ Strategic Objective # 9 - Finance and Operations – Finance
- ◆ Strategic Objective # 10 - Finance and Operations – Estates and Facilities Management
- ◆ Strategic Objective # 11 - Finance and Operations – Health and Safety
- ◆ Strategic Objective # 12 - Finance and Operations – IT

The key performance indicators reviewed at Board meetings included income from the Education & Skills Funding Agency (ESFA) in the form of the general annual grant and other funding streams. The levels of depreciation and capital reinvestment together with actual and projected cash flow and reserves had also been monitored. These items were reported in the financial statements.

Going concern

After making appropriate enquiries, the Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board 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.

Protecting the success of the Trust

The trustees are committed to improving the outcomes of all our pupils through the relentless pursuit of scholarship and excellence, and securing the best possible outcomes. Our schools deliver the highest quality teaching and learning, are fully compliant within our policy framework and ensure financial astuteness. Through our trust partners, our trust schools have access to the widest possible array of talented and committed bodies who share their goals.

STRATEGIC REPORT (continued)

Protecting the success of the Trust (continued)

We steadfastly believe that our approach allows local school committees and school leadership teams to focus on the needs of their communities within a supportive framework. The Trust provides the underpinning systems, structures and external networks to support the work in our schools, enabling them to prioritise their time on the teaching and learning strategies and outcomes at their schools.

We deliver effective, progressive, professional development opportunities for all staff who work within our schools creating a culture of success. Succession planning throughout the organisation is essential to ensure our standards remain high at all times.

We ensure our school environments are fit for purpose and consider the environmental impact when making decisions with regards to our infrastructure. Recent building developments have utilised the local workforce and the highest ecological standards observed. Our schools continue to consider their carbon footprint and changes to the lighting systems are currently being considered.

As a Trust, we place an important emphasis on the professional conduct of our staff, trustees and visitors and all abide by a clear framework and policy. This includes being aware of equality, impartiality and the need to act fairly. The recent equality work within all our schools demonstrates the Trust's commitment to review policy and practice and be at the forefront of equality practice.

FINANCIAL REVIEW

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

Total income for the year was £30,815k (2020 - £29,287k). Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes.

The general annual grant received from the ESFA during the year ended 31 August 2021 totalled £19,576k (2020 - £17,738k).

Total expenditure amounted to £25,800k (2020 - £23,176k), of which £2,211k (2020 - £1,468k) represents depreciation of tangible fixed assets.

After considering actuarial losses on the local government pension scheme of £1,294k (2020 – actuarial gains of £723k) the above movements resulted in a net surplus and net movement in funds for the year of £3,721k (2020 – net surplus of £6,834k).

FINANCIAL REVIEW (continued)

The operational surplus for the year excluding fixed asset purchases was £685k (2020 – operational surplus of £246k). This figure excludes movements on the tangible fixed assets, the defined benefit pension liability, fixed asset purchases from revenue funds, and other non-recurring items.

The effects of COVID-19 impacted the Trust's financial position for the year in several areas. There was additional premises expenditure incurred to maintain safe working and meet additional protective measures (which included capital spend where room reallocation was required). Unbudgeted IT hardware investment was also made to support working from home, and there were increased net catering costs. Lettings income was also impacted.

Reserves policy

The Board reviews the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of unrestricted reserves should be the equivalent of 5% of turnover (excluding capital funding) which is approximately £1,182k (2020: £1,092k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust has a current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) of £1,257k (2020: £647k). The Board will continue to monitor the level of reserves and the level deemed appropriate.

The Trust held fund balances at 31 August 2021 of £101,894k (2020: £98,173k) comprising £100,637k (2020: £97,526k) of restricted funds and £1,257k (2020: £647k) of unrestricted general funds. Of the restricted funds £105,226k (2020: £100,096k) is represented by tangible fixed assets, and £83k (2020: £8k) of unspent restricted income funds.

Investment policy

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

The investment objectives are to achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation and to only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.

FINANCIAL REVIEW (continued)

Investment policy (continued)

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. The Resources Committee will receive reports on investments held and the performance of those investments against objectives and monitor the cash position and cash flow forecast at appropriate intervals.

Principal risks and uncertainties

The principal risks and uncertainties that the Trust faces are mitigated by the risk management process that the Board has in place. The Trust maintains a risk register identifying the major risks, mitigating actions and lead officers. The risk register is reviewed by the Board annually and more often by the Audit and Risk Committee. Where significant financial risk still remains the Board has ensured the Trust has relevant insurance cover.

The trustees consider the following to be the main risks:

- ◆ **Barriers to Growth:** The Trust's growth, in its current structure, is limited by the physical space available at the schools. To allow the current provision at the UST to further develop and provide an even broader range of possibilities for all students the Trust is researching opportunities to allow for expansion. The geography of the schools provides a barrier as physical space is limited in London. In addition to internal growth the Trust continues to look for suitable schools to join the Trust and enhance the offer for all involved. A measured approach is being taken to minimize the risk of expansion by ensuring that the leadership and professional capacity within the UST is such that expansion would not result in a detrimental impact on existing, or joining, schools.
- ◆ **Funding Uncertainties:** Like all Trusts, the UST is faced with uncertainty in its future funding. The Trust does not foresee any issues with student numbers, however, the uncertainty in the funding formulae and the ongoing coronavirus expenditure with the associated lack of clarity about these costs being fully met, means that the Trust must be cautious with regard to expenditure, especially regarding long term investments such as staffing and capital works. The revised financial procedures now in place will provide extra security and confidence regarding these matters.
- ◆ **(The Needs of) Increasing Numbers of Students with Special Educational Needs & Disabilities (SEND):** The popularity of the Trust has led to a disproportionate increase in the number of SEND students attending Trust schools compared to both national and local averages. This provides a challenge to the Trust in terms of its financial commitments as well as other resources. The Trust is in continuous dialogue with the local communities that it serves and the Local Authorities regarding the sustainability of a continuing situation especially as the Trust is, and will continue to be, absolutely committed to ensuring that the needs of all students are fully met.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

- ◆ Staffing Retention & Recruitment: The Educational success of students within the Trust is dependent upon excellent staff who are able to provide an environment best suited for those students to learn. Recruitment must reflect the need to attract those suitably qualified to maintain and improve standards across the Trust. There are both local and national challenges to this and the Trust is not alone in facing these difficulties. The national picture is one where the education sector has not met the required numbers with respect to teaching staff for a sustained period resulting in a cumulative effect, particularly in areas of Science, Maths and Languages. In addition to this there are more local challenges with London schools having a higher rate of staff movement.
- ◆ Impacts of Coronavirus: The coronavirus was officially designated a pandemic on 11 March 2020 and since then has caused significant, frequent and widespread impacts on social, economic and legislative areas. The education sector is not immune to this and continues to be affected. The rapidly changing requirements, both in terms of guidance and legislative necessities to minimize the risk to the UST community whilst providing an outstanding curriculum, put a serious strain on the resources of the Trust. This is in terms of the financial outlays associated with Coronavirus (direct and indirect) and the dedicated time and focus required by senior leaders across the Trust. This moves resources away from other areas that would be priorities under 'normal' circumstances and is intensified by the continued uncertainty of how the situation will change in the short and medium terms.

Financial and risk management objectives and policies

In terms of the financial risks which the Trust is exposed these relate primarily to:

- ◆ Change in Government and legislation
- ◆ Potential of reduced funding and consequent cash flow
- ◆ Reduction in student numbers
- ◆ Recruitment and retention of staff
- ◆ Unplanned additional costs

A risk arises in relation to the Local Government Pension Scheme, a defined benefit pension scheme, due to the fact that there is a deficit of £4,672k (2020: £2,578k).

FINANCIAL REVIEW (continued)

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)	2,508,028
<u>Scope 1 emissions in metric tonnes CO₂e</u> Gas consumption	459.37
Owned transport – mini-buses	N/A
<u>Total scope 1</u>	459.37

<u>Scope 2 emissions in metric tonnes CO₂e</u> Purchased electricity	267.75
<u>Scope 3 emissions in metric tonnes CO₂e</u> Business travel in employee owned vehicles	n/a
Total gross emissions in metric tonnes CO ₂ e	727.12
<u>Number of pupils</u>	2,557
<u>Intensity ratio</u>	
Tonnes CO ₂ e per pupil metric tonnes CO ₂ e	0.28

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 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

To rationalise operating energy consumption the Trust will increase management of engineering systems and educate staff in the benefits.

PLANS FOR FUTURE PERIODS

The Trust is a group of schools, with strong, mutually impactful relationships - which is key to our success. The Trustees have set the strategic direction in partnership with school leaders, local school committees and staff. All Trustees understand the challenges facing both our individual schools and the wider education setting. Consequently, our ambitious strategic plan is to deliver success through the synthesis of the work of our Trustees and central team, and the collaboration between our schools. We identify this as the '**Trust Dividend**'.

- ◆ The Trust Dividend offers all our pupils equal access to a high-quality educational experience.
- ◆ The Trust Dividend offers our professional educators exceptional development opportunities to enable them to achieve their full potential.
- ◆ Leading presents challenges, but it also presents some extraordinary possibilities for codifying what works across multiple schools for the greater good of all.
- ◆ The Trust Dividend is the aggregate impact of the formal collaboration between our schools and the development of central services to enhance improvement.
- ◆ As part of the Trust Dividend, we believe pooling funding to develop central services is key to enable school leaders, teachers and support staff to focus on our pupils.

The Trust recognises that further expansion would maximise the Trust dividend and economies of scale in terms of efficient central services. However, such expansion will only take place if the schools or academies involved are willing participants, and that they share the values and ethos of the Trust.

We are delighted that Cyril Jackson Primary School (CJPS) joined the Trust in September 2021 and as an 'Outstanding' school it will now support the Trust to achieve its mission and strategic priorities. The staff and pupils are a credit to the school and the community the school serves. The school will now benefit from the provision and resources of the Trust.

The leadership team at Royal Greenwich Trust School (RGTS) have demonstrated their impact, which has been validated by their recent Ofsted Inspection in July 2021 which summarised: 'Leaders and those responsible for governance are taking effective action in order for the school to become a good school'.

St Paul's Way Trust School (SPWT) continues to grow from strength to strength and remains the most popular secondary school of choice in the London Borough of Tower Hamlets. Leaders have continued to build on their provision to ensure equality of access for all pupils whilst attaining the highest possible outcomes.

Trustees approved the UST Strategy 2021 – 2024 in July 2021, it is therefore with energy and enthusiasm that those who have oversight for governance, school leadership and the trust central team will seek to realise this strategy via focused improvement planning in the years to come.

AUDITOR

In so far as the trustees are aware:

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

During the year the Trust appointed Buzzacott LLP as its auditors, and they took over from Azets Audit Services Ltd.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14/12/2021 and signed on the Board's behalf by:

Peter Heathcote

Chair

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Trust Leader, as the 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 Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
A Bhattacharjee	3	6
P Blagburn	5	6
W Carroll (Resigned 19 October 2021)	5	6
S Cowls	4	6
C Goudy	5	6
S Hall	4	6
J Harris (Resigned 31 August 2021)	5	6
P Heathcote (Chair)	6	6
A Islam	3	6
G Kemp (Trust Leader and Accounting Officer)	6	6
E Marshall	6	6
G May	5	6
I McFadzean	5	6
M O'Thomas (Appointed 23 March 2021)	2	3
C van Randwyck (Appointed 1 September 2021)	0	0

The Board's composition reflects the Trust's partnership structure described within the Trustees' Report.

An independent governance review took place in October 2018 and an external review of governance documents took place throughout the 2020-2021 academic year. The reviews focussed on:

- ◆ How trustees set the strategic direction of the Trust and the schools

Governance (continued)

- ◆ The Trust Board / School Committee effectiveness in monitoring teaching and learning; measuring progress; safeguarding; finance and HR.
- ◆ The effectiveness of governance structures and roles and responsibilities at each level.
- ◆ The development and implementation of the schemes of delegation, terms of references, agenda schedules and the governance handbook.

The reviews established that, despite being relatively newly established as a MAT, governance and governance structures are effective.

The Academies Financial Handbook sets out that the Board and its Committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. In 2020/21 the Trust Board met six times and received reports from Committee meetings held as follows: Resources (five times); Audit (four times); Standards (three times); and Remuneration (two times).

The Trust's Resources Committee is a committee of the main Board. Its purpose is to scrutinise and provide assurance to the Trust Board on finances and resources including;

- ◆ budget setting and monitoring performance against the budget,
- ◆ financial accounting and reporting systems,
- ◆ examining the long term financial sustainability of the Trust and its schools
- ◆ ensure an appropriate set of policies and procedures are in place to provide assurance that public funds are being used correctly and good value for money is being achieved.
- ◆ maintain oversight of the Trust's central support services and the accounting and reporting systems and policies.

Attendance at meetings in the year was as follows (W Carroll is Chair of this Committee):

Trustees	Meetings attended	Out of possible
W Carroll (Resigned 19 October 2021)	5	5
J Harris (Resigned 31 August 2021)	5	5
P Heathcote (Chair)	5	5
I McFadzean	5	5

C van Randwyck was appointed to the Resources Committee on 1 September 2021 and was appointed Chair of this Committee on 20 October 2021.

Governance (continued)

The Trusts' Audit and Risk Committee is a committee of the main Board. Its purpose is to:

- ◆ scrutinise and provide assurance to the Trust Board on financial systems and operational controls, compliance, risk management and the Trust's governance.
- ◆ review areas of the Trust's operation and oversee due diligence for any proposed new schools that are being considered to join the Trust.
- ◆ verify the 'self-determination' assessments of the Trust's schools according to their academic performance, Ofsted readiness, financial probity and policy compliance.

Attendance at meetings in the year was as follows (E Marshall is the Chair of this Committee):

Trustees	Meetings attended	Out of possible
S Cowls	4	4
S Hall*	0	4
E Marshall	4	4

*S Hall attendance this year was severely impacted due to his work on managing the pandemic response.

In addition to the above Trustees the Audit and Risk Committee includes a co-opted external individual, Mr D Curtis, for his expertise in this field.

Review of value for money

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

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

- ◆ Reviewing the curriculum offer and required staffing levels.
- ◆ Reducing the dependency on agency staff.
- ◆ Reviewing the insurance.
- ◆ Developing curriculum support staff to support teaching and learning.
- ◆ Supporting School's cooperation on procurement and utilising economies of scale.

Review of value for money (continued)

The effects of COVID-19 impacted the Trust's financial position for the year in several areas. There was additional premises expenditure incurred to maintain safe working and meet additional protective measures (which included capital spend where room reallocation was required). Unbudgeted IT hardware investment was also made to support working from home, and there were increased net catering costs. Lettings income was also impacted.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The risk and control framework (continued)

The Board has considered the need for a specific internal scrutiny / audit function and appointed McCabe Ford Williams as internal auditor on the 20 October 2020, following the resignation of Mazars the previous year. McCabe Ford Williams work includes a range of checks on both the Trust's financial systems and non-financial systems. During the past year these checks have included:

- ◆ The Trust response to the pandemic
- ◆ Compliance with the Academy Financial Handbook "Musts"
- ◆ Review of Trust's procurement procedures
- ◆ Follow up on the external auditors management letter for the previous year

On a termly basis, McCabe Ford Williams reports to the Trust Board, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities and annually prepare an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

Review of effectiveness

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

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

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

Approved by order of the Board on 14/12/2021 and signed on its behalf by:

Peter Heathcote

Gill Kemp

Chair

Trust Leader and Accounting Officer

Statement of regularity, propriety and compliance 31 August 2021

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

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

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.

Gill Kemp

Accounting Officer

Date: 14/12/2021

Statement of Trustees' responsibilities 31 August 2021

The trustees (who are also the directors of The Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the ESFA, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgements and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board on 14/12/2021 and signed on its behalf by:

Peter Heathcote (Chair)

Independent auditor's report on the financial statements to the trustees of University Schools Trust, East London

Opinion

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

In our opinion the accounts:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

Conclusions relating to going concern (continued)

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the 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 (FRS 102), the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the Academy's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

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

- ◆ 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 trustee' meetings and papers provided to the trustees.
- ◆ 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 trustee' 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

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

- ◆ 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.

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.

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

Date: 14/12/2021

Independent reporting accountant's assurance report on regularity to University Schools Trust, East London and the Education and Skills Funding Agency

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

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

Respective responsibilities of University Schools Trust, East London's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of University Schools Trust, East London's funding agreement with the Secretary of State for Education dated 31 August 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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.

Independent reporting accountant's report on regularity Year to 31 August 2021

Approach (continued)

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

Conclusion

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

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Date: 14/12/2021

Statement of financial activities (including income and expenditure account)

Year to 31 August 2021

	Notes	Unrestricted funds £'000	Restricted funds		2021 Total funds £'000	2020 Total funds £'000
			General £'000	Fixed asset £'000		
Income from:						
Donations and capital grants	1	—	20	7,172	7,192	7,457
Charitable activities						
. Funding for Trust's educational operations	2	268	23,347	—	23,615	21,623
Other trading activities	3	8	—	—	8	200
Investments	4	—	—	—	—	7
Total income		276	23,367	7,172	30,815	29,287
Expenditure on:						
Charitable activities						
. Trust's educational operations	6	276	23,313	2,211	25,800	23,176
Total expenditure	5	276	23,313	2,211	25,800	23,176
Net income (expenditure)		—	54	4,961	5,015	6,111
Transfers between funds	14	610	(779)	169	—	—
Other recognised (losses) gains						
Actuarial (losses) gains on defined benefit pension schemes	16	—	(1,294)	—	(1,294)	723
Net movement in funds		610	(2,019)	5,130	3,721	6,834
Reconciliation of funds:						
Total fund balances brought forward at 31 August 2020		647	(2,570)	100,096	98,173	91,339
Total fund balances carried forward at 31 August 2021		1,257	(4,589)	105,226	101,894	98,173

All of the Academy's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	11		105,226		100,096
Current assets					
Debtors	12	498		443	
Cash at bank and in hand		4,859		3,762	
		<u>5,357</u>		<u>4,205</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(4,017)		(3,550)	
Net current assets			<u>1,340</u>		<u>655</u>
Total assets less current liabilities			<u>106,566</u>		<u>100,751</u>
Defined benefit pension scheme	16		(4,672)		(2,578)
Total net assets			<u>101,894</u>		<u>98,173</u>
Funds of the Trust:					
Restricted income funds	14				
. Fixed asset funds			105,226		100,096
. Restricted income funds			83		8
. Pension reserve			(4,672)		(2,578)
Total restricted funds			<u>100,637</u>		<u>97,526</u>
Unrestricted funds					
. General fund	14		1,257		647
Total funds			<u>101,894</u>		<u>98,173</u>

The accounts on pages 36 to 64 were approved by the trustees and authorised for issue on and are signed on their behalf by:

Gill Kemp

14/12/2021

University Schools Trust, East London
Company Registration Number 07742547 (England and Wales)

Statement of cash flows Year to 31 August 2021

		2021 £'000	2020 £'000
Net cash provided by operating activities	A	1,266	2,882
Net cash used in investing activities	B	(169)	(1,312)
Change in cash and cash equivalents in the year		<u>1,097</u>	<u>1,570</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2020		3,762	2,192
Cash and cash equivalents at 31 August 2021	C	<u>4,859</u>	<u>3,762</u>
A Reconciliation of net income to net cash flows from operating activities			
		2021 £'000	2020 £'000
Net income for the year (as per the statement of financial activities)		5,015	6,111
Adjusted for:			
Depreciation charges (note 11)		2,211	1,468
Capital grants from DfE and other capital income		(31)	(7,434)
Donated fixed assets		(214)	—
Revaluation of tangible fixed assets		(6,927)	—
Interest receivable		—	(7)
Defined benefit pension scheme cost less contributions payable (note 16)		752	715
Defined benefit pension scheme finance cost (note 16)		48	54
(Increase) decrease in debtors		(55)	1,508
Decrease in creditors		467	467
Net cash provided by operating activities		<u>1,266</u>	<u>2,882</u>
B Cash flows from investing activities			
		2021 £'000	2020 £'000
Purchase of tangible fixed assets		(200)	(8,753)
Dividends, interest and rents from investments		—	7
Capital funding received from sponsors and others		—	7,390
Capital grants from DfE/ESFA		31	44
Net cash used in investing activities		<u>(169)</u>	<u>(1,312)</u>
C Analysis of cash and cash equivalents			
		2021 £'000	2020 £'000
Cash at bank and in hand		4,859	3,762
Total cash and cash equivalents		<u>4,859</u>	<u>3,762</u>

Statement of cash flows 31 August 2021

D Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Total: cash	3,762	1,097	4,859

Accounting policies

The Trust is a charitable company. The address of its principal place of business is 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), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

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

The financial statements are presented in sterling and rounded to the nearest thousand pounds.

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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

Income (continued)

Grants (continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Donated fixed assets

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

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.

Expenditure on raising funds

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

Charitable activities

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

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

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

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

The property used by Royal Greenwich Trust School is included in the financial statements at cost and has a 125 year lease with the Local Authority.

The properties used by St Paul's Way Trust School have been included at a desktop valuation provided by the Local Authority. The secondary school building is freehold and the primary school building is held on lease with Poplar HARCA, a local housing association.

Tangible fixed assets and depreciation (continued)

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

◆ Freehold Land and Buildings	2% (land is not depreciated)
◆ Leasehold Land and Buildings	2% (land is not depreciated)
◆ Assets Under Construction	not depreciated
◆ Plant and Machinery	20%
◆ Computer Equipment	33.3%
◆ Fixtures and Fittings	20%

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

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

Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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 on a straight-line basis over the lease term.

Financial instruments

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

Financial assets

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

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

Financial liabilities

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

Financial instruments (continued)

Financial liabilities (continued)

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

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

Pensions benefits

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

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

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

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

Fund accounting

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

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

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

Agency Arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 22.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, 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.

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 re-assessed 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.

Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement (continued)

◆ Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

◆ Donated fixed assets

Donated fixed assets are initially recognised at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The donation 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.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000	2020 Total funds £'000
Capital grants	—	—	6,958	6,958	7,434
Donated fixed assets	—	—	214	214	—
Other donations	—	20	—	20	23
	—	20	7,172	7,192	7,457

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Restricted fixed asset funds £'000</i>	<i>2020 Total funds £'000</i>
<i>Capital grants</i>	—	—	7,434	7,434
<i>Other donations</i>	3	20	—	23
	3	20	7,434	7,457

2 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	* 2020 Total funds £'000
DfE/ESFA grants				
General annual grant (GAG)	—	19,576	19,576	17,738
Universal infant free school meals	—	54	54	59
Pupil premium	—	1,087	1,087	997
Other DfE group grants	—	876	876	786
	—	21,593	21,593	19,580
Other government grants				
Local authority grants	—	1,470	1,470	1,769
Other income from the academy trust's educational operations	268	—	268	257
Coronavirus additional funding (DfE/ESFA)				
Catch-up premium	—	215	215	—
Exceptional government funding				
Coronavirus exceptional support	—	69	69	17
Total funding	268	23,347	23,615	21,623

The trust received £215,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £147,000, with the remaining £68,000 to be spent in 2021/22.

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

* Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for 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.

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
DfE/ESFA grants			
<i>General annual grant (GAG)</i>	—	17,738	17,738
<i>Universal infant free school meals</i>	—	59	59
<i>Pupil premium</i>	—	997	997
<i>Other DfE group grants</i>	—	786	786
	<u>—</u>	<u>19,580</u>	<u>19,580</u>
Other government grants			
<i>Local authority grants</i>	—	1,769	1,769
Other income from the academy trust's educational operations	257	—	257
Exceptional government funding			
<i>Coronavirus exceptional support</i>	—	17	17
Total funding	<u>257</u>	<u>21,366</u>	<u>21,623</u>

3 Other trading activities

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	2021 Total funds £'000	<i>2020 Total funds £'000</i>
Trip income	8	—	8	62
Income from other charitable activities	—	—	—	115
Income from ancillary trading activities	—	—	—	23
	<u>8</u>	<u>—</u>	<u>8</u>	<u>200</u>

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
<i>Trip income</i>	62	—	62
<i>Income from other charitable activities</i>	115	—	115
<i>Income from ancillary trading activities</i>	23	—	23
	<u>200</u>	<u>—</u>	<u>200</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Short term deposits	—	—	—	7

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
<i>Short term deposits</i>	7	—	7

5 Expenditure

	Staff costs £'000	Non-pay expenditure		2021 Total £'000	2020 Total £'000
		Premises £'000	Other £'000		
Charitable activities Academy's educational operations					
. Direct costs	12,734	1,990	1,348	16,072	14,413
. Allocated support costs	5,670	2,327	1,731	9,728	8,763
	18,404	4,317	3,079	25,800	23,176

	Non-pay expenditure			2020 Total £'000
	Staff costs £'000	Premises £'000	Other £'000	
Charitable activities Academy's educational operations				
. Direct costs	11,710	1,307	1,396	14,413
. Allocated support costs	5,117	2,030	1,616	8,763
	16,827	3,337	3,012	23,176

Net expenditure for the year includes:

	2021 £'000	2020 £'000
Operating lease rentals	82	94
Depreciation	2,211	1,468
Fees payable to auditor for:		
. Audit	14	13
. Other services	5	4

6 Charitable activities - academy's educational operations

	2021 Total funds £'000	<i>2020 Total funds £'000</i>
Direct costs	16,072	<i>14,413</i>
Support costs	9,728	<i>8,763</i>
	25,800	<i>23,176</i>
	2021 Total funds £'000	<i>2020 Total funds £'000</i>
Analysis of support costs		
Support staff costs	5,670	<i>5,117</i>
Depreciation	221	<i>161</i>
Technology costs	258	<i>202</i>
Premises costs	2,106	<i>1,869</i>
Legal costs	13	<i>48</i>
Other support costs	1,433	<i>1,349</i>
Governance costs	27	<i>17</i>
Total support costs	9,728	<i>8,763</i>

7 Comparative information

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

	Notes	Unrestricted funds £'000	Restricted funds		2020 Total funds £'000
			General £'000	Fixed asset £'000	
Income from:					
Donations and capital grants	3	3	20	7,434	7,457
Charitable activities					
. Funding for the Trust's educational operations	4	257	21,366	—	21,623
Other trading activities	5	200	—	—	200
Investments	6	7	—	—	7
Total income		467	21,386	7,434	29,287
Expenditure on:					
Charitable activities					
. Trust's educational operations	9	32	21,676	1,468	23,176
Total expenditure	7	32	21,676	1,468	23,176
Net income (expenditure) before transfers		435	(290)	5,966	6,111
Transfers between funds	17	(197)	(471)	668	—
Other recognised gains					
Actuarial gains on defined benefit pension schemes	19	—	723	—	723
Net movement in funds		238	(38)	6,634	6,834
Fund balances brought forward at 1 September 2019		409	(2,532)	93,462	91,339
Fund balances carried forward at 31 August 2020		647	(2,570)	100,096	98,173

8 Staff

(a) Staff costs

Staff costs during the period were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	12,975	11,368
Social security costs	1,429	1,199
Pension costs (including LGPS notional pension charge £752,000 (2020 – £715,000))	2,803	2,562
	17,207	15,129
Supply staff costs	1,053	1,556
Staff restructuring costs	144	142
	18,404	16,827

(b) Non-contractual severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £97,703 (2020: £99,936). Individually, the payments were: £5,126; £20,613; £1,199; £40,765; and £30,000 (2020: £15,000; £27,208; £11,325; £14,791; and £31,612).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2021 expressed as average headcount and as full time equivalents was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	171	153
Administration and support	146	137
Management	21	24
	338	314

Charitable activities	2021 FTE	2020 FTE
Teachers	163	145
Administration and support	125	122
Management	20	23
	308	290

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	29	20
£70,001 - £80,000	7	5
£80,001 - £90,000	2	4
£90,001 - £100,000	2	1
£100,001 - £110,000	1	—
£110,001 - £120,000	—	2
£120,001 - £130,000	1	—
£130,001 - £140,000	1	—

(e) Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £540,442 (2020: £500,288).

The values for remuneration and employer's pension contributions in the year to 31 August 2020 represent 11 months. G Kemp was appointed in October 2019.

(f) Trustees' remuneration and expenses

The Trust Leader only received remuneration in respect of services provided undertaking the role of Trust Leader and not in respect of services as a trustee. Other trustees did not receive any payments from the Trust in respect of their role as trustees. Her remuneration, including pension is:

	2021 £'000	2020 £'000
G Kemp		
. Remuneration	130 – 135	115 – 120
. Employer's pension contributions	30 – 35	25 – 30

The values for remuneration and employer's pension contributions in the year to 31 August 2020 represent 11 months. G Kemp was appointed in October 2019.

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed or paid directly to trustees (2020: £959 to one trustee).

9 Insurance for trustees and officers

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

10 Central services

The Trust provided elements of the following services to its academies during the year:

- ◆ educational support
- ◆ finance
- ◆ human resources
- ◆ estates and facilities management
- ◆ health and safety
- ◆ IT
- ◆ procurement
- ◆ marketing and communications
- ◆ governance and compliance
- ◆ information governance

The Trust charges for these services at 5% of GAG.

The amounts charged during the year were as follows:

	2021	<i>2020</i>
	£'000	<i>£'000</i>
St Paul's Way Trust School	691	<i>643</i>
Royal Greenwich Trust School	278	<i>242</i>
	969	<i>885</i>

11 Tangible fixed assets

	Freehold land and building £'000	Lease- hold land and building £'000	Plant and machinery £'000	Computer equipment £'000	Fixture and fitting £'000	Total £'000
Cost						
At 1 September 2020	77,059	28,488	827	1,049	897	108,320
Additions	—	6,937	—	361	43	7,341
At 31 August 2021	77,059	35,425	827	1,410	940	115,661
Depreciation						
At 1 September 2020	3,109	2,594	817	912	792	8,224
Transfer	1,047	(1,047)	—	—	—	—
Charge for the year	1,041	993	4	120	53	2,211
At 31 August 2021	5,197	2,540	821	1,032	845	10,435
Net book values						
At 31 August 2021	71,862	32,885	6	378	95	105,226
At 31 August 2020	73,950	25,894	10	137	105	100,096

Included in the cost of land and buildings is land valued at £25,030,000 (2020: £25,030,000) which is not depreciated.

Transfers represent corrections made to the allocation of depreciation between freehold land and buildings and long leasehold land and buildings.

During the year to 31 August 2021, the Trust became aware of an updated value for the leasehold building housing the primary phase of St Pauls Way Trust School. Although the construction was completed in the year to 31 August 2018, the updated value was not measurable prior to the year to 31 August 2021. Included in with additions is £6,937,000 which represents the uplift to the value of this building. Three years of depreciation has been charged on this balance to represent the fact that the building is three years old.

12 Debtors

	2021 £'000	2020 £'000
Trade debtors	62	94
VAT recoverable	67	18
Other debtors	—	42
Prepayments and accrued income	369	289
	498	443

13 Creditor: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	25	743
Other taxation and social security	175	143
ESFA creditor: abatement of GAG	766	218
Other creditors	1,100	933
Accruals and deferred income	1,951	1,513
	4,017	3,550

	2021 £'000	2020 £'000
Deferred income		
Deferred income at 1 September 2020	118	32
Released during the year	(118)	(32)
Resources deferred in the year	145	118
Deferred income at 31 August 2021	145	118

Deferred income relates to rates relief, universal infant free school meals, and devolved formula capital funding for 2021/22.

14 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general fund					
General Annual Grant (GAG)	—	19,576	(18,782)	(779)	15
Universal infant free school meals	—	54	(54)	—	—
Pupil premium	—	1,087	(1,087)	—	—
Catch up premium	—	215	(147)	—	68
Other coronavirus funding	—	69	(69)	—	—
Other DFE group grants	8	876	(884)	—	—
Local authority grants	—	1,470	(1,470)	—	—
Other restricted funds	—	20	(20)	—	—
Pension reserve	(2,578)	—	(800)	(1,294)	(4,672)
	(2,570)	23,367	(23,313)	(2,073)	(4,589)
Fixed assets fund					
DfE/ESFA capital grants	—	235	—	(235)	—
General fixed assets	100,096	6,937	(2,211)	404	105,226
	100,096	7,172	(2,211)	169	105,226
Total restricted funds	97,526	30,539	(25,524)	(1,904)	100,637
Unrestricted funds					
General funds	647	276	(276)	610	1,257
Total unrestricted funds	647	276	(276)	610	1,257
Total funds	98,173	30,815	(25,800)	(1,294)	101,894

14 Funds (continued)

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

ESFA revenue grant funds and other restricted funds

ESFA revenue grant funds

The General Annual Grant (GAG) has been provided by the ESFA in order to fund the normal running costs of the Academy Trust. Other funding received from the ESFA included the pupil premium, and a catch up premium and other coronavirus funding. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Fixed asset fund

Restricted fixed assets funds were largely funded by government grants, along with other sources of funding, including donations from sponsors. When capital expenditure is incurred, a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Other restricted funds

Other restricted funds comprise restricted donations or voluntary funds received for specific purposes.

14 Funds (continued)

Comparative information

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

	<i>Balance at 1 September 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2020 £'000</i>
Restricted general fund					
General Annual Grant (GAG)	—	17,738	(17,267)	(471)	—
Universal infant free school meals	—	59	(59)	—	—
Pupil premium	—	997	(997)	—	—
Other Coronavirus funding	—	17	(17)	—	—
Other DFE group grants	—	786	(778)	—	8
Local authority grants	—	1,769	(1,769)	—	—
Other restricted funds	—	20	(20)	—	—
Pension reserve	(2,532)	—	(769)	723	(2,578)
	<u>(2,532)</u>	<u>21,386</u>	<u>(21,676)</u>	<u>252</u>	<u>(2,570)</u>
Fixed assets fund					
DfE/ESFA capital grants	651	7,434	—	(8,085)	—
General fixed assets	92,811	—	(1,468)	8,753	100,096
	<u>93,462</u>	<u>7,434</u>	<u>(1,468)</u>	<u>668</u>	<u>100,096</u>
Total restricted funds	<u>90,930</u>	<u>28,820</u>	<u>(23,144)</u>	<u>920</u>	<u>97,526</u>
Unrestricted funds					
General funds	409	467	(32)	(197)	647
Total unrestricted funds	<u>409</u>	<u>467</u>	<u>(32)</u>	<u>(197)</u>	<u>647</u>
Total funds	<u>91,339</u>	<u>29,287</u>	<u>(23,176)</u>	<u>723</u>	<u>98,173</u>

Analysis of fund balance by academy

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £'000	<i>Total 2020 £'000</i>
Central Trust	145	100
St Paul's Way Trust School	1,097	827
Royal Greenwich Trust School	98	(272)
Total before fixed assets and pension reserve	<u>1,340</u>	<u>655</u>
Restricted fixed assets fund	105,226	100,096
Pension liability	(4,672)	(2,578)
Total	<u>101,894</u>	<u>98,173</u>

14 Funds (continued)

Analysis of cost by academy

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

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	2021 Total £'000	2020 Total £'000
Central Trust	349	316	—	279	944	791
St Paul's Way Trust School	8,961	4,192	31	3,502	16,686	15,727
Royal Greenwich Trust School	3,424	1,162	12	1,361	5,959	5,190
Academy Trust	12,734	5,670	43	5,142	23,589	21,708

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	2020 Total £'000
Central Trust	224	388	—	179	791
St Paul's Way Trust School	8,440	3,926	35	3,326	15,727
Royal Greenwich Trust School	3,046	803	7	1,334	5,190
Academy Trust	11,710	5,117	42	4,839	21,708

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds		Total 2021 £'000
		General £'000	Fixed assets £'000	
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	105,226	105,226
Current assets	1,257	4,100	—	5,357
Creditors falling due within one year	—	(4,017)	—	(4,017)
Pension scheme liability	—	(4,672)	—	(4,672)
Total net assets	1,257	(4,589)	105,226	101,894

	Unrestricted funds £'000	Restricted funds		Total 2020 £'000
		General £'000	Fixed assets £'000	
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	100,096	100,096
Current assets	647	3,558	—	4,205
Creditors falling due within one year	—	(3,550)	—	(3,550)
Pension scheme liability	—	(2,578)	—	(2,578)
Total net assets	647	(2,570)	100,096	98,173

16 Pension and similar obligations

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

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

Contributions amounting to £190,000 (2020: £171,000) were payable to the schemes as 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%.

16 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 the TPS in the period amounted to £1,611,000 (2020: £1,490,000).

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 contribution made for the year ended 31 August 2021 was £608,000 (2020: £534,000), of which employer's contributions totalled £440,000 (2020: £384,000) and employees' contributions totalled £168,000 (2020: £150,000).

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	At 31 August 2021	<i>At 31 August 2020</i>
Rate of increase in salaries	3.48%	<i>2.80%</i>
Rate of increase for pensions in payment / inflation	2.88%	<i>2.20%</i>
Discount rate for scheme liabilities	1.68%	<i>1.68%</i>

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

	At 31 August 2021	<i>At 31 August 2020</i>
<i>Retiring today</i>		
Males	21.3	<i>21.2</i>
Females	23.8	<i>23.6</i>
<i>Retiring in 20 years</i>		
Males	22.7	<i>22.5</i>
Females	25.5	<i>25.1</i>

16 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2021 £'000	At 31 August 2020 £'000
Discount rate +0.1%	358	199
Discount rate -0.1%	(555)	(410)
Mortality assumption – 1 year increase	745	214
Mortality assumption – 1 year decrease	(390)	(198)
Salary rate +0.1%	387	219
Salary rate -0.1%	(372)	(206)
CPI rate +0.1%	636	394
CPI rate -0.1%	(358)	(199)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	5,629	4,187
Other bonds	839	671
Property	586	468
Cash and other liquid assets	70	57
Other	99	337
Total market value of assets	7,223	5,720
Present value of scheme liabilities		
Funded	(11,895)	(8,298)
Deficit in the scheme	(4,672)	(2,578)

	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employee contributions)	752	715
Administration expenses	—	1
Net interest cost	48	53
Total amount recognised in the SOFA	800	769

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

	Total 2021 £'000	Total 2020 £'000
Brought forward	8,298	7,305
Current service cost	1,192	1,071
Past service cost	—	28
Interest cost	149	148
Employee contributions	168	150
Actuarial loss (gain)	2,134	(337)
Benefits paid	(46)	(67)
At 31 August 2021	11,895	8,298

16 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Total 2021 £'000	<i>Total 2020 £'000</i>
Brought forward	5,720	4,773
Interest income	101	95
Actuarial gain	840	386
Benefits paid	(46)	(67)
Employer contributions	440	384
Employee contributions	168	150
Administration expenses	—	(1)
At 31 August 2021	7,223	5,720

17 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the ESFA the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- ♦ the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- ♦ the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement,

18 Commitments under operating leases

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

	2021 £'000	<i>2020 £'000</i>
Amounts due within one year	82	91
Amounts due in two and five years	37	119
	119	210

19 Capital commitments

	2021 £'000	<i>2020 £'000</i>
Expenditure contracted for but not provided in the accounts	—	—

20 Related party transactions

Owing to the nature of the Trust and the composition of the Board being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and in accordance with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In the year to 31 August 2020, the Trust paid Angel Enterprises Ltd, a company of which Lord Mawson is a director, £1,200 for organising the Science Summer School. The services were provided at "no more than cost" and Lord Mawson provided a statement of assurance confirming this. In entering into this transaction the Trust complied with the requirements of the Academies Financial Handbook. There was no equivalent amount for the year to 31 August 2021.

21 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.

22 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the Trust received £57k (2020: £50k) and disbursed £39k (2020: £42k) from the fund. The balance of £26k (2020: £8k) is included in other creditors.

23 Post balance sheet events

On 1 September 2021, Cyril Jackson Primary School joined the Trust.