

Company Registration No. 07333089 (England and Wales)

**AUDENSHAW SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

AUDENSHAW SCHOOL ACADEMY TRUST

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AUDENSHAW SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr T Hall (Chair of Governors) Mr B Miller Mr W Thorpe
Trustees	Mr T Hall (Chair of Governors) Mr K Brown Mr B Atkin Mr B Miller Mrs G Miller Mr N Jackson Ms J Roberts Mr T Gartside (resigned 9 July 2021) Mr W Longden Mrs S Mountain (appointed 19 April 2021) Mr S Naqvi (appointed 19 April 2021, resigned 12 October 2021)
Senior Management Team	
- Principal	Mrs J Saw (resigned 31 August 2021)
- Vice principal	Mr P Murphy
- Vice principal	Ms K Breakell
- Chief Financial Officer	Mr I Hilton
Company Name	Audenshaw School Academy Trust
Principal and Registered Office	Hazel Street Audenshaw Manchester M34 5NB
Company Registration Number	07333089 (England and Wales)
Independent Auditor	Haines Watts Bridge House Ashley Road Altrincham WA14 2UT
Bankers	Lloyds Bank Plc 10 Booth Street Manchester M2 4AW
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area of Audenshaw, Denton, Droylsden and Ashton-u-Lyne within Tameside MBC with additional students coming from Openshaw in east Manchester. It had a pupil capacity of 1,110 and a roll of 1,078 in the school census on 07/10/2021.

Structure, Governance and management

Constitution

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

The governors act as trustees for the charitable activities of Audenshaw School Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company operates as Audenshaw School.

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

Members' Liability

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

Trustees' Indemnities

The academy has opted into the Risk Protection Arrangement with the Department for Education and has adequate cover in place.

Method of Recruitment and Appointment or Election of Trustees

The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy trust.

The articles of association require that the members of the academy trust shall comprise:

- a. the signatories to the memorandum
- b. one person appointed by the Secretary of State, in the event that the secretary of State appoints a person for this purpose.
- c. the chairman of the governors.

The members may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

The trustees who were in office during 2020/21 are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Trustees

All trustees are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and governors.

All trustees have access to a range of training programmes.

Organisational Structure

The organisational structure of the academy consists of two levels: The board of governors (trustees) and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The academy is governed by the board which delegates functions to the senior leadership team. Trustees are directors of the charitable company for the purposes of the Companies Act 2006 and for the purposes of charity legislation. The Trustees exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academy.

The board of governors (Trustees) is responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, and senior staff appointments. The trustees are responsible for monitoring the performance of the principal and senior leadership team on a regular basis.

The Senior Leadership Team members for Audenshaw Academy are the principal, two vice principals and five assistant principals. These managers control the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The principal is the accounting officer.

The trustees approved a Scheme of Delegation which sets out a statement on the system of internal control, responsibilities and standing orders.

In addition to the board of governors there are committees with delegated responsibilities. These include Standards, Resource, Personnel and Student Development and Behaviour. Each committee of the board of governors has a Terms of Reference.

Arrangements for setting pay and remuneration of key management personnel

Trustees determine remuneration for the principal through the Principal's Performance Review Committee by performance managing targets set. The Personnel Committee receives reports on performance management from the principal.

The Principal's Performance Review Committee and Personnel Committee makes decisions based upon these reports and the position of senior leaders within their pay bands.

Trade union facility time

There has been no facilitated time allocated to union representatives during the period.

Related parties and other connected charities and organisations

The academy trust has not transacted with any related parties during the year.

Objectives and activities

Objects and aims

The academy's principal object and activity is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The aim of the academy is to provide a quality education in a caring community based on values of respect, responsibility and resilience and a relentless pursuit of excellence in all that we do.

- by allowing pupils to acquire attitudes and skills which enable them to give purposes to their lives and to make a contribution to the wider community;
- continue to place considerable value on sport and healthy living;
- by maintaining the high academic standards and expectations of the academy;
- by allowing students of all abilities to attain their full potential and develop their own special qualities;
- by providing a challenging and stimulating personalised working environment where no student is overlooked or left behind;
- by providing teaching and learning that is high quality, inspirational and innovative;
- by providing a safe, secure and caring environment in which to work and learn; and
- developing strong links with the community by expecting pupils to value all members of the academy's community and its environment.

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

The main objectives of the academy during the year ended 31 August 2021 are summarised below:

- Ensure that even more ambitious and innovative teaching will lead to increased student engagement and even stronger outcomes for all groups of students;
- Ensure the KS3 and 4 curriculum addresses COVID-related learning gaps and is adjusted to ensure accelerated progress for those who have been impacted;
- Reduce the amount of serious sanctioning through de-escalation, restorative practices and the consistent use of the school's behaviour and support structures effectively;
- Ensure the importance of attendance permeates through every aspect of school life, with the aim to improve whole school attendance, reduce PA percentage, and close the gap on SEND and PP attendance;
- Implement mentally healthy school best practice by enhancing the use of peer support. Further develop and strengthen students' social and emotional skills through a culture of mutual support;
- Deliver a comprehensive and enriching aspirations programme, measured through achievement of all eight of the Gatsby benchmarks;
- Continue to refine the PP strategy and spending and tailor the Education Recovery Plan funding as appropriate to ensure Disadvantaged students continue to thrive;
- Support the well-being and effective safeguarding practice of staff by embedding a system of professional supervision;

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's objectives and aims and in planning future activities for the year. Given the activities of the academy and the student population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

Achievements and performance (including Key Performance Indicators)

Summary of results in 2021

Teacher Assessed Grades – GCSE 2021

Number of Candidates 193

Achieving 9 to 7 grades in English and Maths 24.4%

Achieving 9 to 4 grades in English and Maths 83.4%

Achieving 9-5 grades in English and Maths 60%.

Average total attainment 8 score per student is 54.32

**It is important to note that GCSE examinations for 2021 were cancelled in January 2021 and that any grades mentioned in this report are Teacher Assessed Grades. The government also announced that no performance figures would be published for the 2021 cohort. Any comparison to national data refers to the data from the summer 2019 examination series. **

Educational Outcomes

**It is important to note that GCSE examinations for 2021 were cancelled in January 2021 and that any grades mentioned in this report are Teacher Assessed Grades. The government also announced that no performance figures would be published for the 2021 cohort. Any comparison to national data refers to the data from the summer 2019 examination series. **

9-4 in English and Maths is 83.4% in 2021. This is significantly above the average of other schools which was 64.3% in 2019 (when examinations last took place).

9-5 in English and Maths is 60% which is also significantly above the national comparative in 2019 which was 43.2% (when examinations last took place).

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Extra-Curricular Activities

After-school sports sessions were only permitted from the summer term 2021 onwards apart from a brief 2 week period before Christmas. Inter-school travel and fixtures were not permitted due to COVID restrictions but we were able to hold afterschool football, rugby, cricket and athletics practices for each year group on a different day during the summer term. These sessions were very well attended by all year groups.

Interform

Some internal sports competitions were possible during the year. Before the closure in January all year groups were able to complete and interform football competition and in the summer term each year group had its own interform Athletics "Sports day"

Primary festivals

No Primary festivals were permitted this year due to COVID restrictions.

PE and Sport during School closure.

During the period of school closure in January and February the PE department worked hard to keep the students active. Students were encouraged to perform a workout each day or in place of their PE lesson, record on their log and email to PE staff. Students were rewarded and celebrated for their engagement. In addition to this, a weekly sports challenge was set by the PE department which could be attempted a number of times and the best results sent in. Pupils were asked to provide evidence via their parents (photos, video, email confirmation etc.). All students entering were rewarded, and the top achievers celebrated. Lessons also incorporated an element of theory work for students to read, watch videos and complete fitness tests. Regular work was also set and marked for the Yr10/11BTEC Sport cohort and transition work was set and reviewed for Yr9 students moving onto the course.

Music

Summative outcomes continue to be outstanding, with positive residual achievement.

There is an intention to resume termly concerts once permitted in the whole school celebration of achievement format. Successes, achievements and dedication of our students provides musicians with a full audience and raises aspirations in line with the whole school vision and values.

Subsidiary qualifications such as Rock and Pop has proved extremely beneficial to student development and instrumental performance, further supporting Component 1 of GCSE Music. Year 11 students achieving the qualification counted in whole school performance measures in Basket 3, in 2020 – 2021 a student achieved Grade 8 which is a school record and 14 students in KS3 students have attained Grades 1 – 3.

PP students are extremely well supported in instrumental uptake and as a result this has continued to have an extremely positive impact on GCSE numbers. Without this level of support these students would not be able to have the opportunity. Strict performance measures are in place through weekly attendance monitoring and termly reviews along with summative external assessment at the conclusion of the academic year.

Charity work

Despite COVID restrictions, the school has continued to support the following charity;

Barnabus - The school council presented three charities for discussion this year and the school voted for Manchester homeless charity 'Barnabus'.

The year 10 and 11 prefect team reached out to local businesses and arranged a school 'mega raffle'. Prizes on offer included Amazon tablets, Ricky Hatton signed gloves, local restaurant vouchers, Morrisons hamper etc. The total raised by the raffle was £2215.46.

Trips and events

No trips of any kind took place during the period 1 September 2020 to 31 August 2021 due to uncertainties and Government guidance.

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Going concern

After making appropriate enquiries, the board of governors 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.

Key financial performance indicator:

- Funds available for long term capital investment indicate that the Academy is in a financially low risk position.

Financial review

The trust held fund balances at 31 August 2021 of £6,648,000, comprising £340,000 of restricted funds, £9,598,000 of fixed asset funds, a pension reserve deficit of £3,874,000, and £584,000 of unrestricted general funds.

Most of the trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds (non-fixed assets in the Statement of Financial Activities).

Due to COVID-19, during the year, the Academy adjusted the opening established Budgets through virements several times to utilise Budgets in the best manner. There were areas of saving such as Exam costs, Utilities, Hospitality and Capitation transferred to Budget headings such as Maintenance, Catering costs, Furniture and Cleaning costs.

In respect to COVID-19, Audenshaw School participated in the national free school meals voucher scheme. An online service for schools, the scheme allowed schools to place orders for supermarket gift cards on behalf of parents and carers whose children are eligible for free school meals. Additionally, the school was paid:

- * £29,350 mass testing funding, covering costs incurred for testing pupils from January 2021.
- * £82,960 Catch-up Premium, funding to support children and young people to catch up on missed learning caused by coronavirus.

During the year ended 31 August 2021, total expenditure of £6,461,000 was more than recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period was £397,000. This excess is after accounting for a depreciation charge of £380,000 and movement on the defined pension benefit scheme of £288,000.

Following the actuarial loss on defined benefit pension scheme of £898,000, the net movement in funds in the year was a decrease of £1,007,000.

Reserves policy

At 31 August 2021 the academy held free reserves not tied up in fixed assets or designated by the trustees of £924,000. £340,000 of restricted general funds is available to be used for the academy's operational activities and development.

During 2020-21, £193,000 of additions were added to the academy fixed assets register. Due to good in year budget management, devolved formula capital funding of £21,000 and £22,000 of donated assets there was no requirement to utilise reserves.

The local government pension reserve deficit of £3,874,000 is likely to result in an increase in employer's pension contributions over a number of years from the next evaluation point. This has been considered in future planning and cashflow.

The academy's policy is to carry forward a prudent level of resources. The reserves of the academy are reviewed regularly and are considered to be sufficient for the academy's requirements. Current reserves held provide a level of security and allow forward planning for future capital expenditures.

Investment policy

The academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on a deposit and 32 day savings account.

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a Risk Register and a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety (including pandemic), bullying and school trips) and in relation to the control of finance. They have systems in place, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with the guidelines issued by the Charities Commission. The academy has an effective system of internal financial controls. The academy has undertaken significant work to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the academy's assets and reputation.

Based on the academy's objectives, the resources committee has undertaken a comprehensive review of the risks to which the academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the academy.

The Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the academy through risk register updates.

Outlined below is a description of the principal risk factors that may affect the academy. Not all the factors are within the academy's control. Other factors besides those listed below may also adversely affect the academy.

Government funding:

The academy has considerable reliance on continued government funding through the ESFA. In 2020/21, over 99% of the academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

Maintain adequate funding of pension liabilities:

The financial statements report the share of the pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 102.

Pandemic:

Coronavirus pandemic provided numerous updates to the risk register due to its significant impact on operations, staffing and students. It is monitored through the risk register and several associated regularly updated risk assessments.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The academy will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

AUDENSHAW SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Pupil roll variation - growth

Local authorities have a statutory duty to ensure that there are sufficient school places to meet demand. A review performed by Tameside Local Authority based on: birth rate, in year movement, cohort survival rates, parental preference and planned housing development highlighted significant future surplus demand for student places.

In 2019/20 the year 7 student cohort met maximum capacity of 210 pupils. Given demand, an agreement was reached to provide up to an additional 30 places for year 7 from the 2020/21 year onwards. This would increase the capacity annually going forward to a maximum of 1,200. To facilitate, an area previously used for Sixth form studies (closed in 2018/19) has been converted to meet increased roll, this has been opened in September 2021 and provides additional classroom space. Growth is confirmed in the October 2021 census where year 7 pupils are currently 235 and year 8 237 pupils.

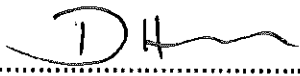
Auditor

In so far as the trustees are aware:

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

A resolution proposing that Haines Watts be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 9 December 2021 and signed on its behalf by:



.....

Mr T Hall
Chair of Governors

Date.....09/12/2021

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of governors has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Audenshaw School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The board of governors (trustees) has formally met 4 times during the year. Attendance during the year at meetings of the board was as follows:

Trustees	Meetings attended	Out of possible
Mr T Hall (Chair of governors)	4	4
Mrs J Saw ('ex-officio – Principal and accounting officer)	4	4
Mr K Brown	2	4
Mr B Atkin	1	4
Mr B Miller	4	4
Mrs G Miller	4	4
Mr T Gartside (resigned 9 July 2021)	2	3
Mr N Jackson	0	4
Mrs J Roberts	3	4
Mr W Longden	3	4
Mr S Naqvi (appointed 19 April 2021)	1	2
Mrs S Mountain (appointed 19 April 2021)	1	2

During the Financial year two additional parent governors (trustees) joined the board with a governor leaving toward the end of the year. A large proportion of meetings were held online, allowing meetings to occur while coronavirus is active.

The trust board takes a proactive approach to its review of effectiveness of the board of trustees. With the skills audit completed yearly, this informs the overall skill set of the board and highlights any action for review in respect of skill set. A full review of membership and committees is undertaken at the start of each academic year to ensure the necessary skills set for each board/committee meeting. All meetings are effectively clerked by Trust GS, an external provider. Minutes clearly document actions and priorities clearly. This has resulted in strengthening the skills set of the trust board and its overall effectiveness. Governance is considered as part of the academy trust's annual Self Evaluation Framework; this considers the trusts' governance structure, and this is fully embedded. The delegated authority is clear, and governors understand their responsibilities. The governance framework is considered robust. The last full review took place in March 2021, updated in July 2021. The trust board has completed the annual skills audit and intends to complete its next full review of governance by March 2021.

The resource committee is a sub-committee of the main board of governors. Its purpose is to assist the decision making of the board of governors, by enabling more detailed consideration to be given to the best means of fulfilling the board of governor's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring (including audit) and probity. The committee makes appropriate comments and recommendations on such matters to the board of governors on a regular basis. The committee will consider matters as set out in its Terms of Reference or as requested by the board of governors, taking advice as appropriate.

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr K Brown	2	4
Mrs J Saw (Principal and accounting officer)	4	4
Mr T Hall	3	4
Mr B Atkin	1	4
Mrs G Miller	4	4
Mr W Longden (Chair of resource committee)	4	4

Meetings of the resource committee were held via online communication. Regular contact via e-mail was maintained in relation to necessary functions such as budget monitoring, tender processes and the risk register. The Budget setting approval for the Financial Year 2021/22 was performed during the resource meeting held 7 July 2021 and ratified at the following governing body meeting held 21 July 2021. The Committee includes a section relating to Audit matters, defined clearly within the terms of reference and a committee work plan approved at the start of the financial year. All members of the resource committee attend the designated Audit element.

Review of value for money

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

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

- adhering to financial regulations, required quotations and ordering processes;
- use of central Government initiatives such as the RPA insurance scheme.
- reviewing and maintaining a contracts register. Savings include software licences, careers services, broadband and utilities services; and
- Virement of regular established budgets to utilise in the best manner possible

The purpose of the system of internal control

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

Capacity to handle risk

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

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the resource 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;
- delegation of authority and segregation of duties; and
- identification and management of risks.

For 2020/21 the board of governors has decided:

- to buy-in an internal audit service from ASCL.

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

- budget planning, monitoring and reporting;
- testing of purchasing systems;
- testing of payroll systems;
- testing income processes;
- cash control including bank reconciliations; and
- reviewing policies.

On a termly basis, the auditor reports to the board of governors, through the resource committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditor has delivered the schedule of work as planned with no issues arising.

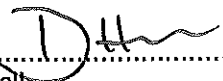
Review of effectiveness

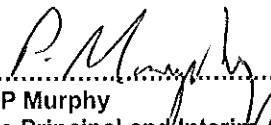
As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resource committee to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 9 December 2021 and signed on its behalf by:


.....
Mr T Hall
Chair of Governors


.....
Mr P Murphy
Vice Principal and Interim Accounting Officer

AUDENSHAW SCHOOL ACADEMY TRUST

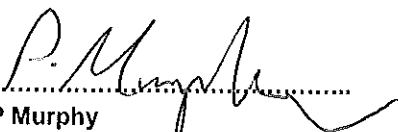
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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


.....
Mr P Murphy
Vice Principal and Interim Accounting Officer

Date: 9 December 2021

AUDENSHAW SCHOOL ACADEMY TRUST
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The governors (who act as trustees for Audenshaw School Academy Trust and are also the directors of Audenshaw School Academy Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

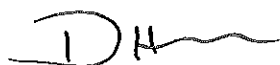
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of governors on 9 December 2021 and signed on its behalf by:



.....
Mr T Hall
Chair of Governors

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 governors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

In preparing the accounts, the governors are 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 the governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

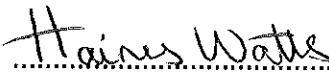
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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



Candice Beynon FCCA

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Alltrincham

WA14 2UT

Date 9/12/2021

AUDENSHAW SCHOOL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 12 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Audenshaw School Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Audenshaw School Academy Trust's funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AUDENSHAW SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy

Conclusion

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

Haines Watts
.....

Haines Watts
Reporting Accountant

Date *9/12/21*.....

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	3	-	1	43	44	21
Charitable activities:						
- Funding for educational operations	4	-	6,002	-	6,002	5,405
Other trading activities	5	18	-	-	18	165
Investments	6	-	-	-	-	2
Total		<u>18</u>	<u>6,003</u>	<u>43</u>	<u>6,064</u>	<u>5,593</u>
Expenditure on:						
Raising funds	7	-	-	-	-	67
Charitable activities:						
- Educational operations	8	-	6,081	380	6,461	5,908
Total	7	<u>-</u>	<u>6,081</u>	<u>380</u>	<u>6,461</u>	<u>5,975</u>
Net income/(expenditure)		18	(78)	(337)	(397)	(382)
Transfers between funds	16	-	(150)	150	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	18	-	(610)	-	(610)	(859)
Net movement in funds		18	(838)	(187)	(1,007)	(1,241)
Reconciliation of funds						
Total funds brought forward		566	(2,696)	9,785	7,655	8,896
Total funds carried forward		<u>584</u>	<u>(3,534)</u>	<u>9,598</u>	<u>6,648</u>	<u>7,655</u>

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2020
		£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	3	-	-	21	21
Charitable activities:					
- Funding for educational operations	4	-	5,405	-	5,405
Other trading activities	5	77	88	-	165
Investments	6	2	-	-	2
Total		<u>79</u>	<u>5,493</u>	<u>21</u>	<u>5,593</u>
Expenditure on:					
Raising funds	7	67	-	-	67
Charitable activities:					
- Educational operations	8	-	5,542	366	5,908
Total	7	<u>67</u>	<u>5,542</u>	<u>366</u>	<u>5,975</u>
Net income/(expenditure)		12	(49)	(345)	(382)
Transfers between funds	16	-	(199)	199	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(859)	-	(859)
Net movement in funds		12	(1,107)	(146)	(1,241)
Reconciliation of funds					
Total funds brought forward		554	(1,589)	9,931	8,896
Total funds carried forward		<u>566</u>	<u>(2,696)</u>	<u>9,785</u>	<u>7,655</u>

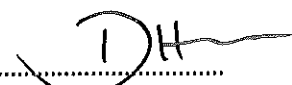
AUDENSHAW SCHOOL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £000	£000	2020 £000	£000
Fixed assets					
Tangible assets	12		9,598		9,785
Current assets					
Debtors	13	175		293	
Cash at bank and in hand		1,070		981	
		<u>1,245</u>		<u>1,274</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(321)		(428)	
Net current assets			<u>924</u>		<u>846</u>
Net assets excluding pension liability			10,522		10,631
Defined benefit pension scheme liability	18		(3,874)		(2,976)
Total net assets			<u>6,648</u>		<u>7,655</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			9,598		9,785
- Restricted income funds			340		280
- Pension reserve			(3,874)		(2,976)
Total restricted funds			<u>6,064</u>		<u>7,089</u>
Unrestricted income funds	16		<u>584</u>		<u>566</u>
Total funds			<u>6,648</u>		<u>7,655</u>

The accounts were approved by the governors and authorised for issue on 01/12/2021 and are signed on their behalf by:



 Mr T Hall
 Chair of Governors

Company Number 07333089

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £000	£000	2020 £000	£000
Cash flows from operating activities					
Net cash provided by operating activities	19		239		19
Cash flows from investing activities					
Dividends, interest and rents from investments		-		2	
Capital grants from DfE Group		21		21	
Donated assets from DfE Group		22		-	
Purchase of tangible fixed assets		(193)		(221)	
Net cash used in investing activities			(150)		(198)
Net increase/(decrease) in cash and cash equivalents in the reporting period			89		(179)
Cash and cash equivalents at beginning of the year			981		1,160
Cash and cash equivalents at end of the year			<u>1,070</u>		<u>981</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Audenshaw School Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1 Basis of preparation

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

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the 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 accounts.

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

Freehold Land and Buildings	2% per annum
Computer equipment	25% per annum
Fixtures, fittings & equipment	10% per annum
Motor vehicles	25% per annum

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.

1.6 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 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and the Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 18, 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.

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Donated fixed assets	-	22	22	-
Capital grants	-	21	21	21
Other donations	-	1	1	-
	-	44	44	21

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
DfE/ESFA grants				
General annual grant (GAG)	-	5,236	5,236	4,884
Other DfE/ESFA grants:				
Pupil premium	-	234	234	218
Teachers' pay grant	-	70	70	67
Teachers' pension grant	-	198	198	190
Others	-	19	19	21
	-	5,757	5,757	5,380
Other government grants				
Local authority grants	-	133	133	20
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	83	83	-
Other DfE/ESFA COVID-19 funding	-	29	29	5
	-	112	112	5
Total funding	-	6,002	6,002	5,405

The academy trust received £133,000 (2020: £20,000) from the local authority in the year, being £5,000 pupil premium funding, £96,000 growth funding and £32,000 high needs funding.

The academy also received £83,000 of funding for catch-up premium and £29,000 of other Covid-19 funding. Costs incurred in respect of this funding totalled £112,000.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Insurance claims	-	-	-	88
Other income	18	-	18	77
	<u>18</u>	<u>-</u>	<u>18</u>	<u>165</u>

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Other investment income	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

7 Expenditure

	Staff costs £000	Non-pay expenditure		Total 2021 £000	Total 2020 £000
		Premises £000	Other £000		
Expenditure on raising funds					
- Direct costs	-	-	-	-	67
Academy's educational operations					
- Direct costs	4,087	-	241	4,328	4,085
- Allocated support costs	975	789	369	2,133	1,823
	<u>5,062</u>	<u>789</u>	<u>610</u>	<u>6,461</u>	<u>5,975</u>

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Fees payable to auditor for:		
- Audit	6	6
- Other services	2	2
Operating lease rentals	13	13
Depreciation of tangible fixed assets	380	366
Net interest on defined benefit pension liability	53	36
	<u>53</u>	<u>36</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities	2021	2020
	£000	£000
All from restricted funds:		
Direct costs		
Educational operations	4,328	4,085
Support costs		
Educational operations	2,133	1,823
	<u>6,461</u>	<u>5,908</u>
Analysis of costs	2021	2020
	£000	£000
Direct costs		
Teaching and educational support staff costs	4,087	3,884
Staff development	11	8
Technology costs	9	6
Educational supplies and services	124	77
Examination fees	76	79
Educational consultancy	8	9
Other direct costs	13	22
	<u>4,328</u>	<u>4,085</u>
Support costs		
Support staff costs	975	865
Depreciation	380	366
Technology costs	100	83
Recruitment and support	20	10
Maintenance of premises and equipment	191	123
Cleaning	38	18
Energy costs	109	107
Rent, rates and other occupancy costs	46	45
Insurance	20	19
Security and transport	5	6
Catering	61	30
Interest on defined benefit pension scheme	53	36
Legal costs	14	2
Other support costs	107	100
Governance costs	14	13
	<u>2,133</u>	<u>1,823</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £000	2020 £000
Wages and salaries	3,634	3,415
Social security costs	378	354
Pension costs	1,010	929
	<hr/>	<hr/>
Staff costs - employees	5,022	4,698
Agency staff costs	40	51
	<hr/>	<hr/>
Staff development and other staff costs	5,062	4,749
	11	8
	<hr/>	<hr/>
Total staff expenditure	5,073	4,757
	<hr/>	<hr/>

Staff numbers

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

	2021 Number	2020 Number
Teachers	61	61
Administration and support	45	40
Management	4	4
	<hr/>	<hr/>
	110	105
	<hr/>	<hr/>

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

	2021 Number	2020 Number
Teachers	60	60
Administration and support	34	31
Management	4	4
	<hr/>	<hr/>
	98	95
	<hr/>	<hr/>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	6	4
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<hr/>	<hr/>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Key management personnel

The key management personnel of the academy trust comprise the governors 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 £396,000 (2020: £273,000).

10 Governors' remuneration and expenses

During the year ended 31 August 2021, no trustees have received remuneration (2020: £nil).

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

11 Governors' and officers' insurance

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

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2020	11,100	1,426	1,134	50	13,710
Additions	5	64	124	-	193
At 31 August 2021	11,105	1,490	1,258	50	13,903
Depreciation					
At 1 September 2020	1,856	1,291	728	50	3,925
Charge for the year	222	52	106	-	380
At 31 August 2021	2,078	1,343	834	50	4,305
Net book value					
At 31 August 2021	9,027	147	424	-	9,598
At 31 August 2020	9,244	135	406	-	9,785

The land and buildings are freehold.

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

13 Debtors	2021	2020
	£000	£000
VAT recoverable	45	39
Prepayments and accrued income	130	254
	<u>175</u>	<u>293</u>
14 Creditors: amounts falling due within one year	2021	2020
	£000	£000
Trade creditors	61	169
Other taxation and social security	165	151
Accruals and deferred income	95	108
	<u>321</u>	<u>428</u>
15 Deferred income	2021	2020
	£000	£000
Deferred income is included within:		
Creditors due within one year	14	45
	<u>14</u>	<u>45</u>
Deferred income at 1 September 2020	45	15
Released from previous years	(45)	(15)
Resources deferred in the year	14	45
	<u>14</u>	<u>45</u>
Deferred income at 31 August 2021	14	45

Deferred income as at 31st August 2021 is in relation to rates relief £14,000.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Key management personnel

The key management personnel of the academy trust comprise the governors 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 £396,000 (2020: £273,000).

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	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2020	11,100	1,426	1,134	50	13,710
Additions	5	64	124	-	193
At 31 August 2021	11,105	1,490	1,258	50	13,903
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Net book value					
At 31 August 2021	9,027	147	424	-	9,598
At 31 August 2020	9,244	135	406	-	9,785

The land and buildings are freehold.

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

13 Debtors	2021 £000	2020 £000
VAT recoverable	45	39
Prepayments and accrued income	130	254
	175	293
	175	293
14 Creditors: amounts falling due within one year	2021 £000	2020 £000
Trade creditors	61	169
Other taxation and social security	165	151
Accruals and deferred income	95	108
	321	428
	321	428
15 Deferred income	2021 £000	2020 £000
Deferred income is included within:		
Creditors due within one year	14	45
	14	45
Deferred income at 1 September 2020	45	15
Released from previous years	(45)	(15)
Resources deferred in the year	14	45
	14	45
Deferred income at 31 August 2021	14	45

Deferred income as at 31st August 2021 is in relation to rates relief £14,000.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	280	5,236	(5,026)	(150)	340
Pupil premium	-	234	(234)	-	-
Catch-up premium	-	83	(83)	-	-
Other DfE/ESFA COVID-19 funding	-	29	(29)	-	-
Other DfE/ESFA grants	-	20	(20)	-	-
Other government grants	-	133	(133)	-	-
Teachers pay grant	-	70	(70)	-	-
Teachers pension grant	-	198	(198)	-	-
Pension reserve	(2,976)	-	(288)	(610)	(3,874)
	<u>(2,696)</u>	<u>6,003</u>	<u>(6,081)</u>	<u>(760)</u>	<u>(3,534)</u>
Restricted fixed asset funds					
Inherited on conversion	6,528	-	(200)	-	6,328
DfE group capital grants	3,014	21	(115)	-	2,920
Capital expenditure from GAG	225	-	(55)	150	320
DfE donated assets	-	22	(4)	-	18
Private sector capital sponsorship	18	-	(6)	-	12
	<u>9,785</u>	<u>43</u>	<u>(380)</u>	<u>150</u>	<u>9,598</u>
Total restricted funds	<u>7,089</u>	<u>6,046</u>	<u>(6,461)</u>	<u>(610)</u>	<u>6,064</u>
Unrestricted funds					
General funds	<u>566</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>584</u>
Total funds	<u>7,655</u>	<u>6,064</u>	<u>(6,461)</u>	<u>(610)</u>	<u>6,648</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those which the board of trustees may use in pursuance of the academy's objectives and are expendable at the discretion of the trustees.

The £150,000 transfer to restricted fixed asset funds from restricted general funds is to meet capital expenditure for which there was no specific capital funding in the year.

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

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	278	4,884	(4,683)	(199)	280
Pupil premium	-	218	-	-	218
Other DfE/ESFA grants	-	278	(496)	-	(218)
Other government grants	-	25	(25)	-	-
Other restricted funds	-	88	(88)	-	-
Pension reserve	(1,867)	-	(250)	(859)	(2,976)
	<u>(1,589)</u>	<u>5,493</u>	<u>(5,542)</u>	<u>(1,058)</u>	<u>(2,696)</u>
Restricted fixed asset funds					
Transfer on conversion	6,738	-	(210)	-	6,528
DfE group capital grants	3,079	21	(86)	-	3,014
Capital expenditure from GAG	86	-	(60)	199	225
Private sector capital sponsorship	28	-	(10)	-	18
	<u>9,931</u>	<u>21</u>	<u>(366)</u>	<u>199</u>	<u>9,785</u>
Total restricted funds	<u>8,342</u>	<u>5,514</u>	<u>(5,908)</u>	<u>(859)</u>	<u>7,089</u>
Unrestricted funds					
General funds	554	79	(67)	-	566
Total funds	<u>8,896</u>	<u>5,593</u>	<u>(5,975)</u>	<u>(859)</u>	<u>7,655</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	9,598	9,598
Current assets	584	661	-	1,245
Creditors falling due within one year	-	(321)	-	(321)
Defined benefit pension liability	-	(3,874)	-	(3,874)
Total net assets	584	(3,534)	9,598	6,648

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	9,785	9,785
Current assets	498	776	-	1,274
Creditors falling due within one year	68	(496)	-	(428)
Defined benefit pension liability	-	(2,976)	-	(2,976)
Total net assets	566	(2,696)	9,785	7,655

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £71,000 (2020: £66,000) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £622,000 (2020: £586,000).

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 contributions are as noted below. The agreed contribution rates for future years are 19.1% for employers and between 5.5% and 12.5% for employees. The estimated value of employer's contributions for the period to 31 August 2022 will be approximately £153,000.

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.

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

Total contributions made	2021	2020
	£000	£000
Employer's contributions	153	129
Employees' contributions	55	50
	<u>208</u>	<u>179</u>
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.65	3.0
Rate of increase for pensions in payment/inflation	2.90	2.2
Discount rate for scheme liabilities	1.65	1.7
	<u>1.65</u>	<u>1.7</u>

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

	2021	2020
	Years	Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0
	<u>25.3</u>	<u>25.0</u>

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2021	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	199
0.1% increase in the Pension Increase Rate	2%	177
0.1% increase in the Salary Increase Rate	0%	19
1 year increase in member life expectancy	4%	333

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

The academy trust's share of the assets in the scheme	2021 Fair value £000	2020 Fair value £000
Equities	3,157	2,441
Bonds	667	574
Cash	311	323
Property	312	251
	<u>4,447</u>	<u>3,589</u>

The actual return on scheme assets was £724,000 (2020: £347,000).

Amount recognised in the statement of financial activities	2021 £000	2020 £000
Current service cost	388	343
Interest income	(62)	(57)
Interest cost	115	93
	<u>441</u>	<u>379</u>

Changes in the present value of defined benefit obligations	2021 £000	2020 £000
At 1 September 2020	6,565	4,988
Current service cost	388	343
Interest cost	115	93
Employee contributions	55	50
Actuarial loss	1,272	1,149
Benefits paid	(74)	(58)
	<u>8,321</u>	<u>6,565</u>
At 31 August 2021	<u>8,321</u>	<u>6,565</u>

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

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

	2021	2020
	£000	£000
At 1 September 2020	3,589	3,121
Interest income	62	57
Actuarial gain	662	290
Employer contributions	153	129
Employee contributions	55	50
Benefits paid	(74)	(58)
	<u>4,447</u>	<u>3,589</u>
At 31 August 2021	<u>4,447</u>	<u>3,589</u>

19 Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(397)	(382)
Adjusted for:		
Capital grants from DfE and other capital income	(43)	(21)
Investment income receivable	-	(2)
Defined benefit pension costs less contributions payable	235	214
Defined benefit pension scheme finance cost	53	36
Depreciation of tangible fixed assets	380	366
Decrease/(increase) in debtors	118	(117)
(Decrease) in creditors	(107)	(75)
	<u>239</u>	<u>19</u>
Net cash provided by operating activities	<u>239</u>	<u>19</u>

20 Analysis of changes in net funds

	1 September	Cash flows	31 August
	2020	£000	2021
	£000	£000	£000
Cash	981	89	1,070
	<u>981</u>	<u>89</u>	<u>1,070</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Long-term commitments, including operating leases

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

	2021 £000	2020 £000
Amounts due within one year	13	13
Amounts due in two and five years	13	26
	<u>26</u>	<u>39</u>

22 Related party transactions

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

No related party transactions took place in the year.

23 Members' liability

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