

Company Registration Number: 08707909 (England & Wales)

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees Sally Dicketts, Co-Chair
Lee Nicholls, Co-Chair (resigned 31 July 2021)
Keith Mitchell
Rachel Cave
Placi Espajo (resigned 31 July 2021)
Beverley Ford/Bailey (resigned 9 December 2020)
Nicholas Evans
Ann McCall
David Carr (appointed 1 March 2021)
Colin Pearson (appointed 20 January 2021)

Company registered number 08707909

Company name Activate Learning Education Trust

Principal and registered office Activate Learning
Oxpens Road
Oxford
OX1 1SA

Chief executive officer Joanne Harper

Senior management team Joanne Harper
Mark Ratcliffe
Tony Rushworth
Roland Howard
Joanne Halliday
Jonathan Nicholls
Jon Oliver
Wayne Edwards
Samantha Knowlton

Independent auditor Mazars LLP
Chartered Accountants
90 Victoria Street
Bristol
BS1 6DP

Bankers Lloyds Bank
1 - 5 High Street
Oxford
OX1 4AA

ACTIVATE LEARNING EDUCATION TRUST
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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 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.

Background

On 1 August 2015 The Bicester School joined the Trust (previously known as Bicester Community College). The Trust opened a new school, Bicester Technology Studio, which accepted its first pupils in year 10 and year 12 in September 2016. UTC Reading and UTC Oxfordshire joined the Trust on April 2017, Swindon UTC joined the Trust in September 2017, Theale Green School joined the Trust in April 2018 and UTC Heathrow joined the Trust in September 2018. Pupils are admitted to the schools based on appropriate entry requirements being met.

Structure, governance and management

a. Constitution

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

The Trustees of Activate Learning Education Trust are also the directors of the Charitable Company for the purposes of company law.

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

b. Members' liability

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

c. Trustees' indemnities

There were no known indemnities due in the financial year.

d. Method of recruitment and appointment or election of Trustees

The Members may appoint up to 10 Trustees provided that in making such appointments the Members shall ensure that nominees of the Industry Partners and Academic Partner form a majority of the total number of Trustees.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Trustees (including the Chief Executive Officer) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

Trustees are inducted and are offered training and mentorship to enable them to enact their duties to the best of their ability.

f. Organisational structure

The Trustees shall exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy Trust and shall consider any advice given by the Chief Executive Officer.

The Chief Executive Officer is responsible for the internal organisation, management and control of the Academy Trust; and for advising on and implementing the Academy Trust's strategic framework. In particular the Chief Executive Officer will formulate aims and objectives, policies and targets for the Board to consider adopting.

The role of the Accounting Officer is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge.

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

The Governor Trustees of the Trust receive no remuneration other than the reimbursement of evidenced out of pocket expenses.

Staff members who are key to management personnel, other than the Chief Executive Officer, have their pay reviewed annually against performance criteria.

Activate Learning is the lead sponsor and 2 Trustees are executive directors of Activate Learning. The lead sponsor provides shared services to the Trust.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	3
Total pay bill	14,705
Percentage of total pay bill spent on facility time	0.02 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	9.72 %
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i. Risk management

For the year ended 31 August 2021 the primary activities of the Academy Trust were to operate The Bicester School, Bicester Technology Studio, UTC Oxfordshire, UTC Reading, UTC Swindon, Theale Green School and UTC Heathrow and to accommodate growth.

Therefore, during the financial year, the following were the key risks identified:

- A potential shortfall in student recruitment across the Trust which was managed through enhanced recruitment plans, 'keep warm' activities for students who had applied and ongoing monitoring;
- Maintaining a strong financial position whilst the Trust continues to grow, especially in regards to the two academies who are funded through lagged funding;
- Impact of COVID-19 to recruitment of students and staff; and
- Retaining good staff and recruiting new talent.

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

Objectives and activities

a. Objects and Aims

The Academy Trust's object 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 schools offering a broad and balanced curriculum.

The catchment areas for each school include a number of factors:

- Bicester School - priority is given based on the primary schools attended, where are more applications priority will be given to those children who live closest to the school by the shortest designated public route as defined on the Oxfordshire County Council's Directorate for Children, Education & Families' Geographic Information System
- UTC Heathrow – priority is given to pupils within an 8 mile radius of the school
- UTC Oxfordshire, UTC Reading and UTC Swindon – places are allocated based on certain postcodes
- Theale Green School – priority is given to those pupils within a specific geographical area

b. Objectives, Strategies and Activities

The Academy Trust intends to ensure that all students go into employment, further/higher education or training. The strategy to achieve this will include strong Alumni with talks from past students inspiring current students.

A summary of key achievements is shown on page 6.

c. Public benefit

The vision is to 'transform lives through learning' by igniting confidence, expanding opportunities, energising the community and generating prosperity. Through our Learning Philosophy and core values of empowerment, enterprise, connectedness and transformation, we will provide our students and staff with a safe and supportive environment in which to thrive. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

d. Promoting the success of the Company

The Trust, through reporting available from the Executive Team, including the Chief Executive Officer, Chief Financial Officer and external expertise, as appropriate are able to model any likely consequence and long term effects of decisions made. The Trust also holds a risk register which it considers at each meeting to capture any possible negative consequences to the Trust of decisions made. The Trust also consults relevant stakeholders on key business decisions and takes into consideration the responses of such consultations.

The Trustees are fully aware that reputation is everything for the success of the Trust and regularly receive reports from the Marketing and Public Relations lead for the Trust as well as regularly surveying students and parents to identify good practice and any areas of concern that will be added to the school action plans the following year.

The Trustees receive regular benchmarking data across the Trust and from other similar size Trusts to ensure that our individual schools are treated fairly across the Trust.

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

Objectives and activities (continued)

e. Engagement with Employees (including disabled persons)

- A half termly newsletter is sent to every employee (6 times a year), which gives information to each employee on the work of the Trust, this includes the Strategic Plan, progress against Key Performance Indicators, the work of Local Governing Committees and The Trust Board.
- Employees are consulted on any relevant business changes, either via the Trust or via the schools individual leadership team when changes are related to one school only. Annual staff surveys are carried out in each school and the Trust uses the Gallup12 survey annually and reports its results at the Annual Trust Conference, attended by all employees.
- Employee performance targets are aimed at delivering against the Trust's Key Performance Indicators as stated in the Strategic Plan.
- The Chief Executive Officer updates all employees on the financial performance of the Trust, based upon student recruitment via the newsletter. This message is delivered with a call to action to all employees on the impact they can have on the financial performance in the coming twelve months.

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

The Trust, through its central team and Business Support teams, holds strong relationships with suppliers, customers and other key stakeholders. These relationships are formed through strong Service Level Agreements that leave little room for debate, questioning or complications. Thus strong relationships grow through a clear expectation that all of the employees demonstrate behaviours that promote a professional courtesy at all times; failure to do so would be dealt with via a number of Trust policies.

Strategic report

Achievements and performance

a. Achievements and performance

Last year the key achievements of the Academy Trust were:

- Tighter financial controls, improved systems and processes, resulting in very good value for money;
- Strengthening of the Leadership Group and development of a high performing team through a programme of individual and team development;
- A further strengthening of governance, through common systems and processes brought in following work with the NGA. Link governor roles are consistent and dive deep into key performance areas of each school; and
- Strong leadership of the COVID-19 situation by leaders at all levels.

b. Going concern

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

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

Strategic report (continued)

Achievements and performance (continued)

c. Key Financial Performance Indicators

Key Performance Indicators have been set to achieve student recruitment numbers to capacity, good or better teaching and learning, annual student attainment targets and above national average student attendance.

The financial year began with total funds of £64,762k which included unrestricted funds of £676k. The financial year ended with total funds of £61,824k which included unrestricted funds of £903k.

Financial review

a. Financial review

During the year the Academy Trust received income of £21,568,000 of which £20,302,000 was Operating Grants (GAG, Start Up Grants and Other DfE/ESFA Grants), and £376,000 of Capital Grants towards the construction and improvement of MAT facilities. After incurring operating expenditure of £20,499,000 and capital expenditure of £373,000, the Academy Trust has retained an in year Surplus of £1,069,000 to carry forward. Note, These figures are before Depreciation and Pension Adjustments.

b. Financial and Risk Management Objectives and Policies

The Academy Trust has a Board of Trustees that meets at least six times a year. The Board has also appointed a finance committee that has lead responsibility for considering a risk management register and ensuring that key risks are addressed. The Academy Trust has a full set of financial policies required to meet its obligations.

c. Principal risks and uncertainties

The biggest future risk to the Academy Trust is student recruitment in our 14-18 technical schools and lagged funding arrangements in our comprehensive schools which are rapidly growing in student numbers. The Academy Trust continues to dedicate time and resources (physical and financial) to a robust marketing strategy. Failure to recruit enough students will result in financial claw back from the ESFA which could potentially damage the Academy Trust's longer-term financial planning; thus being unable to meet its aims. The Academy Trust has a close working relationship with the ESFA to attempt to mitigate the risks of our rapidly growing schools and their funding allocations based on the previous year's student numbers.

d. Reserves policy

The Trustees have reviewed the reserves of the Academy Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees.

e. Investment policy

The Academy Trust holds no investments. Cash is deposited in the bank.

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

Streamlined energy and carbon reporting

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

	2021	2020
Energy consumption used to calculate emissions (kWh)	6,241,068	5,128,449
Energy consumption breakdown (kWh):		
Gas	2,386,039	3,318,314
Electricity	3,855,029	1,810,135
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	556.27	634.00
Total scope 1	<u>556.27</u>	<u>634.00</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	898.73	1,040.00
Total gross emissions (in tonnes of CO2 equivalent):	<u>1,455.00</u>	<u>1,674.00</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.471</u>	<u>0.558</u>

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

The Academy Trust's plans for the coming and future periods include:

- A strengthening of Leadership and Governance.
- Further expansion of the Academy Trust in size in the future.
- A clear focus on school improvement.

Funds held as Custodian Trustee on behalf of others

There were no assets being held.

ACTIVATE LEARNING EDUCATION TRUST
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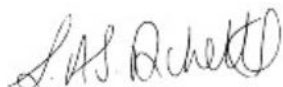
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditor

In so far as the Trustees are aware:

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

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



Sally Dicketts
Chair of Trustees

ACTIVATE LEARNING EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Activate Learning Education 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 Trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Activate Learning Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Sally Dicketts, Co-Chair	7	7
Lee Nicholls, Co-Chair	8	8
Keith Mitchell	6	7
Rachel Cave	2	8
Placi Espajo (resigned prior to meeting 6)	3	6
Beverley Ford/Bailey (resigned after meeting 3)	3	3
Nicholas Evans	7	7
Anne McCall	8	8
David Carr	4	4
Colin Pearson	5	7

Review of value for money

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

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

- Achieving an environment where grant funds are spent effectively and within budgetary constraints to ensure proper use of public funds. This includes capital and operating expenditure;
- Maximising synergies between academy members of the Academy Trust to enable every student to achieve their potential; and
- Procuring scalable and effective central services and overheads provision to ensure that the Academy Trust can maximise its expenditure on curriculum activities.

ACTIVATE LEARNING EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 Activate Learning Education Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

The 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 Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has decided to employ Wiltshire Council as internal auditor.

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 systems. In particular, the checks carried out in the current period included [insert details of the checks carried out.]

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short 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.

Below is a summary of the audits completed following the risk assessment for ALET for 2020/21:

- Website Compliance - The Theale Green School
- Website Compliance - UTC Heathrow
- Income, Banking and Bank Reconciliation
- Financial Planning and Monitoring

ACTIVATE LEARNING EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

For the completed audits, whilst recommendations have been made, we have assessed all areas as 'Low' risk.

Review of effectiveness

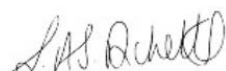
As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- support of a School Resource Management Advisor (SRMA).

The Accounting Officer has been advised of the implications of the result of the above reviews and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

and signed on



Sally Dicketts
Chair of Trustees

ACTIVATE LEARNING EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Joanne Harper
Accounting Officer
Date:

ACTIVATE LEARNING EDUCATION TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

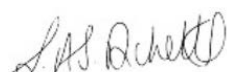
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



Sally Dicketts
Chair of Trustees

ACTIVATE LEARNING EDUCATION TRUST
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE OF ACTIVATE LEARNING EDUCATION TRUST

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the stat of the Academy Trust's affairs 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 Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE OF ACTIVATE LEARNING EDUCATION TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors 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 directors intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE OF ACTIVATE LEARNING EDUCATION TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation and employment regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

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

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

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

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

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

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

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

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE OF ACTIVATE
LEARNING EDUCATION TRUST (CONTINUED)**

Use of the audit report

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



Richard Bott (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 15 December 2021

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACTIVATE LEARNING EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 November 2021 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 Activate Learning Education Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Activate Learning Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Activate Learning Education 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 Activate Learning Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Activate Learning Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Activate Learning Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken includes:

- tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament;
- Obtained the register of personal interests;
- Planned our assurance procedures including identifying key risks;
- Concluded on procedures carried out.

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACTIVATE
LEARNING EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Mazars LLP

Mazars LLP
Chartered Accountants
Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 15 December 2021

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	4	-	309	376	685	852
Other trading activities		746	-	-	746	815
Charitable activities		-	20,137	-	20,137	18,221
		<u>746</u>	<u>20,446</u>	<u>376</u>	<u>21,568</u>	<u>19,888</u>
Total income						
Expenditure on:						
Charitable activities	8	519	20,667	1,852	23,038	22,162
		<u>519</u>	<u>20,667</u>	<u>1,852</u>	<u>23,038</u>	<u>22,162</u>
Total expenditure						
Net income/ (expenditure)						
		227	(221)	(1,476)	(1,470)	(2,274)
Transfers between funds	19	-	3	(3)	-	-
Net movement in funds before other recognised gains/(losses)						
		<u>227</u>	<u>(218)</u>	<u>(1,479)</u>	<u>(1,470)</u>	<u>(2,274)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,468)	-	(1,468)	(311)
		<u>227</u>	<u>(1,686)</u>	<u>(1,479)</u>	<u>(2,938)</u>	<u>(2,585)</u>
Net movement in funds						
Reconciliation of funds:						
Total funds brought forward		676	(9,693)	73,779	64,762	67,347
Net movement in funds		227	(1,686)	(1,479)	(2,938)	(2,585)
		<u>903</u>	<u>(11,379)</u>	<u>72,300</u>	<u>61,824</u>	<u>64,762</u>
Total funds carried forward						

The Statement of Financial Activities includes all gains and losses recognised in the year.

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	15	72,300	73,779
		<u>72,300</u>	<u>73,779</u>
Current assets			
Debtors	16	580	537
Cash at bank and in hand		2,405	1,146
		<u>2,985</u>	<u>1,683</u>
Creditors: amounts falling due within one year	17	(3,124)	(2,811)
		<u>(139)</u>	<u>(1,128)</u>
Net current liabilities			
Total assets less current liabilities		<u>72,161</u>	<u>72,651</u>
Net assets excluding pension liability		72,161	72,651
Defined benefit pension scheme liability	25	(10,337)	(7,889)
Total net assets		<u><u>61,824</u></u>	<u><u>64,762</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	72,300	73,779
Restricted income funds	19	(1,042)	(1,804)
		<u>71,258</u>	<u>71,975</u>
Restricted funds excluding pension asset	19	71,258	71,975
Pension reserve	19	(10,337)	(7,889)
		<u>60,921</u>	<u>64,086</u>
Total restricted funds	19	60,921	64,086
Unrestricted income funds	19	903	676
		<u>61,824</u>	<u>64,762</u>
Total funds		<u><u>61,824</u></u>	<u><u>64,762</u></u>

The financial statements on pages 21 to 56 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



Sally Dicketts
Chair of Trustees



Joanne Harper
Accounting Officer

The notes on pages 24 to 56 form part of these financial statements.

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	1,256	(270)
Cash flows from investing activities	22	3	53
Change in cash and cash equivalents in the year		1,259	(217)
Cash and cash equivalents at the beginning of the year		1,146	1,363
Cash and cash equivalents at the end of the year	23, 24	2,405	1,146

The notes on pages 24 to 56 from part of these financial statements

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

1. General information

Activate Learning Education Trust is a private company limited by guarantee, registered in England & Wales, registered number 08707909. Its registered office is Activate Learning, Ospens Road, Oxford, OX1 1SA.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Activate Learning Education Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

The Trustees have reviewed the Financial Statements which incorporates the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and balanced budget. The Trustees have also reviewed and approved a five year plan earlier in the year which was submitted to the ESFA and the Trust underwent a SRMA Audit also in 2021 which gave further confidence to the Trustees that the Trust will continue as a going concern.

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

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where 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.

• **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 'Stocks' 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 financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

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

• **Transfer on conversion**

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

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

2. Accounting policies (continued)

2.3 Income (continued)

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

2.4 Expenditure

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

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

Governance costs include the costs attributable to the Academy Trust's compliance and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.6 Taxation

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

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

2.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold and leasehold buildings	- 50 years
ICT Equipment	- 3 years
Plant and machinery	- 4 years
Fixtures, fittings and equipment	- 5 years
Furniture	- 10 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 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.

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.12 Pensions

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

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

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

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

2.13 Fund accounting

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

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

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

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Schemes defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations	144	-	144
Capital Grants	-	376	376
Government grants	165	-	165
	<u>309</u>	<u>376</u>	<u>685</u>

ACTIVATE LEARNING EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and capital grants (continued)

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	82	-	82
Capital Grants	-	617	617
Government grants	153	-	153
Similar incoming resources	-	-	-
	<u>235</u>	<u>617</u>	<u>852</u>

5. Funding for the Academy's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants		
Other DfE/ESFA grants		
GAG income	12,539	12,539
Pupil premium	453	453
16 - 18 Funding	33	33
Other EFA grants	6,397	6,397
COVID-19	404	404
Start Up Grant	311	311
	<u>20,137</u>	<u>20,137</u>
	-	-
Total 2021	<u>20,137</u>	<u>20,137</u>

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

5. Funding for the Academy's educational operations (continued)

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
Other DfE/ESFA grants		
GAG income	11,585	11,585
Pupil premium	410	410
16 - 18 Funding	53	53
Other EFA grants	5,819	5,819
Deficit and restructuring income	165	165
Start Up Grant	189	189
	<u>18,221</u>	<u>18,221</u>
	-	-
	<u>18,221</u>	<u>18,221</u>

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

6. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Catering income	235	235
Uniform sales/sundry income	511	511
Total 2021	<u>746</u>	<u>746</u>

ACTIVATE LEARNING EDUCATION TRUST
(A Company Limited by Guarantee)

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

6. Income from other trading activities (continued)

	Unrestricted funds 2020 £000	Total funds 2020 £000
Catering income	267	267
Uniform sales/sundry income	548	548
	<u>815</u>	<u>815</u>

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Academy's educational operations				
Direct costs	13,764	-	1,041	14,805
Allocated support costs	2,328	1,006	4,899	8,233
Total 2021	<u>16,092</u>	<u>1,006</u>	<u>5,940</u>	<u>23,038</u>

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Academy's educational operations				
Direct costs	13,079	-	1,170	14,249
Allocated support costs	2,032	1,020	4,861	7,913
Total 2020	<u>15,111</u>	<u>1,020</u>	<u>6,031</u>	<u>22,162</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Educational operations	519	22,519	23,038
	<u>519</u>	<u>22,519</u>	<u>23,038</u>

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

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Educational operations	442	21,720	22,162

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational operations	14,805	8,233	23,038

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	14,249	7,913	22,162

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £000	Total funds 2021 £000
Pension finance costs	132	132
Staff costs	13,673	13,673
Uniforms	2	2
Bursaries granted	30	30
Childcare vouchers	2	2
CRB checks	5	5
Educational books and materials	316	316
Educational trips	50	50
Exams and admissions expenses	361	361
External providers	44	44
Supplies and services - educational	22	22
Pupil premium expenditure	10	10
Parent pay fees	25	25
Other educational services	6	6
Termination pay	36	36
Agency staff	91	91
	<hr/> 14,805 <hr/>	<hr/> 14,805 <hr/>

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Activities 2020 £000	Total funds 2020 £000
Pension finance costs	131	131
Staff costs	12,950	12,950
Uniforms	2	2
Bursaries granted	17	17
Childcare vouchers	4	4
CRB checks	9	9
Educational books and materials	336	336
Educational trips	75	75
Exams and admissions expenses	371	371
External providers	17	17
Supplies and services - educational	53	53
Pupil premium expenditure	16	16
Parent pay fees	12	12
Other educational services	127	127
Agency staff	129	129
	<hr/> 14,249 <hr/>	<hr/> 14,249 <hr/>

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £000	Total funds 2021 £000
Staff costs	2,270	2,270
Depreciation	1,852	1,852
Repairs and maintenance	690	690
Postage, stationery and telephone	154	154
Staff training and travel	54	54
Technology costs	519	519
Premises costs	1,006	1,006
Bank charges and interest	4	4
Catering costs	469	469
Advertising, marketing and hospitality	68	68
Insurance	61	61
Professional and consultancy	102	102
Licences and subscriptions	203	203
Minibus and other transport costs	45	45
Supplies and services - non educational	14	14
Activate Learning Group service charges	428	428
Legal costs	3	3
Alternative provisions	45	45
Agency Staff	58	58
Recruitment	66	66
Interventions	11	11
Miscellaneous	72	72
Governance costs	39	39
	<hr/> 8,233 <hr/>	<hr/> 8,233 <hr/>

ACTIVATE LEARNING EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational operations 2020 £000	Total funds 2020 £000
Staff costs	1,974	1,974
Depreciation	2,180	2,180
Repairs and maintenance	472	472
Postage, stationery and telephone	165	165
Staff training and travel	82	82
Technology costs	423	423
Premises costs	1,020	1,020
Bank charges and interest	4	4
Catering costs	367	367
Advertising, marketing and hospitality	41	41
Insurance	70	70
Indirect employee costs	1	1
Professional and consultancy	157	157
Licences and subscriptions	102	102
Minibus and other transport costs	87	87
Supplies and services - non educational	25	25
Activate Learning Group service charges	449	449
Legal costs	8	8
Agency Staff	58	58
Recruitment	90	90
Miscellaneous	99	99
Governance costs	39	39
	<hr/> 7,913 <hr/>	<hr/> 7,913 <hr/>

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

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	1,852	2,181
Fees paid to auditor for:		
- audit	23	21
- other services	7	8
	<u> </u>	<u> </u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	11,452	11,010
Social security costs	1,119	1,060
Pension costs	3,329	2,854
	<u>15,900</u>	<u>14,924</u>
Agency staff costs	150	187
Staff restructuring costs	42	-
	<u>16,092</u>	<u>15,111</u>

Staff restructuring costs comprise:

	2021	2020
	£000	£000
Redundancy payments - statutory	42	-
	<u>42</u>	<u>-</u>

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

11. Staff (continued)

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	181	294
Administration and support	174	82
Management	26	25
	<u>381</u>	<u>401</u>

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	-	4
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,092,776 (2020 £749,950).

ACTIVATE LEARNING EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Central services

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

- Financial services
- Legal services
- Human resources
- Education support services
- Governance support services
- ICT support Services
- Others as arising

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

The Academy Trust charges for these on a percentage of GAG income that is appropriate to the individual academy.

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
The Bicester School	215	210
Bicester Technology Studio	66	65
UTC Reading	232	225
UTC Oxfordshire	160	146
UTC Swindon	102	99
Theale Green School	210	173
UTC Heathrow	90	87
Total	<u>1,075</u>	<u>1,005</u>

13. Trustees' remuneration and expenses

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

During the year, retirement benefits were accruing to no Trustees (2020 - none) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, expenses totalling £nil were reimbursed or paid directly to a Trustee (2020 - £nil)

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

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £42,336 (2020 - £53,820). The cost of this insurance is included in the total insurance cost.

15. Tangible fixed assets

	Freehold property £000	Assets under construction £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation						
As restated at 1 September 2020	80,974	88	1,917	943	2,641	86,563
Additions	246	-	15	12	100	373
Transfers between classes	88	(88)	-	-	-	-
At 31 August 2021	<u>81,308</u>	<u>-</u>	<u>1,932</u>	<u>955</u>	<u>2,741</u>	<u>86,936</u>
Depreciation						
As restated at 1 September 2020	8,467	-	1,587	275	2,455	12,784
Charge for the year	1,499	-	103	95	155	1,852
At 31 August 2021	<u>9,966</u>	<u>-</u>	<u>1,690</u>	<u>370</u>	<u>2,610</u>	<u>14,636</u>
Net book value						
At 31 August 2021	<u><u>71,342</u></u>	<u><u>-</u></u>	<u><u>242</u></u>	<u><u>585</u></u>	<u><u>131</u></u>	<u><u>72,300</u></u>
At 31 August 2020	<u><u>72,507</u></u>	<u><u>88</u></u>	<u><u>330</u></u>	<u><u>668</u></u>	<u><u>186</u></u>	<u><u>73,779</u></u>

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

16. Debtors

	2021	2020
	£000	£000
Due within one year		
Trade debtors	98	39
Other debtors	253	333
Prepayments and accrued income	229	165
	<u>580</u>	<u>537</u>
	<u><u>580</u></u>	<u><u>537</u></u>

17. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	603	257
Other taxation and social security	278	260
Other creditors	1,346	1,428
Accruals and deferred income	897	866
	<u>3,124</u>	<u>2,811</u>
	<u><u>3,124</u></u>	<u><u>2,811</u></u>
	2021	2020
	£000	£000
Deferred income at 1 September 2020	376	1,177
Resources deferred during the year	413	376
Amounts released from previous periods	(376)	(1,177)
	<u>413</u>	<u>376</u>
	<u><u>413</u></u>	<u><u>376</u></u>

Amounts deferred in the year include Clawback of ESFA support packages of £29k, Pupil Number adjustment of £245k and other amounts of £139k.

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

18. Financial instruments

	2021	2020
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	2,405	1,146
Financial assets that are debt instruments measured at amortised cost	76	84
	<u>2,481</u>	<u>1,230</u>
	<u><u>2,481</u></u>	<u><u>1,230</u></u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,388)	(2,175)
	<u>(2,388)</u>	<u>(2,175)</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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

19. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Fund	676	746	(519)	-	-	903
Restricted general funds						
General Annual Grant (GAG)	(1,804)	20,446	(19,687)	3	-	(1,042)
Pension reserve	(7,889)	-	(980)	-	(1,468)	(10,337)
	(9,693)	20,446	(20,667)	3	(1,468)	(11,379)
Restricted fixed asset funds						
Restricted fixed asset fund	73,779	376	(1,852)	(3)	-	72,300
Total Restricted funds	64,086	20,822	(22,519)	-	(1,468)	60,921
Total funds	64,762	21,568	(23,038)	-	(1,468)	61,824

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

Restricted General Funds

This fund relates to grant received from the ESFA for the running costs of the Trust.

Restricted Asset Funds

This relates to funding received from the ESFA for capital expenditure prior to the opening of the Trust.

Unrestricted Funds

This relates to funds generated from other income including lettings.

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

ACTIVATE LEARNING EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Fund	303	815	(442)	-	-	676
Restricted general funds						
General Annual Grant (GAG)	(1,511)	18,456	(18,803)	54	-	(1,804)
Pension reserve	(6,841)	-	(737)	-	(311)	(7,889)
	<u>(8,352)</u>	<u>18,456</u>	<u>(19,540)</u>	<u>54</u>	<u>(311)</u>	<u>(9,693)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	75,396	617	(2,180)	(54)	-	73,779
Total Restricted funds	<u>67,044</u>	<u>19,073</u>	<u>(21,720)</u>	<u>-</u>	<u>(311)</u>	<u>64,086</u>
Total funds	<u><u>67,347</u></u>	<u><u>19,888</u></u>	<u><u>(22,162)</u></u>	<u><u>-</u></u>	<u><u>(311)</u></u>	<u><u>64,762</u></u>

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
Bicester Technology Studio	(187)	(223)
MAT Grant	1,832	990
The Bicester School	684	419
UTC Reading	888	608
UTC Oxfordshire	(585)	(524)
UTC Swindon	(407)	(233)
Theale Green School	(2,270)	(1,846)
UTC Heathrow	(94)	(319)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(139)	(1,128)
Restricted fixed asset fund	72,300	73,779
Pension reserve	(10,337)	(7,889)
	<hr/>	<hr/>
Total	61,824	64,762
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit
	£000
Bicester Technology Studio	(187)
UTC Oxfordshire	(585)
UTC Swindon	(407)
Theale Green School	(2,270)
UTC Heathrow	(94)
	<hr/> <hr/>

The Academy Trust has given the following reasons for the above deficits along with the action planned to return the academies to surplus:.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

.BTS – The school shared the leadership and governance structure with The Bicester School and from 1st September 2021, merged with The Bicester School. The Technical pathway remains in place for students from The Bicester School and external applicants.

UTCO - The number of students have begun to rise again and this should now continue through to PAN at 600 students. The school is becoming more and more efficient but has now lost UTC Transitional Funding.

UTCS - The number of students have begun to rise again and this should now continue for a number of years. It is highly unlikely given the demographics of the area that the school will get to the PAN of 600 in the next 5 years. Consequently the school is likely to need financial support from the Trust for a number of years; especially given the UTC has now lost UTC Transitional Funding.

TGS – The Schools reputation continues to grow with Year 7 entry being the highest in the last decade. The school is expected to set a balanced budget from 2021/2022 forward, ahead of the original planned when brokered into the Trust.

UTCH – The UTC grew rapidly in 2020/2021, but has plateaued in September 2021, it is felt this was as a result of more difficult recruitment due to COVID19. It is expected that the UTC will grow again in subsequent years. The UTC is expected to balance its budget for this and future years.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Bicester Technology Studio	329	122	8	182	641
MAT Grant	163	475	13	967	1,618
The Bicester School	4,454	619	116	749	5,938
UTC Reading	1,924	205	92	851	3,072
UTC Oxfordshire	1,484	210	16	492	2,202
UTC Swindon	833	128	9	334	1,304
Theale Green School	2,781	428	82	626	3,917
UTC Heathrow	960	82	33	435	1,510
Academy Trust	12,928	2,269	369	4,636	20,202

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

19. Statement of funds (continued)

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000
Bicester Technology Studio	481	100	23	157	761
MAT Grant	218	338	5	757	1,318
The Bicester School	3,991	561	184	514	5,250
UTC Reading	1,811	172	188	778	2,949
UTC Oxfordshire	1,658	230	124	373	2,385
UTC Swindon	829	125	62	307	1,323
Theale Green School	2,628	372	209	594	3,803
UTC Heathrow	880	75	139	362	1,456
Academy Trust	12,496	1,973	934	3,842	19,245

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

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	72,300	72,300
Current assets	2,985	-	-	2,985
Creditors due within one year	(2,082)	(1,042)	-	(3,124)
Provisions for liabilities and charges	-	(10,337)	-	(10,337)
	<u>903</u>	<u>(11,379)</u>	<u>72,300</u>	<u>61,824</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	73,779	73,779
Current assets	1,683	-	-	1,683
Creditors due within one year	(1,007)	(1,804)	-	(2,811)
Provisions for liabilities and charges	-	(7,889)	-	(7,889)
	<u>676</u>	<u>(9,693)</u>	<u>73,779</u>	<u>64,762</u>

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

21. Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(1,470)	(2,274)
Adjustments for:		
Depreciation	1,852	2,181
Capital grants from DfE and other capital income	(376)	(617)
Defined benefit pension scheme cost less contributions payable	848	606
Defined benefit pension scheme finance cost	132	131
Decrease/(increase) in debtors	(43)	(170)
Increase/(decrease) in creditors	313	(127)
Net cash provided by/(used in) operating activities	1,256	(270)

22. Cash flows from investing activities

	2021	2020
	£000	£000
Purchase of tangible fixed assets	(373)	(564)
Capital grants from DfE Group	376	617
Net cash provided by investing activities	3	53

23. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Notice deposits (less than 3 months)	2,405	1,146
Total cash and cash equivalents	2,405	1,146

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

24. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	1,146	1,259	2,405
	<u>1,146</u>	<u>1,259</u>	<u>2,405</u>
	<u><u>1,146</u></u>	<u><u>1,259</u></u>	<u><u>2,405</u></u>

25. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

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

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,842k (2020 - £1,754k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £748k (2020 - £1,358k), of which employer's contributions totalled £577k (2020 - £494k) and employees' contributions totalled £171k (2020 - £864k). The agreed contribution rates for future years are 20.1 - 29.1 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

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

25. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.33	2.65
Rate of increase for pensions in payment/inflation	2.90	2.23
Discount rate for scheme liabilities	1.65	1.68
Commutation of pensions to lump sums	50.0	50.0

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	22.05	21.9
Females	24.15	24.2
Retiring in 20 years		
Males	23.50	22.8
Females	26.08	25.6

Sensitivity analysis

Share of scheme assets

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

	2021	2020
	£000	£000
Equities	5,076	3,800
Bonds	1,405	1,065
Property	727	607
Cash and other liquid assets	167	373
Other	217	160
Total market value of assets	7,592	6,005

The actual return on scheme assets was £[enter amount] (2020 - £441k).

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25. Pension commitments (continued)

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

	2021 £000	2020 £000
Current service cost	(1,379)	(1,176)
Past service cost	(97)	-
Interest income	105	98
Interest cost	(237)	(229)
Total amount recognised in the Statement of Financial Activities	<u>(1,608)</u>	<u>(1,307)</u>

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

	2021 £000	2020 £000
At 1 September	13,894	11,849
Current service cost	1,379	1,176
Interest cost	237	229
Employee contributions	172	159
Benefits paid	(214)	(126)
Actuarial losses	2,231	745
Past service costs	97	-
Change in demographic assumptions	233	(215)
Change in financial assumptions	(100)	77
At 31 August	<u>17,929</u>	<u>13,894</u>

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

	2021 £000	2020 £000
At 1 September	6,005	5,008
Interest income	105	98
Employer contributions	630	570
Employee contributions	172	159
Benefits paid	(214)	(126)
Actuarial gains	896	434
Administration expenses	(2)	(2)
Other actuarial gains/(losses)	-	(136)
At 31 August	<u>7,592</u>	<u>6,005</u>

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26. Members' liability

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

27. Related party transactions

During the year, transactions were undertaken with Pearson Education Ltd, a company in which Sally Dicketts is a Director. The transactions, all undertaken at arms length, during the year were £153k (2020: £171k) and a creditor at the year end of £6,525 (2020: £940).

During the year, transactions took place with Highdown School. The transactions, all undertaken at arms length, during the year were £2k (2020: £nil) and no amount was owed at the year end. Highdown School work with a MAT that has a national leader of education who we have previously been matched with by the regional schools commissioner for school improvement work. One of our Trustees works for Highdown too.

During the year transactions were undertaken with Activate Learning, a College which Sally Discketts is the Group Chief Executive and Lee Nicholls is the Deputy CEO. The transactions, all undertaken at arms length, during the year equated to £549,054. At the year end a creditor of £50,929 and a debtor of £3,847 was outstanding.

In undertaking these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook.