Company Registration Number: 10460387 (England & Wales)

# SHEFFIELD SOUTH EAST TRUST

**(A Company Limited by Guarantee)**

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2021

**SHEFFIELD SOUTH EAST TRUST**
**(A Company Limited by Guarantee)**

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**SHEFFIELD SOUTH EAST TRUST**
**(A Company Limited by Guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---|---|
| **Members** | M Allen<br>K Crawshaw<br>E Tunnard<br>D Matthews<br>S Anwyll |
| **Trustees** | M Allen, Chairman<br>K Crawshaw<br>J Bradshaw (resigned 19 October 2021)<br>D Grover<br>M Lowe<br>P Stead<br>M Shipman<br>J Doyle<br>A Sheeran (appointed 19 October 2021)<br>C Welsh (appointed 19 October 2021) |
| **Company registered number** | 10460387 |
| **Company name** | Sheffield South East Trust |
| **Principal and registered office** | Manor Lodge Community Primary And Nursery School<br>Manor Lane<br>Sheffield<br>S2 1UF |
| **Senior management team** | J Bradshaw, Chief Executive Officer<br>K Smith, Chief Financial Officer<br>C Whittingham, Headteacher - Acres Hill Community Primary School<br>R Cuff, Headteacher - Manor Lodge Community Primary School<br>A Clarke, Headteacher - Norfolk Community Primary School<br>G Briggs, Headteacher - Philmore Community Primary School<br>H Thornley, Headteacher - Wybourn Community Primary School<br>A Bailey, Headteacher - Woodhouse West Primary School |

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

| | |
|---|---|
| **Independent auditor** | Mazars LLP<br>Chartered Accountants<br>Statutory Auditor<br>5th Floor<br>3 Wellington Place<br>Leeds<br>LS1 4AP |
| **Bankers** | Lloyds Bank<br>Furnival Street<br>Sheffield<br>S4 7YB |
| **Solicitors** | Stone King<br>1 Aire Street<br>Leeds<br>LS1 4PR |

## TRUSTEES' REPORT
## FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements and independent auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a director's report under company law.

The academy trust consists of six primary schools based in Sheffield, South Yorkshire. It had a pupil roll of 2,040 in the January 2021 census. 51% of pupils are categorised as disadvantaged (Pupil Premium).

### Structure, governance and management

#### a. Constitution

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi-academy trust. The Trustees of Sheffield South East Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sheffield South East Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### b. 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.

#### c. Trustees' indemnities

Trustees are covered for any indemnities under the trust's Employer Liability Insurance. The limit of this indemnity is £5,000,000.

#### d. Method of recruitment and appointment or election of Trustees

The method of recruitment and appointment of Trustees is described in the articles and memorandum of association. There must be a minimum quorum of three Trustees. The members may appoint up to six through such process as they may determine. Including the Chief Executive Officer, the number of Trustees who are also employees shall not exceed one third of the total number of Trustees. The Trustees may also choose to appoint up to three 'Co-opted Trustees'.

Trustees serve a term of office of four years and may be re-appointed or re-elected.

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

The Trustees have a vital role in our organisation. We aim to attract and retain people who have commitment, experience and the necessary skills to make a difference in the communities that we serve. The trust has a procedure in place for the induction and training of Trustees.

New Trustees are first briefed on the Trust's ethos, Governance Structure and the roles and responsibilities of Trustees by the CEO. Trustees are also sent an overview of the key statutory documents in place, previous meeting minutes, trust policies and are invited to a discussion with the CFO around the trust's statutory financial responsibilities. A visit to each school is also arranged for new Trustees to better understand the individual context of each school within SSET.

New Trustees are made aware of training courses to support and develop the role which are available through the trust's subscription to Learn Sheffield. Further training may also be provided if new Trustees are taking on an additional, specific role e.g. Safeguarding Trustee.

Training for the Trustees is recorded, and delivered on different levels:

- There is a training element to each main meeting delivered in-house
- External speakers deliver key elements, particularly covering statutory responsibilities
- This is supplemented by attendance at city (Learn Sheffield Governor/ Trustee Subscription) and regional events.
- Trustees are signed up to receive key email updates from national bodies such as The Key and Confederation of School Trusts.
- Partnership with Ambition Institute providing bespoke accredited training to Chair and CEO.
- The CEO and Chair attend termly round table DfE leadership seminars.

**Structure, governance and management (continued)**

**f. Organisational structure**

Sheffield South East Trust has an experienced Board of Trustees in place, which is responsible for setting the strategic direction of the trust, establishing policies and ensuring they are implemented, approving capital expenditure, and appointment of the CEO.

Where appropriate, duties are delegated to committees, and employees of Sheffield South East Trust, as outlined in the scheme of delegation. During the year to 31 August 2021 the Board of Trustees had a Finance, Audit and Risk Committee and a Standards and Performance Committee to assist them in carrying out their responsibilities. Committee terms of reference are reviewed and agreed on an annual basis by the Board of Trustees.

The appointment of Trustees, auditors, approval of annual financial statements and budgets, along with the approval of policies and procedures implemented within the trust remain the responsibility of the Board.

The Chief Executive is the Accounting Officer of the Trust and, as such has ultimate responsibility for the operations and controls in place. At the point of approval of these financial statements Sheffield South East Trust included the following academies:

| Academy | Date of Conversion | Type |
|---|---|---|
| Acres Hill Community Primary School | 1 December 2016 | Primary (Sponsored) |
| Manor Lodge Community Primary and Nursery School | 1 December 2016 | Primary |
| Phillimore Community Primary School | 1 December 2016 | Primary |
| Wybourn Community Primary and Nursery School | 1 December 2016 | Primary (lead school) |
| Norfolk Community Primary School | 1 January 2017 | Primary (Sponsored) |
| Woodhouse West Primary School | 1 August 2020 | Primary |

Each academy has its own local governing body (LGB), which monitors, supports and challenges school senior leadership teams in the performance of the school and delivery of the trust strategy. The LGB also recommends school level annual plans and budgets for to the Board of Trustees. The Headteacher is an ex-officio member of each committee.

**Structure, governance and management (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

When considering and setting salary levels across the trust a clear set of principles is followed to ensure transparency. This relates to setting a range - which generally happens when recruiting a new head. Teachers' remuneration is in line with the national teachers' pay and conditions document. The trust adopts the NJC support staff pay scales and support staff move through the increments in line with this. The trust uses the Sheffield City Council job descriptions that were adopted following the pay and grading review.

Decisions on pay progression for teachers and senior leaders are made in line with the trust's performance management policy and pay awards are ratified in accordance with the scheme of delegation. During the reporting period, the headteacher performance management cycle involved a panel of CEO and LGB members, advised by an external consultant. Pay progression proposals within the agreed range are taken to the LGB Finance committee and then agreed by the full LGB. The process begins in December and concludes in Jan - pay backdated to September. This was slightly delayed in 2020/21 due to Covid.

In relation to the CEO's pay progression within the agreed range, the process is conducted by a panel of Trustees, advised by a separate external consultant and reviewed by Trustees at the finance committee and agreed at Trust board.

**h. Trade union facility time**

**Relevant union officials**

| | |
|---|---|
| Number of employees who were relevant union officials during the year | 1 |
| Full-time equivalent employee number | 0.34 |

**Percentage of time spent on facility time**

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

| **Percentage of pay bill spent on facility time** | £000 | |
|---|---|---|
| Total cost of facility time | - | |
| Total pay bill | 9,789 | |
| Percentage of 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 | - | % |

**Structure, governance and management (continued)**

**i. Related Parties and other Connected Charities and Organisations**

The trust had no related parties or other connected charities and organisations for the academic year to 31 August 2021. The Trust has a business and pecuniary interest policy in place. Declared business and pecuniary interests can be viewed on the Trust's website.

**j. Engagement with employees (including disabled persons)**

Sheffield South East Trust will always communicate key messages to all staff, in particular, where the matter would be of concern to the employee. Staff are consulted with, alongside their representatives where required and are encouraged to raise any concerns they may have around the Trust, either formally or informally, with senior management or as appropriate so that these can be addressed. The Trust's shared values and ethos statement is made available in schools as well as on Trust and school website to remind and encourage staff that this remains evident in everything we do.

All staff, including those that are disabled or become disabled at work are encouraged to take part in Trust wide events and training and also, the first to be made aware of any career development opportunities and vacancies across any of the Trust's schools. Appropriate training, support and adjustments will be made to ensure employees with disabilities are able to effectively fulfill their roles and take part in any Trust activities.

The Trust also purchases private healthcare for all employees which provides employees with support for Dental, Optical, various therapy treatments (Physiotherapy, Chiropody, Acupuncture etc.), 24/7 Doctor Line, treatment consultations, a 24/7 advice line for counselling advice, counselling sessions and a range of support for mental health and wellbeing.

**k. Engagement with suppliers, customers and others in a business relationship with the Academy Trust**

Sheffield South East Trust has due regard to relationships with suppliers it engages with and the wider community. Procurement of goods is dealt with in the Trust's Scheme of Delegation to ensure fair, value for money processes are always followed. We would always look to maintain positive relationships with suppliers we engage with and look to broker longer term contracts where possible. The Trust engages with the wider community daily through each of its schools. Where there are significant changes within the Trust that could have a direct impact on the local community, community stakeholders are engaged to seek their views for consideration and any concerns acted on accordingly.

**l. Disabled persons**

Each school will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise. Though the support and guidance of Occupational Health, employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the academy.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

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

### Objectives and activities

### a. Objects and aims

SSET will work with urgency to improve the quality of learning and outcomes for all children.

Our vision is, through a holistic and inclusive approach, to enhance learning and lifelong outcomes for all children in our schools. We know that we are stronger together, working together for the benefit of all children and their families. We support and engender the ambition to raise aspirations, this is evident in everything that we do.

We aim to:

- provide a creative and engaging curriculum for every child through high quality teaching
- work tirelessly to improve outcomes for all children
- seek new ideas and experiences that benefit all children
- be innovative and imaginative in our approach to learning
- recognise and develop special talents whether that be in sports, music or in the arts
- provide high quality early years education, being involved in the child's development at the earliest stage
- have strong parental partnerships
- ensure all children are ready for the next stage of their life
- secure the best support that is available for our children and families

### b. Objectives, strategies and activities

#### Leadership

- Ensure there is quality leadership at all levels, within each school and centrally within the Trust.
- Develop and maintain effective recruitment practices, securing high quality professionals.
- Ensure consistent pupil progress and achievement standards through the professional development of staff and governors.
- Develop interface and effective communication at all levels (Trustees, Governors, school leaders) regarding pupil progress.

#### Assessment and Monitoring

- Embed accurate assessment and effective use of performance and inclusion data as it becomes available following the pandemic.
- Embed a programme of assessment, moderation and monitoring to assess pupil progress and school development.
- Seek external judgements of schools through a programme of established reviews.
- Use targeted approaches to identified gaps in attainment and achievement through school and Trust self-evaluation.

#### Quality of Education

- Deploy staff appropriately so every child has a good teacher.
- Improve teaching that requires improvement, ensuring that this is sustained in the classroom, all the time.
- Share good practice across SSET, providing peer to peer support.
- Take risks and develop an outward looking perspective, being open to change.
- Invest in the Early Years to develop early language and essential skills.
- Ensure an inclusive approach for all pupils, meeting needs at an appropriate level.

**Objectives and activities (continued)**

**Curriculum**

- Ensure pupils reading, writing and maths skills prepare them for the next stage in their education.
- Develop an ambitious curriculum in each school which meets the needs of the pupils and community
- Develop and build upon pupil's individual skills and talents in all areas.
- Prioritise well sequenced and structured curriculum development, in all areas including foundation subjects.
- Maintain effective strategies for the delivery of remote learning to secure continuity of education for children who are unable to attend school due to Covid-19.
- Support and nurture family involvement in education.
- Emphasise quality Early Years provision and early intervention.
- Meet the needs of all groups of learners, including those with SEND, though a truly inclusive approach.
- Ensure behaviour for learning enables outcomes to improve.

**Intervention**

- Ensure capacity and a clear route to intervene when necessary.

**c. Public benefit**

In pursuing the Trust's objectives outlined above, the Trustees have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit and supplementary guidance on education as published on their website.

**Strategic report**

**Achievements and performance**

The context of children attending schools during 2020/21 within Sheffield South East Trust is:

- 51% of pupils are categorised as disadvantaged (Pupil Premium), compared to the national average of 21%.
- Within SSET, the schools with the highest level of disadvantaged pupils are Wybourn (61%) and Manor Lodge (58%).
- 36% of pupils have English as an additional language.
- 23% of pupils have SEND compared to 15% nationally.
- 28 pupils have an EHCP, which represents a significant increase.
- Across the Trust 1 pupil was permanently excluded and 15 pupils received fixed short term exclusions.
- Discounting absence related to COVID, SSET school's attendance ranges from 91% - 94%, below 2019 National Average 95%. Including COVID related absence SSET school's attendance ranges from 58% - 89%.

**Strategic report (continued)**

**Achievements and performance (continued)**

Number of pupils on Roll July 2021

| School | Numbers on roll Rec – Y6 | Number on roll Nursery (aged 2-4) |
|---|---|---|
| Acres Hill Primary | 202 | 31 |
| Manor Lodge Primary | 303 | 48 |
| Norfolk Primary | 388 | 66 |
| Phillimore Primary | 406 | 65 |
| Woodhouse West Primary | 347 | 41 |
| Wybourn Primary | 403 | 154 |

During 2020/21, routine OFSTED Inspections were suspended due to the COVID-19 pandemic. Phillimore Community Primary and Norfolk Community Primary are expecting an OFSTED Inspection imminently, following the reinstatement of Inspections in September 2021.

Current OFSTED judgements recorded are:

- Acres Hill – Good (2019)
- Manor Lodge – Good (2019)
- Norfolk – Requires Improvement (2016 pre-conversion and joining SSET)
- Phillimore – Good (2019)
- Woodhouse West – Good (2018 pre-conversion and joining SSET)
- Wybourn – Good (2019)

As national tests for the 2019/20 and 2020/21 academic years were cancelled due to the impacts of the Coronavirus pandemic, there is no performance data to share for this reporting period.

**General Trust Progress**

In order to maintain progress within the Trust during 2020/21, priorities have been adjusted where appropriate or necessary in response to the impact of the global Covid19 pandemic.

**Infrastructure**

- Executive Leadership Team, Member and Trustee boards have continued to work effectively during the pandemic, with regular meetings taking place remotely to discuss the Trust's approach to tackling the spread of the virus and to develop strategies for mitigating the impact of school closures on children's learning and progress.
- School websites continue to remain compliant. During the pandemic, the school websites have been key in ensuring important messages regarding the pandemic are delivered to parents and the community, in addition to providing a communication tool for signposting families to remote learning opportunities.
- Other online platforms have been developed to aid communication and home learning.
- Significant computing devices have been supplied to the Trust by the DFE allowing pupils without a device at home to borrow equipment, if working from home.
- Business systems, (insurance, finance, legal, Health and Safety, Payroll, ICT), are operational and embedded.
- The Trust moved its IT support contract to ekte with the aim of developing an IT strategy based upon a comprehensive audit.
- The Trust moved to the ESFA'S standard chart of accounts.

**Strategic report (continued)**

**Achievements and performance (continued)**

- The Trust moved its Payroll Service to EPM Ltd with plans also in place to move HR Services to EPM in 2021/22. This will reduce the number of third parties the Trust liaises with in relation to similar issues and ensure the same level of service is being received across all schools.
- Budget set and approved with surplus 2020/21 (3 years). All Education Skills Funding Agency returns completed on time, including published accounts.
- A further £659K of CIF funding was successfully secured for capital projects in 2021, adding to the £1.8million secured over the last 5 years. Bids for 2022 are currently being prepared.
- Estates Condition Surveys for all schools (commissioned by the trust) have formed the basis of an investment strategy for our school buildings. The surveys have supported the trust in identifying priorities for CIF bids, and have been built into individual school budgets in future years.
- Schools Nursery Capital Fund projects totalling £589k were completed to increase the number of nursery places at Wybourn and Woodhouse West.
- A permanent CFO was appointed in April 2021 alongside a Trust Business advisor in November 2020 and a Finance Officer in June 2021, expanding the central support team to support further greater integration of financial and business services.

**Growth**

- Woodhouse West Primary School joined the Trust in August 2020, therefore 2020/21 was the first full year of operation for the school within the Trust.
- Plans to provide a purpose built SEND Integrated Resource at Manor Lodge were approved by the DFE and building works are progressing.
- Plans to provide a second purpose built SEND Integrated Resource at Acres Hill have been approved by Sheffield City Council and are now moving forward for DFE approval.

**COVID-19 response - Operational**

- All SSET schools closed, again, on 1st January 2021 – 8th March 2021, as mandated by the Government, due to the Coronavirus pandemic. SSET continued to offer places to key worker and vulnerable families throughout the period of school closure.
- The Executive Leadership Team and Trust Central Team met weekly during school closures, making key decisions on how to manage school premises, to clarify staff expectations, to put in place systems for reducing the risk of transmission and to agree a consistent approach for communicating with staff, parents and the community, including responding to their concerns.
- The Trust worked closely with Sheffield City Council throughout the pandemic, with weekly updates received via email from both the Local Authority and the Department for Education.
- The Trust supported and responded to both local and national requests for data regarding attendance, vulnerable children and staffing resilience.
- Staffing structures were agreed and put in place in all schools and at Trust level, to ensure continuity of provision in all schools. Remote working arrangements were also put in place for key staff to enabled the continued operation of key Trust functions.
- Thorough risk assessments were carried out and constantly reviewed, with associated protocols relating to all aspects of day-to-day school operations put in place to minimise the risk of transmission.

**Strategic report (continued)**

**Achievements and performance (continued)**

**COVID-19 Response – Learning at Home**

- Since the beginning of the pandemic the Trust has received 770 devices (free of charge) to support home learning. This equates to one laptop for every 2.3 children in SSET (Y1-6)
- The devices (mostly laptops) have been provided by the DFE, LA and Laptops for Kids.
- The Trust has also received free BT WiFi codes and 134 WiFi routers, from the DFE. This has enabled access to all those who requested help
- SSET schools have shared and distributed the resources across the Trust to meet needs
- Schools used Google, Class Dojo, ActivPrimary and Zoom to provide at least 3 hours per day of home learning when needed. This is a mixture of live teaching, set independent tasks and recorded input.
- The majority of children accessed some aspects of the learning. Any children not accessing learning were tracked and accounted for by staff in school.
- Staff CPD continued throughout the year, for example 20 SSET middle leaders have completed a year long comprehensive subject leadership training through ECM.

**COVID-19 Response – Supporting Vulnerable Families**

- During the Easter holidays in the first lockdown SSET worked with the LA, Taylor Shaw and other volunteers to deliver 425 food hampers to vulnerable families in SSET schools.
- Schools have continued to prepare weekly food parcels using food banks and similar sources to deliver to families most in need.
- The schools registered for the National FSM vouchers. During school holidays, each FSM eligible pupil receives £15 per week to spend in a supermarket. This has continued as an LA initiative.
- The schools have rising numbers of FSM eligible pupils.
- During lockdown and bubble closures, schools constantly tracked and checked welfare of pupils with texts, email, phone calls and home visits.
- Summer holiday food hampers were provided through VAS and MCDT to vulnerable families, using the one million pound grant to support summer activities, from the government, into the city
- SSET schools signposted families to more activities through the fund, provided by MCDT, some hosted in SSET schools.
- All schools allocated staff to keep in touch with the very vulnerable families during the six-week summer holiday period.

**COVID-19 Response – Pupil Organisation**

- During 2020/21, when pupils were in school they were taught in class groups, which we call bubbles.
- In Y1 – Y6 there were no more than 30 children in each bubble, with 2 members of dedicated staff (FTE)
- FS pupils in a base area formed one bubble, with the same staff.
- Each bubble had its own room and resources.
- Bubbles of children did not mix with other bubbles, at all, at any time.
- Minimising contact was encouraged within bubbles, but 2m distancing was hard to maintain.
- Some staff worked across bubbles (inclusion and PPA) but this was minimal and protocols were in place.
- Seating and activities were arranged to minimise contact.
- Larger gatherings of children did not happen, such as, assemblies in the hall, playtime for the whole school, lunch together in the dining room. These activities all took place within the bubble.

**Strategic report (continued)**

**Achievements and performance (continued)**

**COVID-19 Response – Continued disruption to learning**

- School Term time is 38 weeks per year, during two 'National Lockdowns' (March – September 2020 and Jan – March 2021) most children in SSET have missed 22 weeks of learning.
- During the academic year 2020/21 contacts of positive cases were required to isolate. This resulted in whole bubbles isolating at home for 10-14 days.
- In 2020/21 there were 70 Bubbles of children across SSET. During the Autumn Term 2020 (September – December) SSET closed 39 Bubbles (30-60 pupils per Bubble) for 10 – 14 days. This was a period when schools were fully open to all pupils.
- During the Spring/Summer Term 2021, (January – May), SSET closed 16 Bubbles (30-60 pupils per Bubble) for 10 days.
- During the Autumn term (Sept – Dec 2020) when the schools were open fully to all pupils for 14 weeks, there were 75 confirmed cases of COVID in SSET Schools. (43 staff, 9 FS/KS1 pupils and 23 KS2 pupils)
- During the Spring/Summer term (Jan – May 2021) there were 28 confirmed cases of COVID in SSET schools. (11 staff, 7 FS/KS1 pupils and 10 KS2 pupils)
- Staffing capacity has caused challenges in SSET schools. This is due to a variety of reasons: shielding, 3rd trimester pregnancy, childcare, COVID infections, isolation periods, and restrictive bubble structure. Schools have been creative in ensuing bubbles are staffed, often relying upon senior leaders and additional staff.

**COVID-19 Response – Impact and Recovery**

- SSET schools identified Y1/2 as a concerning cohort in terms of learning deficits as they had missed many of the early stages of their education. General pupil well mental health and well-being, community cohesion, behaviour and writing skills, - were also emerging high priorities on returning to school.
- When measuring pupil attainment nationally, primary aged pupils experienced 2.5 – 3 months learning loss, (Renaissance Learning along with the Education Policy Institute Understanding Progress in the 2020/21 Academic Year). For disadvantaged pupils the gap is reported to be 0.5 months bigger than other pupils.
- During 2020/21 the Trust received £163k in Covid Recovery premium. This is to help pupils 'catch up' the learning that has been lost. A further £162k will be made available in 2021/2022.
- SSET schools have put in place additional pastoral and teaching staff to enable target interventions with groups and individuals.
- Curriculum plans were adapted to focus upon key knowledge and skills, ensuring opportunity for recall and reinforcement of past learning.
- SSET schools are also fully invested in embedding Trauma Informed strategies through comprehensive training and sharing of best practice.
- A national tutoring programme was made available, however SSET schools were unable to access this due to capacity issues with providers for the primary sector. From September 2021 School Tutoring grants will be given to schools directly so tutors can be appointed in schools, from existing staffing.

**a. Reporting**

Regular update reports are completed by the Chief Executive Officer, who reports progress on the plan to the Board of Trustees and shares key issues affecting individual schools. Several external reviews are conducted annually and reports from these are received by the Trustees. Data is provided to the Board on safeguarding, key performance indicators and the delivery of plans, including the ongoing impact of strategies to improve the sponsored school (Norfolk) and action taken on attendance.

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

The future financial position of the Trust remains dependent on uncertainties in government funding, and pay and pension decisions outside of the Trust's control. Whilst acknowledging this risk, the Trust's current financial position, our 3 year projections, and projected reserves position, all evidence the strength of our position, and our capacity to absorb future pressures if they occur. Our three-year plan includes significant capital investment, following trust wide estates condition surveys, and is based on prudent assumptions around pupil numbers.

In agreeing the three-year plan, Trustees have considered the impact of the recent Autumn Budget and 2021 Spending Review, and are content that the assumptions supporting our projections are reasonable, given the information currently available. The executive team and board will continue to review assumptions as additional information becomes available (for example through the Sheffield Schools Forum).

After making appropriate enquiries, therefore, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**c. Promoting the success of the company**

The Trust Board promotes the success of Sheffield South East Trust by regularly monitoring progress against objectives, and working with the CEO to ensure the Academy Trust is in a strong position to develop and grow in order to improve the education and life chances of pupils. It is anticipated that the MAT will grow in a gradual manner with a focus on bringing in schools in the locality with a similar ethos. The central team has been strengthened in order to support this vision, and increase the level of support and challenge provided to existing schools.

In promoting the success of the trust, trustees have focussed on the charitable purposes of the trust, the long term impact of decisions being made and the interests of all stakeholders (pupils and families, employees, suppliers and the communities we are based in).

The trust has a strong profile in terms of OFSTED judgements. All schools that have received an OFSTED assessment since joining the trust have been judged good.

**Strategic report (continued)**

**Financial review**

As referenced in the Going Concern section, the Trust is confident that financial projections over the next three years are based on robust assumptions, and evidence a strong overall financial position.

Restricted Fixed Assets

The Trust continues to maintain a strong net current asset position. As at the 31 August 2021 the net book value of fixed assets was £24.5m (in relation to land and buildings and other fixed assets). The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

The Trust carry-forward for restricted current assets is £986k. This comprises of unspent Devolved Formula Capital (DFC) funding of £210k, a balance of £547k related to CIF income and expenditure, and accrued income of £80k related to Woodhouse West's nursery build project. The £210k DFC reserve is earmarked for investment in a specialist Integrated Resource provision at Manor Lodge Community Primary. Works started in August 2021, and the unit is scheduled to open in January 2022.

Statement of Financial Activities

Over 85% of Sheffield South East Trust revenue income is derived from the Department of Education (DFE) via the Education & Skills Funding Agency (ESFA) in the form of revenue grants, the use of which is 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.

The Statement of Financial Activities shows a broadly balanced revenue position, with an increase to the total fund balance from £1,040k to £1,093k, before fixed asset fund and pension reserves adjustments (page 58). This includes significant one-off revenue contributions to capital projects during the year (approximately £229k). The balanced in-year position is the result of close monitoring of income and expenditure at school and trust level.

The COVID pandemic has affected both income and expenditure during the year. The trust received £163k in catch up premium from the Department for Education during the 20-21 year. However parental income and nursery income continue to be affected by the pandemic, with nursery income for Norfolk Community Primary falling by £50k compared to 19-20. The increase in expenditure directly related to COVID is hard to quantify, as it relates to adjustments to staffing structures (to support bubbles and manage higher staff absence) as well as expenditure in areas such as cleaning, energy, and supply costs. Energy usage has increased by over 20% in 20/21, which will partly be due to the measures in place to reduce transmission (for example the need to keep confined spaces well ventilated).

Risks and Uncertainties

School budgets are based on prudent assumptions, which are regularly updated on the basis of the most recent information available. Assumptions regarding the continuation of specific COVID funding streams, and annual increases to GAG funding are evidence-based and prudent. Pupil numbers are regularly updated, and schools are challenged on their entrant numbers assumptions at key budget setting points, based on historical trends, and Local Authority demographic projections. Pupil Census data is analysed early on, to understand the implication for next year's budgets as soon as possible. There has been a particular focus on nursery income projections this year, in order to ensure schools are using all the information available when deciding on key assumptions. Where asset management plans suggest scope for successful CIF applications, schools include CIF contributions in forecasts which are then finessed as the project approval process progresses.

**Strategic report (continued)**

Local Government Pension Liability

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions since December 2016 have increased and it is expected that they will continue to increase further in the future. Overall the Trust has a healthy balance sheet and will be using reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the school development plan and school aims.

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totalling £13.4m. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount. The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employer's pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels and this has been factored into future financial plans.

**a. Reserves policy**

The Sheffield South East Trust reserves policy recognises the need to address the management of financial risk across the Trust, whilst avoiding disadvantage to existing pupils through the creation and retention of higher reserves. The purpose of the reserves is to:

1. Act as a general reserve to provide for unexpected needs.
2. To support planned revenue commitments or capital investment that cannot be met by future income alone.
3. To support cash flow management.

The overall level of reserves over a three-year period will form part of Trust's judgement of whether it remains a going concern.

The Trust's target level of revenue reserves is 5% of income. In setting the target level, Trustees considered the level required to manage financial risk, in particular risks related to: Short term income fluctuations (pupil numbers, parental income); unforeseen changes in grant income (removal of targeted grants); unanticipated expenditure (premises, staffing); and short terms additional support required to ensure a high level of teaching and learning. Each school's position is reviewed on an annual basis as part of the budget setting process, with reference to their specific needs and funding position.

Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle objectives of the academy.

Total revenue reserves at the end of the period amounted to £1.1m, this balance includes unrestrictive funds (free reserves) of £1.1m which is considered appropriate for the Academy Trust, and restricted funds excluding pension and fixed assets of £Nil.

**b. Investment policy**

A Trust Investment policy was introduced in March 2021. This will be reviewed by Trustees every three years. As of 31 August 2021 no investments were held.

## Fundraising

The Board is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work. Trustees have a number of key responsibilities and commitments in regards to this.

- Trustees have the responsibility of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- While Trustees may delegate many of the operations of fundraising to other parts of the organisation, the Board retains the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.
- The Board are committed to ensuring that fundraising activities are carried out in an ethical manner.
- The guiding fundraising principle is a simple one – we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

- The Board will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by individual Academies, including their PTA will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the Academies' stated mission and purpose.
- All personal information collected by the Academy is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the Academy shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical.
- All Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk.
- Complaints will be dealt with in accordance with the Trusts complaints procedure.

**Streamlined energy and carbon reporting**

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

| | 2021 | 2020 |
|---|---|---|
| Energy consumption used to calculate emissions (kWh) | 2,472,937 | 2,013,975 |
| **Energy consumption breakdown (kWh):** | | |
| Gas | 1,885,516 | 1,519,708 |
| Electricity | 587,421 | 494,267 |
| **Scope 1 emissions (in tonnes of CO2 equivalent):** | | |
| Gas consumption | 345 | 279 |
| **Total scope 1** | 345 | 279 |
| **Scope 2 emissions (in tonnes of CO2 equivalent):** | | |
| Purchased electricity | 125 | 115 |
| **Total gross emissions (in tonnes of C02 equivalent):** | 470 | 394 |
| **Intensity ratio:** | | |
| Tonnes of CO2 equivalent per pupil | 0.23 | 0.19 |

**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 efficiency**

We are in the process of installing smart meters across all sites and increased video conferencing technology for staff and Governor/Trustee meetings to reduce the need to travel between sites. We continue to address areas where energy savings can be made through the Condition Improvement Fund. This has resulted in a new heating system and new roofs at 50% of schools with a further flat roof project in the pipeline. Schools have rolling programmes in place to replace halogen luminaires for LED as units fail. We also have an electrical replacement project in the pipeline and a rolling programme of work over the next 3 years to upgrade emergency lighting.

### Principal risks and uncertainties

Like all other Multi Academy Trusts, Sheffield South East Trust is operating through a continuing period of uncertainty regarding future funding, both locally and nationally. The Academy Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks.

A key uncertainty highlighted by the Trust Board is the pace and level of future growth, any such growth will result in additional funding; potential additional risk and may result in additional capacity being required to support the central infrastructure of the Trust.

Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A trust risk register has been implemented and is updated and reviewed regularly. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces.

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

The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employer's pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels and this has been factored into future financial plans.

### Trust priorities and development

The Trust strategic plan identifies those areas that the Trust believes are key to the successful operation of the organisation considering both current issues and future areas to develop. (These should be read in conjunction with the Trust Objectives):

### Business strategy

- Continue to enhance a Business Model for the Trust to ensure that it remains effective and efficient, and ensures that schools have access to high quality core services from the Trust.
- Integrate Payroll, Human Resources and Legal support to enable optimum support for the Trust
- Develop an IT infrastructure strategy, based upon need and future growth
- Continue to ensure that the priorities identified in the estates plans are a key part of trust revenue and capital financial plans, and that adequate allowance is made in school budgets for revenue contributions to capital costs.
- Evaluate progress against the estates plan on a quarterly basis.
- Continue to generate income through trading financial and business related services outside of the Trust.
- Actively seek out opportunities to attract capital investment.
- Actively seek out opportunities for both fundraising & bidding for funds, including those focused on school improvement and school workforce professional development.

**Trust priorities and development (continued)**

**Finance strategy**

- Maintain a 3-year budget plan/medium term Financial Strategy to support the Trust Development Plan and ensure resources can be allocated swiftly to need.
- Ensure robust mechanisms are in place to comply with statutory policies and regulations.
- Continue to develop consistent financial practice across the Trust, developing and embedding an integrated central service.
- Continue to identify opportunities to integrate certain financial functions (payroll and ESFA journals are now completed centrally, and the majority of income and expenditure is to a central bank account). Increased provision of a central trust business advisor service, and financial transactions service is a key part of this.
- Identify opportunities to enhance the level of integrated working and ensure consistency in reporting and assumptions across the Trust.
- Continue to focus on improving the quality of reporting to trustees, and ensure processes that underpin those reports are as efficient and timely as possible.
- The newly formed and expanded central team will work efficiently to ensure there is even greater consistency in monitoring and reporting across the Trust.

**Growth**

- Expand some SSET schools to provide specialist SEND and Nurture provision.
- Expand the Trust; initially within Sheffield Primary and Special schools in the Sheffield area that have a consistent ethos with that of the Trust; expansion beyond that area requires further consideration by the Trust, as it would present potential challenges to our founding ethos.

**Leadership strategy**

- Plan for identified needs and succession, using opportunities for cross school secondments/employment and training. (NPQ programmes and similar).
- Embed Governor Networks based upon specific areas.
- Embed Governor – Trustee interface and communication strategy.
- Each school works with the Trust to ensure a consistent approach to School Self Evaluation, through consistent audit and review.
- CEO and Executive Leadership team develop further cohesive practices, consistently improving teaching and learning strategies in a school led system, particularly in response to cancelled national pupil tests.

**Assessment and Monitoring**

- Continue to develop a consistent assessment, moderation, data collection and analysis cycle, resulting in a shared understanding of pupil attainment and progress at all levels.
- Develop consistent approach to assessing and moderating pupil progress, in response to cancelled national testing.

**Teaching and Learning**

- CEO and Executive Leadership team to tackle underperformance rigorously.
- Monitor and develop the teaching and learning profile in each school. Recruit/deploy across the Trust to any vacancies or areas of need.
- Triangulate teaching, pupil's work and pupil outcomes to judge the quality of curriculum and learning consistently in each school, sharing good practice when identified.

**Trust priorities and development (continued)**

**Curriculum**

- Reduce exclusions by continued development of pastoral support and trauma informed strategies. Maintain the SSET behaviour policy.
- Continually ensure the curriculum in each school demonstrates clear Intent, Implementation and Impact and progression is sequenced well in all areas.
- Provide a well-balanced reading programme in each school, leading to improved outcomes.
- Provide a consistent and innovative approach to curriculum delivery for all pupils and particularly vulnerable pupils with complex needs, leading to improved outcomes and reduced exclusions.
- Develop and implement effective strategies for the delivery of remote learning to secure continuity of education for children who are unable to attend school due to Covid-19.
- Build upon the steps forward made during COVID, in using IT as a valuable teaching mechanism.
- Engage parents and family as key partners in their children's learning.

We are working to review and refine the following services to create greater efficiencies of scale:

- Facilities & property management.
- Further opportunities to work in an integrated way which will ultimately identify opportunities to rationalise procurement processes and gain economies of scale and improved value for money.
- Enhanced range of high quality and specialist educational, business, & financial services that support schools
- SEND provision for pupils with high and complex needs.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 17, 2021 and signed on its behalf by:

Mike Allen (Dec 17, 2021 08:24 GMT)

.....
**M Allen**
Chair of Trustees

## GOVERNANCE STATEMENT

### Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Sheffield South East 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 misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Master Funding Agreement and Supplementary Funding Agreements between Sheffield South East Trust and the Secretary of State for Education.

They are also responsible for reporting to the board of trustees any material weakness or breakdowns in internal control.

The Board continued to encounter some unexpected challenges to effective governance in 2020/21 during the ongoing Coronavirus pandemic. Since March 2020, in response to these challenges, the Board has met via video conferencing only, to reduce the risk of virus transmission and to enable the Board to maintain oversight of the Trust's operation.

The Board recognises that the pandemic has not only had a huge impact on children and their families but also on the staff and volunteers who work within our schools. Trustees understand the impacts the pandemic may have on staff well-being and have worked with Trust leaders to encourage staff to access a range of wellbeing support through the Trust's health and wellbeing partner.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has met three times during the year. The Finance, Audit & Risk Committee and Standards, Pay & Performance Committees, as described below have met five and two times respectively. The Standards, Pay & Performance Committee would typically meet at least three times in the year however, in the absence of any assessment data, key items were covered in other Trust meetings.

As a record, attendance during the year at meetings of the board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|---|---|
| M Allen, Chair | 3 | 3 |
| K Crawshaw, Vice Chair | 3 | 3 |
| J Bradshaw (resigned 19 October 2021), CEO | 2 | 3 |
| D Grover | 3 | 3 |
| M Lowe | 2 | 3 |
| P Stead | 3 | 3 |
| M Shipman | 2 | 3 |
| J Doyle | 3 | 3 |

## GOVERNANCE STATEMENT (CONTINUED)

### Governance (continued)

The Board has met a total of 10 times during the 20-21 year, 3 times as a full Board, 5 times as a Finance Committee and twice as a Standards Committee. In addition to these meetings, the CEO meets weekly with the Chair of the Standards, Pay and Performance Committee to discuss school performance and other pertinent issues, and the CFO meets regularly with the Chair of the Finance Committee, especially at key monitoring points in the year. The CEO also meets regularly with the Chair and Vice Chair of the Board to discuss arising issues, progress and any other contextual developments. There are a further two forums within SSET that meet twice a year; the Chairs of Local Governing Body Forum and Local Governing Body Chairs of Finance Committee which Trustees and the CEO attend and facilitate. This is an opportunity for the Trust Board and LGBs to liaise and share important information, policy and practice. Working groups of Trustees, Governors and Trust/school staff are formed to address particular areas of concern within the Trust. An example of this is the IT Working Group which was formed to look at development in this area as the Trust grows. An outcome of this group was commissioning an audit of the Trust's ICT infrastructure. This group reports back to the Finance Committee and full Board. Some Trustees have specific roles and meet with Trust staff to ensure direct oversight in particular areas, for example our Safeguarding Trustee will meet when Annual Safeguarding Reports are received. This is outside of the standard board meeting schedule.

The Finance, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to:

- assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility for ensuring sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|---|---|
| K Crawshaw, Chair | 5 | 5 |
| J Bradshaw, CEO | 4 | 5 |
| P Stead, Vice Chair | 4 | 5 |
| J Doyle | 4 | 5 |

The Standards, Pay and Performance Committee is a sub-committee of the main board of trustees. Its purpose is to:

- ensure a constant review of standards, progress and performance across all academies.
- identify and disseminate best practice across the Trust.
- put in place effective strategies to accelerate progress for all children in all year groups.
- ensure high quality provision at all academies and that all academies are on an improvement trajectory in terms of OFSTED judgements.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|---|---|
| M Lowe, Chair | 2 | 2 |
| J Bradshaw, CEO | 2 | 2 |
| D Grover, Vice Chair | 2 | 2 |
| M Allen | 2 | 2 |
| M Shipman | 2 | 2 |

**Governance (continued)**

Key priorities for the next year will be:

- to build the membership of the board to provide a range of skills and experience to support the growth of the Trust.
- the procurement of services that will benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our schools.

Following a review of Trust governance, it was highlighted that in order to better support Trust growth, increasing the number of Trustees would strengthen the existing Board. A formal recruitment process took place in year and the Trust has now successfully appointed two new Trustees to the Board. In addition, the CEO has now stepped down from their role as a Trustee to ensure the Trust falls in line with DfE guidelines on Multi-Academy Trust governance. There are now no Trust employees serving as a Trustee or Member of the Trust. The CEO will continue to attend all Trust meetings. The review also highlighted that one of the Trustees also served as a Governor on one of the school's Local Governing Bodies. A further recruitment has taken place in year to appoint a new Governor at the school which has allowed the Trustee to step down from their Governor role. This means there is separation of duties across Trust/school level governance, in line with DfE guidance. The next review of Governance will take place in the Spring Term.

**Review of value for money**

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

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

- The Trust continues to undertake significant works at its academies successfully attracting funding from the ESFA's Condition Improvement Fund (CIF). The aim of this work has been to improve the general condition of the schools and to improve, in particular, their suitability for high quality provision whilst not negatively impacting on the individual school budgets.
- The CEO regularly reviews staffing across the trust and identifies opportunities for key leaders and specialists to work across the trust and support different schools where needed. When there are staff resignations, the CEO supports Headteachers in considering options to adjust roles and ensure needs are met in the most financially efficient way possible.
- 2020-21 has been the first year that the Trust has used the new chart of accounts recommended by the Education, Skills Funding Agency (ESFA). This has improved consistency both within and beyond the Trust and should lead to more accurate benchmarking. The Trust has also engaged with the Financial Insights software launched by the ESFA and has held a session on benchmarking with the Chairs of Finance, where key data was analysed, and an introduction to the website given.
- The Trust has continued to review its financial position during the year and has met with specific schools to challenge and support them with assumptions made. The Trust continues to review and reset all school budgets during the Spring term 2021.
- The Trust recruited a full-time CFO in April 2021, along with a central Trust Finance Officer and Trust Business Advisor. These new roles have significantly increased central capacity - supporting further work with schools to ensure compliance and timely completion of monthly reporting, and individual training for school business managers. Key documentation, checklists and processes for review have been developed and implemented.

## GOVERNANCE STATEMENT (CONTINUED)

### Review of value for money (continued)

- As the Trust continues to grow, contracts are subject to review prior to renewal and are procured at Trust rather than individual school level making use of both national and local frameworks, this increased bargaining power drives out efficiency savings for each of the Trusts individual academies and ensures that value for money and efficient procurement in one academy is replicated in its other academies, thus, creating increased economies of scale and enhanced financial literacy amongst academy business staff. The move to a new payroll provider in September 2020 resulted in significant financial savings to all schools as well as an improved level of service.

In each of these examples, the Trust is using its budgets wisely to improve the resources available to pupils and staff and, in turn, for this to positively impact upon outcomes. This is clearly evident in the assessment and test tables set out above, which show clear impact and, in turn, good value for money.

### 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 Sheffield South East Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

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

### The risk and control framework

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

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees regular reviews by the Finance 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

On a regular basis, Chief Financial Officer reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

## GOVERNANCE STATEMENT (CONTINUED)

### Review of effectiveness

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

- the work of the external auditor;
- the work of the Responsible Officer in reviewing the adequacy of internal control arrangements across the Trust;
- the work of the leadership team within the Trust who have responsibility for the development and maintenance of the internal control framework;
- increased prescription in the operational financial expectations of the Trust including written guidance, monthly checklists, training and 1-1 mentoring. The introduction of a Financial Controller also provides additional capacity to support these developments and ensure compliance;
- external reviews have been commissioned during the period to develop an assessment of the educational provision in each school.

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

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

Mike Allen (Dec 17, 2021 08:24 GMT)

.....
**M Allen**
Chair of Trustees

Date: Dec 17, 2021

J. Bradshaw (Dec 17, 2021 08:03 GMT)

.....
**J Bradshaw**
CEO

Date: Dec 17, 2021

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

J. Bradshaw (Dec 17, 2021 08:03 GMT)

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**J Bradshaw**
Accounting Officer

Date: Dec 17, 2021

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

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

Mike Allen (Dec 17, 2021 08:24 GMT)

.....
**M Allen**
Chair of Trustees

Date: Dec 17, 2021

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHEFFIELD SOUTH EAST TRUST

### Opinion

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

In our opinion, the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHEFFIELD SOUTH EAST TRUST

### Other information

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

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 light of the knowledge and understanding of the Academy 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHEFFIELD SOUTH EAST TRUST

### Responsibilities of Trustees'

As explained more fully in the Trustees' Responsibilities Statement set out on page 28, the Trustees' responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees' is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees' responsible for assessing the Academy 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 either the Trustees' to liquidate the Academy Trust or to cease operations, or Trustees' no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Trustees' and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHEFFIELD SOUTH EAST TRUST

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Trustees' and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report**

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

*Mazars LLP*
Mazars LLP (Dec 17, 2021 11:10 GMT)

Shaun Mullins (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: Dec 17, 2021

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHEFFIELD SOUTH EAST TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheffield South East Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### Respective responsibilities of Sheffield South East Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sheffield South East Trust's funding agreement with the Secretary of State for Education dated 30 November 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHEFFIELD SOUTH EAST TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

### Conclusion

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

*Mazars LLP*
Mazars LLP (Dec 17, 2021 11:10 GMT)

**Mazars LLP**
Chartered Accountants
Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: Dec 17, 2021

**SHEFFIELD SOUTH EAST TRUST**

**(A Company Limited by Guarantee)**

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

| | Note | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Restricted fixed asset funds 2021 £000 | Total funds 2021 £000 | Total funds 2020 £000 |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and capital grants: | **3** | | | | | |
| Transfer from local authority on conversion | | - | - | - | - | 2,560 |
| Other donations and capital grants | | 16 | - | 849 | 865 | 1,001 |
| Other trading activities | **5** | 273 | - | - | 273 | 224 |
| Investments income | **6** | - | - | - | - | 3 |
| Charitable activities: | | | | | | |
| Funding for the Academy Trust's educational operations | **4** | - | 13,409 | - | 13,409 | 11,149 |
| **Total income** | | 289 | 13,409 | 849 | 14,547 | 14,937 |
| **Expenditure on:** | | | | | | |
| Charitable activities: | **7** | | | | | |
| Academy Trust educational operations | | - | 13,906 | 846 | 14,752 | 13,322 |
| **Total expenditure** | | - | 13,906 | 846 | 14,752 | 13,322 |
| **Net income/ (expenditure)** | | 289 | (497) | 3 | (205) | 1,615 |

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

| | | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Restricted fixed asset funds 2021 £000 | Total funds 2021 £000 | Total funds 2020 £000 |
|---|---|---|---|---|---|---|
| **Net income/ (expenditure)** | | 289 | (497) | 3 | (205) | 1,615 |
| Transfers between funds | **18** | (236) | (131) | 367 | - | - |
| **Net movement in funds before other recognised losses** | | 53 | (628) | 370 | (205) | 1,615 |
| Actuarial losses on defined benefit pension schemes | **25** | - | (1,469) | - | (1,469) | - |
| **Net movement in funds** | | 53 | (2,097) | 370 | (1,674) | 1,615 |
| **Reconciliation of funds:** | | | | | | |
| Total funds brought forward | | 1,040 | (11,340) | 25,059 | 14,759 | 13,144 |
| Net movement in funds | | 53 | (2,097) | 370 | (1,674) | 1,615 |
| **Total funds carried forward** | | 1,093 | (13,437) | 25,429 | 13,085 | 14,759 |

## BALANCE SHEET
## FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | | 2021 £000 | | 2020 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **14** | | 24,512 | | 24,488 |
| | | | 24,512 | | 24,488 |
| **Current assets** | | | | | |
| Debtors | **15** | 1,263 | | 1,510 | |
| Cash at bank and in hand | | 2,092 | | 1,473 | |
| | | 3,355 | | 2,983 | |
| **Current liabilities** | | | | | |
| Creditors: Amounts falling due within one year | **16** | (1,308) | | (1,340) | |
| **Net current assets** | | | 2,047 | | 1,643 |
| Creditors: Amounts falling due after more than one year | **17** | | (37) | | (32) |
| **Net assets excluding pension liability** | | | 26,522 | | 26,099 |
| Defined benefit pension scheme liability | **25** | | (13,437) | | (11,340) |
| **Total net assets** | | | 13,085 | | 14,759 |
| **Funds of the Academy Trust** | | | | | |
| **Restricted funds:** | | | | | |
| Fixed asset funds | **18** | 25,429 | | 25,059 | |
| Restricted funds excluding pension liability | **18** | 25,429 | | 25,059 | |
| Pension reserve | **18** | (13,437) | | (11,340) | |
| **Total restricted funds** | **18** | | 11,992 | | 13,719 |
| **Unrestricted income funds** | **18** | | 1,093 | | 1,040 |
| **Total funds** | | | 13,085 | | 14,759 |

## BALANCE SHEET (CONTINUED)
## FOR THE YEAR ENDED 31 AUGUST 2021

The financial statements on pages 35 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
**M Allen**
Chair of Trustees

Date: Dec 17, 2021

The notes on pages 40 to 66 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash provided by/(used in) operating activities | **20** | 679 | (1,145) |
| **Cash flows from investing activities** | **22** | (66) | 950 |
| **Cash flows from financing activities** | **21** | 6 | 38 |
| **Change in cash and cash equivalents in the year** | | 619 | (157) |
| Cash and cash equivalents at the beginning of the year | | 1,473 | 1,630 |
| **Cash and cash equivalents at the end of the year** | **23, 24** | 2,092 | 1,473 |

The notes on pages 40 to 66 form part of these financial statements.

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

### 1. Accounting policies

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

#### 1.1 Basis of preparation of financial statements

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

Sheffield South East Trust meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

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

## 1. Accounting policies (continued)

### 1.3 Income

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

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

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

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

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

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

- **Transfer on conversion**
  Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from donations and capital grants' to the net assets received.

**Investment income**

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

## 1. Accounting policies (continued)

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

### 1.5 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

| | | |
|---|---|---|
| Long leasehold land | - | 1% |
| Long leasehold buildings | - | 3% |
| Freehold buildings | - | 3% |
| Furniture and equipment | - | 25% |
| Computer equipment | - | 25% |

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.

## 1. Accounting policies (continued)

### 1.6 Liabilities

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

### 1.7 Provisions

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

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

### 1.8 Leased assets

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

### 1.9 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### 1.10 Taxation

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

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

## 1. Accounting policies (continued)

### 1.11 Pensions

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

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

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

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

### 1.12 Fund accounting

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

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

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

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

## 2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Academy Trust 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## 3. Income from donations and capital grants

| | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Restricted fixed asset funds 2021 £000 | Total funds 2021 £000 | Total funds 2020 £000 |
|---|---|---|---|---|---|
| Transfer from local authority on conversion | - | - | - | - | 2,560 |
| Other donations | 16 | - | - | 16 | 41 |
| Capital Grants | - | - | 849 | 849 | 960 |
| **Total 2021** | 16 | - | 849 | 865 | 3,561 |
| **Total 2020** | 195 | (1,249) | 4,615 | 3,561 | |

## 4. Funding for the Academy Trust's educational operations

| | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Total funds 2021 £000 | As restated Total funds 2020 £000 |
|---|---|---|---|---|
| **DfE/ESFA grants** | | | | |
| General Annual Grant (GAG) | - | 9,483 | 9,483 | 7,878 |
| Pupil Premium | - | 1,488 | 1,488 | 1,227 |
| Teachers' Pay/Pension Grant | - | 443 | 443 | 376 |
| Others | - | 380 | 380 | 500 |
| | - | 11,794 | 11,794 | 9,981 |
| **Other Government grants** | | | | |
| Local authority income | - | 1,288 | 1,288 | 965 |
| Other income for the Academy Trust's educational operations | - | 163 | 163 | 165 |
| **COVID-19 additional funding (DfE/ESFA)** | | | | |
| Catch-up Premium | - | 164 | 164 | - |
| **COVID-19 additional funding (non-DfE/ESFA)** | | | | |
| Other COVID-19 funding | - | - | - | 38 |
| | - | 1,615 | 1,615 | 1,168 |
| **Total 2021** | - | 13,409 | 13,409 | 11,149 |
| **Total 2020** | 38 | 11,111 | 11,149 | |

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Pupil Premium and Teachers' Pay/Pension Grant 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.

## 5. Income from other trading activities

| | Unrestricted funds 2021 £000 | Total funds 2021 £000 | Total funds 2020 £000 |
|---|---|---|---|
| Hire of facilities | 25 | 25 | 11 |
| Income from ancillary trading activities | 248 | 248 | 213 |
| **Total 2021** | 273 | 273 | 224 |
| **Total 2020** | 224 | 224 | |

## 6. Investment income

| | Unrestricted funds 2021 £000 | Total funds 2021 £000 | Total funds 2020 £000 |
|---|---|---|---|
| Short term deposits | - | - | 3 |
| **Total 2020** | 3 | 3 | |

## 7. Expenditure

| | Staff Costs 2021 £000 | Premises 2021 £000 | Other 2021 £000 | Total 2021 £000 | Total 2020 £000 |
|---|---|---|---|---|---|
| Educational operations: | | | | | |
| Direct costs | 8,707 | 780 | 610 | 10,097 | 9,066 |
| Allocated support costs | 2,964 | 679 | 1,012 | 4,655 | 4,256 |
| **Total 2021** | 11,671 | 1,459 | 1,622 | 14,752 | 13,322 |
| **Total 2020** | 9,606 | 2,011 | 1,705 | 13,322 | |

## 8. Charitable activities

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Direct costs - educational operations | 10,097 | 9,066 |
| Support costs - educational operations | 4,655 | 4,256 |
| | 14,752 | 13,322 |

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Analysis of support costs** | | |
| Support staff costs | 2,964 | 1,878 |
| Technology costs | 60 | 125 |
| Premises costs | 679 | 1,386 |
| Legal costs - other | 81 | - |
| Other support costs | 825 | 840 |
| Governance costs | 46 | 27 |
| | 4,655 | 4,256 |

## 9. Net expenditure

Net income/(expenditure) for the year includes:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Operating lease rentals | 22 | 20 |
| Depreciation of tangible fixed assets | 780 | 625 |
| Fees paid to auditor for: | | |
| - audit | 24 | 23 |
| - other services | 12 | 10 |

## 10. Staff

### a. Staff costs

Staff costs during the year were as follows:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Wages and salaries | 8,117 | 6,680 |
| Social security costs | 733 | 634 |
| Pension costs | 2,598 | 2,075 |
| | 11,448 | 9,389 |
| Agency staff costs | 223 | 192 |
| Staff restructuring costs | - | 25 |
| | 11,671 | 9,606 |

Staff restructuring costs comprise:

| | | |
|---|---|---|
| Severance payments | - | 25 |

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020 - £18k). Individually, the payments were: £Nil (2020 - £10,000 and £8,252).

## 10. Staff (continued)

### c. Staff numbers

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

| | 2021 No. | 2020 No. |
|---|---|---|
| Teachers | 123 | 98 |
| Administration and support | 267 | 216 |
| Management | 24 | 21 |
| | 414 | 335 |

### d. Higher paid staff

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

| | 2021 No. | 2020 No. |
|---|---|---|
| In the band £60,001 - £70,000 | 1 | 3 |
| In the band £70,001 - £80,000 | 5 | 2 |
| In the band £110,001 - £120,000 | 1 | 1 |

### e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £803k (2020 - £632k). The increase is due to this being the first full financial year of 6 Headteachers across the Academy Trust.

## 11. Central services

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

- finance and administration
- educational consultancy
- professional services
- publicity and marketing

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

The trust charges a flat 5% of GAG income for these services.

The actual amounts charged during the year were as follows:

| | 2021<br>£000 | 2020<br>£000 |
|---|---|---|
| Acres Hill Community Primary School | 54 | 59 |
| Manor Lodge Community Primary School | 69 | 66 |
| Norfolk Community Primary School | 83 | 84 |
| Phillimore Community Primary School | 95 | 89 |
| Woodhouse West Primary School | 76 | 6 |
| Wybourn Community Primary School | 97 | 90 |
| **Total** | 474 | 394 |

## 12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

| | | 2021<br>£000 | 2020<br>£000 |
|---|---|---|---|
| J Bradshaw (Chief Executive and Accounting Officer) | Remuneration | 110 - 115 | 110 - 115 |
| | Pension contributions paid | 25 - 30 | 25 - 30 |

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

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

## 13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £50,723 (2020 - £39,402). The cost of this insurance is included in the total insurance cost.

## 14. Tangible fixed assets

| | Freehold property £000 | Leasehold Land and Buildings £000 | Assets under construction £000 | Furniture and equipment £000 | Computer equipment £000 | Total £000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 September 2020 | 3,642 | 22,842 | 148 | 10 | 104 | 26,746 |
| Additions | 153 | 271 | 269 | 57 | 54 | 804 |
| Transfers between classes | 400 | - | (400) | - | - | - |
| At 31 August 2021 | 4,195 | 23,113 | 17 | 67 | 158 | 27,550 |
| **Depreciation** | | | | | | |
| At 1 September 2020 | - | 2,206 | - | 4 | 48 | 2,258 |
| Charge for the year | 101 | 622 | - | 17 | 40 | 780 |
| At 31 August 2021 | 101 | 2,828 | - | 21 | 88 | 3,038 |
| **Net book value** | | | | | | |
| At 31 August 2021 | 4,094 | 20,285 | 17 | 46 | 70 | 24,512 |
| At 31 August 2020 | 3,642 | 20,636 | 148 | 6 | 56 | 24,488 |

## 15. Debtors

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | 12 | 23 |
| VAT recoverable | - | 32 |
| Prepayments and accrued income | 1,251 | 1,455 |
| | 1,263 | 1,510 |

## 16. Creditors: Amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Other loans | 7 | 6 |
| Trade creditors | 332 | 25 |
| Other taxation and social security | 172 | 150 |
| Other creditors | 179 | 197 |
| Accruals and deferred income | 618 | 962 |
| | 1,308 | 1,340 |

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Deferred income at 1 September | 340 | 258 |
| Resources deferred during the year | 323 | 340 |
| Amounts released from previous periods | (340) | (258) |
| **Deferred income at 31 August** | 323 | 340 |

At the balance sheet date the Academy Trust was holding funds received in advance from the Education and Skills Funding Agency which related to Universal Free School Meals of £96k (2020 - £95k), Rates Reimbursement of £22k (2020 - £Nil), Sports Premium of £8k (2020 - £Nil) Funded Early Learning from Sheffield City Council of £144k (2020 - £191k), class size funding of £Nil (2020 - £27k), Erasmus funding of £18k (2020 - £Nil), Pupil Growth funding of £30k (2020 - £27k) and Other grants of £5k (2020 - £Nil).

## 17. Creditors: Amounts falling due after more than one year

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Other loans | 37 | 32 |

Included within other loans are three Salix loans, which are as follows:

One of £15k which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £2,489.

One of £8k which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £1,077.

One of £15k which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £1,950.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Payable or repayable by instalments | 9 | 9 |

## 18. Statement of funds

| | Balance at 1 September 2020 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2021 £000 |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General Funds | 1,040 | 289 | - | (236) | - | 1,093 |
| **Restricted general funds** | | | | | | |
| General Annual Grant (GAG) | - | 9,484 | (9,353) | (131) | - | - |
| Pupil Premium | - | 1,487 | (1,487) | - | - | - |
| Teachers' Pay/Pension Grant | - | 443 | (443) | - | - | - |
| Catch-up Premium | - | 123 | (123) | - | - | - |
| Other grants | - | 1,872 | (1,872) | - | - | - |
| Pension reserve | (11,340) | - | (628) | - | (1,469) | (13,437) |
| | (11,340) | 13,409 | (13,906) | (131) | (1,469) | (13,437) |
| **Restricted fixed asset funds** | | | | | | |
| Transfer on conversion | 24,291 | - | (695) | - | - | 23,596 |
| DfE Group capital grants | 623 | 849 | (94) | - | - | 1,378 |
| Capital expenditure from GAG | 145 | - | (57) | 367 | - | 455 |
| | 25,059 | 849 | (846) | 367 | - | 25,429 |
| **Total Restricted funds** | 13,719 | 14,258 | (14,752) | 236 | (1,469) | 11,992 |
| **Total funds** | 14,759 | 14,547 | (14,752) | - | (1,469) | 13,085 |

**18. Statement of funds (continued)**

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

- Restricted General Funds must be used for the normal running costs of the trust in line with the Master Funding Agreement and restrictions from other sources.
- Unrestricted funds are not generally used and will be held in reserve until the need to draw down on them arises.
- Restricted Fixed Asset Funds are used solely for capital purposes in line with the strategic objectives of the Trust.
- There is currently £559k of Condition Improvement Funding which relates to schemes that have already commenced but were not finalised at the Balance Sheet date.
- It is the Trustees intention to allocate all funds granted to the pursuit of its objectives and to use their current funding for the full benefit of their current pupils, save a contingency and reserves policy detailed earlier.

Transfers relate to GAG funds used for capital expenditure and utilising unrestricted funds to cover restricted funds deficits.

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

**18. Statement of funds (continued)**

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

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Balance at 31 August 2020 £000 |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General Funds | 869 | 460 | (55) | (234) | 1,040 |
| **Restricted general funds** | | | | | |
| General Annual Grant (GAG) | - | 7,878 | (7,997) | 119 | - |
| Start Up Grant | - | 25 | (25) | - | - |
| Pupil Premium | - | 1,227 | (1,227) | - | - |
| Teachers' Pay/Pension Grant | - | 376 | (376) | - | - |
| Other grants | - | 1,605 | (1,605) | - | - |
| Pension reserve | (9,560) | (1,249) | (531) | - | (11,340) |
| | (9,560) | 9,862 | (11,761) | 119 | (11,340) |
| **Restricted fixed asset funds** | | | | | |
| Transfer on conversion | 21,241 | 3,655 | (605) | - | 24,291 |
| DfE Group capital grants | 544 | 960 | (881) | - | 623 |
| Other capital grants | 50 | - | (20) | 115 | 145 |
| | 21,835 | 4,615 | (1,506) | 115 | 25,059 |
| **Total Restricted funds** | 12,275 | 14,477 | (13,267) | 234 | 13,719 |
| **Total funds** | 13,144 | 14,937 | (13,322) | - | 14,759 |

## 18. Statement of funds (continued)

### Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Acres Hill Community Primary School | 164 | 70 |
| Manor Lodge Community Primary School | 70 | 150 |
| Norfolk Community Primary School | 187 | 347 |
| Phillimore Community Primary School | 58 | 56 |
| Woodhouse West Primary School | 129 | 135 |
| Wybourn Community Primary School | 273 | 224 |
| Central Services | 212 | 58 |
| Total before fixed asset funds and pension reserve | 1,093 | 1,040 |
| Restricted fixed asset fund | 25,429 | 25,059 |
| Pension reserve | (13,437) | (11,340) |
| **Total** | 13,085 | 14,759 |

**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

| | Teaching and educational support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2021 £000 | Total 2020 £000 |
|---|---|---|---|---|---|---|
| Acres Hill Community Primary School | 825 | 249 | 15 | 336 | 1,425 | 1,389 |
| Manor Lodge Community Primary School | 1,218 | 315 | 30 | 356 | 1,919 | 1,937 |
| Norfolk Community Primary School | 1,685 | 326 | 43 | 369 | 2,423 | 2,306 |
| Phillimore Community Primary School | 1,628 | 345 | 33 | 391 | 2,397 | 2,278 |
| Woodhouse West Primary School | 1,450 | 252 | 61 | 49 | 1,812 | 148 |
| Wybourn Community Primary School | 1,711 | 726 | 46 | 380 | 2,863 | 2,906 |
| Central services | 190 | 751 | - | 192 | 1,133 | 1,733 |
| **Academy Trust** | 8,707 | 2,964 | 228 | 2,073 | 13,972 | 12,697 |

## 19. Analysis of net assets between funds

| | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Restricted fixed asset funds 2021 £000 | Total funds 2021 £000 |
|---|---|---|---|---|
| Tangible fixed assets | - | - | 24,512 | 24,512 |
| Current assets | 1,093 | 1,276 | 986 | 3,355 |
| Creditors due within one year | - | (1,276) | (32) | (1,308) |
| Creditors due in more than one year | - | - | (37) | (37) |
| Pension scheme liability | - | (13,437) | - | (13,437) |
| **Total** | 1,093 | (13,437) | 25,429 | 13,085 |

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

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 |
|---|---|---|---|---|
| Tangible fixed assets | - | - | 24,488 | 24,488 |
| Current assets | 1,040 | 1,024 | 919 | 2,983 |
| Creditors due within one year | - | (1,024) | (316) | (1,340) |
| Creditors due in more than one year | - | - | (32) | (32) |
| Pension scheme liability | - | (11,340) | - | (11,340) |
| **Total** | 1,040 | (11,340) | 25,059 | 14,759 |

## 20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (205) | 1,615 |
| **Adjustments for:** | | |
| Depreciation | 780 | 625 |
| Capital grants from DfE and other capital income | (849) | (960) |
| Interest receivable | - | (3) |
| Defined benefit pension scheme cost less contributions payable | 426 | 362 |
| Defined benefit pension scheme finance cost | 202 | 169 |
| Decrease/(increase) in debtors | 358 | (753) |
| (Decrease)/increase in creditors | (33) | 360 |
| Transfer on conversion from local authority | - | (2,560) |
| **Net cash provided by/(used in) operating activities** | 679 | (1,145) |

## 21. Cash flows from financing activities

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Cash inflows from new borrowing | 14 | 45 |
| Repayments of borrowing | (8) | (7) |
| **Net cash provided by financing activities** | 6 | 38 |

## 22. Cash flows from investing activities

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Interest received | - | 3 |
| Purchase of tangible fixed assets | (804) | (172) |
| Capital grants from DfE Group | 738 | 370 |
| Capital funding received from sponsors and others | - | 590 |
| Transfer on conversion from local authority | - | 159 |
| **Net cash (used in)/provided by investing activities** | (66) | 950 |

## 23. Analysis of cash and cash equivalents

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Cash in hand and at bank | 2,092 | 1,473 |

## 24. Analysis of changes in net debt

| | At 1 September 2020 £000 | Cash flows £000 | At 31 August 2021 £000 |
|---|---|---|---|
| Cash at bank and in hand | 1,473 | 619 | 2,092 |
| Debt due within 1 year | (6) | (1) | (7) |
| Debt due after 1 year | (32) | (5) | (37) |
| | 1,435 | 613 | 2,048 |

## 25. Pension commitments

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

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

Contributions amounting to £190k were payable to the schemes at 31 August 2021 (2020 - £203k) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**25. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £876k (2020 - £878k).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,027k (2020 - £846k), of which employer's contributions totalled £848k (2020 - £693k) and employees' contributions totalled £179k (2020 - £153k). The agreed contribution rates for future years are 14.1% and 15.1% per cent for employers and 5.5% to 12.5% per cent for employees.

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

## 25. Pension commitments (continued)

### Principal actuarial assumptions

| | 2021 % | 2020 % |
|---|---|---|
| Rate of increase in salaries | 4.05 | 3.55 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.40 |
| Discount rate for scheme liabilities | 1.70 | 1.80 |
| Inflation assumption (CPI) | 2.80 | 2.30 |

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

| | 2021 Years | 2020 Years |
|---|---|---|
| Retiring today | | |
| Males | 22.5 | 22.4 |
| Females | 25.3 | 25.2 |
| Retiring in 20 years | | |
| Males | 24.0 | 23.9 |
| Females | 27.2 | 27.1 |

### Sensitivity analysis on the defined benefit obligations

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Discount rate +0.1% | (474) | (381) |
| Discount rate -0.1% | 485 | 390 |
| Mortality assumption - 1 year increase | 640 | 465 |
| Mortality assumption - 1 year decrease | (621) | (452) |
| CPI rate +0.1% | 484 | 389 |
| CPI rate -0.1% | (473) | (380) |

**25. Pension commitments (continued)**

**Share of scheme assets**

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Equities | 3,463 | 2,478 |
| Corporate bonds | 988 | 1,228 |
| Property | 616 | 439 |
| Cash and other liquid assets | 72 | 188 |
| Other | 1,489 | 894 |
| **Total market value of assets** | 6,628 | 5,227 |

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Current service cost | (1,259) | (1,042) |
| Interest income | 102 | 71 |
| Interest cost | (304) | (240) |
| Administrative expenses | (15) | (13) |
| **Total amount recognised in the Statement of Financial Activities** | (1,476) | (1,224) |

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **At 1 September** | 16,567 | 13,047 |
| Conversion of Academy Trusts | - | 2,590 |
| Current service cost | 1,259 | 1,042 |
| Interest cost | 304 | 240 |
| Employee contributions | 179 | 153 |
| Actuarial losses/(gains) | 2,400 | (353) |
| Benefits paid | (114) | (152) |
| **At 31 August** | 20,595 | 16,567 |

## 25. Pension commitments (continued)

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **At 1 September** | 5,227 | 3,487 |
| Conversion of Academy Trusts | - | 1,341 |
| Interest income | 102 | 70 |
| Actuarial gains/(losses) | 931 | (353) |
| Employer contributions | 848 | 693 |
| Employee contributions | 179 | 153 |
| Benefits paid | (114) | (152) |
| Administrative expenses | (15) | (12) |
| **At 31 August** | 7,158 | 5,227 |

## 26. Operating lease commitments

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

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Not later than 1 year | 15 | 19 |
| Later than 1 year and not later than 5 years | 7 | 26 |
| | 22 | 45 |

## 27. Members' liability

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

## 28. Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.