

Company Registration Number: 09635329 (England & Wales)

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

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

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr A Harrison Mrs M Johnson (resigned 25 March 2021) Warden of the Foundation - Mrs S Locking (resigned 28 June 2021) Warden of the Foundation - Mrs E Ballard (appointed 28 June 2021) Rector of St James' - Rev N Brown (resigned 17 December 2020) Rector of St James' - Rev C Watt (appointed 29 November 2021)
Trustees	Mr S Chesman, Chairperson Mr D Crombleholme Lord Norton of Louth Miss A Jay Rev N Brown (resigned 17 December 2020) Mr J Lascelles, Headmaster and Accounting Officer
Company registered number	09635329
Company name	King Edward VI Education Trust
Principal and registered office	King Edward VI Grammar School Edward Street Louth Lincs LN11 9LL
Principal and Accounting Officer	Mr J Lascelles
Senior leadership team	Mr J Lascelles, Headmaster Mr N Robertson, Deputy Head Mr M Hunkin, Deputy Head Mrs L Reeve, Assistant Head Mrs R Mowbray, Chief Financial Officer

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

Independent auditors Streets Audit LLP
Windsor House
A1 Business Park
Long Bennington
Notts
NG23 5JR

Bankers Lloyds Bank Plc
24 Mercer Row
Louth
Lincs
LN11 9JH

Solicitors Wilkin Chapman
Cartergate House
26 Chantry Lane
Grimsby
N E Lincs
DN31 2LJ

KING EDWARD VI 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 auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Lincolnshire. It has a pupil capacity of 970 and had a roll of 971 in the school census on October 2021.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of King Edward VI Education Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as King Edward VI Education Trust (KEVIET).

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

Members' liability

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

Trustees' indemnities

Trustees' benefit from indemnity through the Risk Protection Arrangement for academy trusts (RPA) purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. This is provided that any such indemnity shall not extend to any claim arising from any act or omission which the Trustees know to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not, and provided also that any such indemnity shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this liability is £10,000,000 any one loss and any one membership year.

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

Structure, governance and management (continued)

Method of recruitment and appointment or election of Trustees

The Trust is governed by a board of Directors representing different sectors of the wider community in order to ensure that the Trust is effective, analytical and diverse in its make up.

The Trust's board is made up of directors representing different sectors of the business community – Legal, Accounting, HR/Personnel, Education, Healthcare, Risk Management, Health and Safety, Audit etc. and recruitment and appointment to the Trust Board is based upon the required skillset. The Trust Board also retains the school's historic position of Warden – currently Lord Norton and has the local Rector of St James Church as a Trustee and Director, in addition to other nominated Directors linked to the school's historic Foundation who own the land and the buildings. The board also contains Parent and Staff representatives who are elected to their positions.

Policies adopted for the induction and training of Trustees

New Trustees meet with the Headmaster, Clerk and Chair of Governors and then follow an induction process which contains a mix of school visits, remote meetings with SLT and key staff members, attendance at all sub-committee meetings to get an overview of their work, the normal educative purpose and intent of governors' visits. All governors are encouraged to buddy with a member of the SLT via the sub-committee and for this to be their regular point of contact in the school. The school subscribes to various online information/training resources, bulletins, and websites that are accessible and circulated to all governors. A Governor portal has been established which provides access to all meeting papers, minutes etc, financial compliance documentation and key Governance policies and documentation.

Organisational structure

Although legally constituted as a Multi-Academy Trust, an outcome at the time of the DfE and Lincolnshire County Council encouraging the growth of regional Trusts in Louth. The Trustees have now strategically realigned King Edward's as a Single Academy Trust and it now operates as a single academy trust entity/empty Trust with a traditional school leadership and governance structure.

Arrangements for setting pay and remuneration of key management personnel

Trustees ensure that recruitment is a rigorous process and use a variety of methods including advertisements to a national audience with a detailed person and job specifications to ensure that an appropriate field is gathered rather than waiting for a candidate to appear.

The Trust recognises the importance of the position of the Headmaster and Finance Director and adopts a robust approach to recruitment, pay and remuneration in order to attract and most importantly retain talent in a difficult marketplace. This includes national and local benchmarking processes to ensure that pay and remuneration at this level is consistent with similar roles in the regional and national marketplace and includes reference to the selective and independent day sectors.

Trustees are not paid and may only claim expenses.

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

Structure, governance and management (continued)

Related parties and other connected charities and organisations

The Trust is connected to two charities. The Friends of King Edward VI Grammar School and The King Edward VI Almshouse, School and Educational Charity at Louth (known as The Foundation). The Foundation has been in existence for over 450 years and owns all of the schools' land and buildings (with some minor exceptions) and the Trust has been granted a licence to occupy its property in accordance with the funding agreement with the Department for Education.

In 2018/19 as a consequence of the DfE and Lincolnshire County Council's decisions to encourage the growth of regional MATs in Louth, the Trust was forced to end its collaborative relationships with local primary schools, to which it had provided Finance, Premises, HR, and Payroll services. The school had retained a single Memorandum of Understanding with Donington on Bain Primary School since 2015/16 for strategic educational support and for Finance, Premises, HR and Payroll services but this agreement ended in April 2021. The primary hot meal provision also ended in July 2021 and all collaborative activities with primaries have now ceased.

Objectives and activities

Objects and aims

The Trust's objectives are to work together with the local schools in and around Louth to support exceptional education. The Trust remains true to its founding school's principles to "Encourage Excellence and Nurture Talent" in all areas of education to support all children in Louth from 0-19.

The Aims and Objectives of the Trust are set out in the Terms of Reference but also in the Trusts Development Plan.

Objectives, strategies and activities

The Core Aims and Objectives of the Trust for 2020/21 were to:

1. Provide high quality selective holistic, academic, education to able children in Louth, East Lindsey and North East Lincolnshire.
2. Provide community outreach opportunities to primary aged children in Louth and the Wolds villages and in so doing improve access to the benefits, facilities and opportunities available at King Edward's: irrespective of socio-economic background.
3. Broaden access to post 16 education in Louth in partnership with local and regional employers to create a differentiated Level 3 pathway to meet the needs of the broader Year 11 cohort across all schools in the local area.

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

Objectives and activities (continued)

Public benefit

The Directors have due regard to the Charity Commission's general guidance on public benefit and confirm that it has complied with the requirements for public benefit and when reviewing the objectives of the Trust and agreeing its future strategic direction, its activities are evidently for the public benefit of education.

This can be demonstrated by the successful educational activities of the Trust through its:

1. Education of children without charging for this service.
2. Outcomes achieved by students which compare favorably with equivalent fee-paying schools charging £15-20K per annum.
3. Broader engagement with the local community through the schools sporting provision, letting of its buildings and through community engagement activities.

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

Strategic report

Achievements and performance

Following its Triennial Consultation with all of its stakeholders the Trust has developed its second three year Growth Strategy covering 2018-2021. There was consensus from all stakeholders that following the DfE and Lincolnshire County Council's decision to promote the growth of regional trusts in Louth that the Trust would operate as an empty Trust and revert to its former role as a single entity or SAT.

King Edward VI Grammar School Key Achievements -

1. Recruitment into Year 7 remains strong and the school is massively oversubscribed. Currently a five form entry with a PAN of 145. There is also significant demand for sixth form places with numbers now in excess of 200.
2. Recruitment into all other year groups is also strong with waiting lists running for all year groups: Sixth Form recruitment is projected to grow at a similar rate following the closure of Sixth Form provision at Louth Academy.
3. University outcomes remain strong with 10% of students attending Oxford, Cambridge, Medical or Veterinary Colleges and over 65% of all applicants achieved places at Russell Group universities on some of the most competitive courses in the country.
4. A Level outcomes placed the school as the highest or second highest performing school in Lincolnshire and North East Lincolnshire's 95 secondary schools and further education colleges: only 0.4% split the top place on unvalidated data.
5. Internal Progress 8 measures in summer 2021 were well above average in MFL; Humanities; Science and the collective Ebac measures. With progress in Mathematics and English improving on 2018 to above average measures.
6. The school continues to maintain one of the largest Combined Cadet Force contingents in the region and this has been consistently rated as being in the top 5% of all CCF's in the country by the MOD through their bi-annual inspection programme.
7. Duke of Edinburgh remains key to the School's ethos and unfortunately due to COVID 19 activities could not take place in 2020/21. However it is hoped that in 2021/22 it will return with students given the opportunities of the Bronze, Silver or Gold awards.
8. The School's commitment to Holistic Education is delivered not only through its CCF and DofE activities, but also through an extensive extra-curricular programme covering Music, the Arts, and Sport where in all of these fields the school is blessed with prodigious talent which dedicated and skilled staff seek to maximise the opportunities and development to these individuals at the very highest levels of performance and competition.
9. Despite setbacks in its ambitions to support education in the local community the school remains committed to supporting the broader Louth community and has plans in hand for a Community Sports Centre run under a Community Use Agreement with the local clubs and leisure facilities in the town. The School's new Sports Hall facility will assist in providing excellent sporting facilities, which will encourage further community opportunities and it is due to open by September 2022.

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

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

The Directors consider some of the following measures to monitor and assess the performance of the Trust:

Teachers Pay as a % of GAG	61%
Total Pay as a % of GAG	85%
Teachers Pay as a % of Total Revenue Income	57%
Total Pay as a % of Total Revenue Income	79%
Average GAG income per Student (aged 11 – 18)	£5,177

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate cash reserves and resources to provide future financial sustainability 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.

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust held fund balances at 31 August 2021 of £10,046,736, comprising of £295,117 of restricted funds, a fixed asset reserve of £12,974,619, and a pension reserve deficit of £3,223,000.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is monitored. In the year under review there was £295,117 carried forward.

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the academy balance sheet shows a net liability of £3,223,000.

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

Reserves policy

Subject to ESFA's constraints on permitted balances, the Reserve's policy notes that maintaining a prudent level of financial resources is essential to protect against a reduction in DfE and other sources of income, an unexpected fall in pupil numbers, increase in employer pension/NI contribution rates, cashflow issues due to a delay in receipt of specific funding and VAT reimbursement and for unforeseeable emergencies (e.g. urgent Site and IT expenditure etc).

It is the Academy's aim to keep reserves at a level so that there is substantially more than one month's salary cost available in cash form at any given point. The Finance Officer checks the cash levels on a daily basis and cashflow forecasting is undertaken monthly and uploaded to the Governor portal for scrutiny and review.

The Trustees will monitor reserves at each Finance, Audit & Estates meeting to ensure that there are sufficient reserves to satisfy the desired agreed level.

As at 31 August 2021 there was a surplus of £295,119 (2020 - £61,077) on restricted general reserves. The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £12,974,619. The pension fund is in deficit by £3,223,000.

Total funds as at 31 August 2021 amount to £10,046,736, and the balance on restricted general funds plus unrestricted general funds at 31 August 2021 results in a net revenue surplus of £295,117.

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

Investment policy

The Trust operates an investment policy whereby the Board of Directors delegates the responsibility for the monitoring and review of investments to the Finance, Audit and Estates committee. Their responsibility is to manage, control and track financial exposure, to ensure maximum investment from funds and to review the Trust's investments on a regular basis throughout the year.

The investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
- To ensure that investment decisions are exercised with care and skill and consequently be in the best interests of the Trust.

The Trust has an assigned Relationship Manager at Lloyds bank with whom the Finance Director and Finance and Payroll Officer have regular contact and who is a useful resource to ensure the best rate of return on investments and for providing current developments in relation to banking changes, fraud and cyber-crime etc. Unfortunately, due to current low interest rates any investment income is very minimal.

The Finance and Payroll Officer monitors the Trust's daily cash position, updating the cash flow forecast and regularly updating the Finance Director. The Directors receive a cash flow statement and forecast, including details of monies invested in the deposit account and the rate of return being received in the Directors report as part of the monthly Financial reports. These and all Financial reports are uploaded each month to the Financial Compliance/Financial reports area of the Governors secure portal.

Any Condition Improvement Fund (CIF) monies received from the DFE are deposited in a Lloyds bank deposit account with regular review of these funds to ensure that there is sufficient to meet the contractors' expenditure schedule for the CIF capital projects. This continues to be closely monitored for the Sports Hall Build of £3.1m which commenced in April 2021. CIF monies are identified separately in any cashflow forecasts and shown as separate CIF projects on all financial reports.

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TRUSTEES' REPORT (CONTINUED)
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Principal risks and uncertainties

The majority of the Trusts' income is received from the ESFA as GAG income. Therefore, the Directors believe that the principal risks would be from any reductions/changes in GAG income and funding formula from the Education Funding Agency and no annual increase or sufficient funding of staff pay awards and increased pension contributions.

The principal risks have been identified as:-

- Impact of national living wage on support staff pay scales and teachers pay increases.
- Increase in National Insurance Employer Contributions in 2022.
- Ongoing impact of LGPS pension fund valuation exercise which is next due during 2022 and any changes to contributions from April 2023; increased employer contributions resulting in a secondary rate lump sum payment payable each year to address the repayment of the deficit fund valuation.
- Increase to employers Teachers Pension contribution.
- Uncertainty in the economic market, increasing rate of inflation and general increased costs of supplies (catering, buildings materials etc).
- Difficulty in obtaining catering supplies, IT supplies (network switches) and contractors for building and maintenance works; all resulting in higher prices.
- Pupil on roll numbers are regularly monitored although oversubscribed admission applications negate this risk.
- Economic future uncertainty in relation to continuation of National Funding Formula and future level of funding for Academies given the recent Spending Review and impact of Covid costs nationally.
- Transfer to a new financial software package although all due diligence has been carried out
- Online payment system, cashless catering and its functionality.
- Deterioration of building fabric due to insufficient budget resulting in the lack of a rolling program of site maintenance.
- IT infrastructure to meet the urgent needs of digital development strategy and curriculum delivery.
- Investment in all electronic teaching and learning resources, IT infrastructure, hardware/software replacement to provide a flexible, sustainable learning environment, which seamlessly deliver to pupils and staff onsite and remotely.
- Inability to recruit quality support/teaching/SLT staff to vacancies
- Financial impact of staff absence due to COVID and long-term symptoms resulting in ongoing sickness
- Insufficient capital funding annually to provide replacement of site plant e.g ageing boilers etc and general updating and refurbishment of classrooms etc.
- Loss of School generated income as a result of School closure due to COVID; specifically catering income.
- Additional costs associated with making the site COVID compliant, achieving social distancing and remote learning delivery.

The Board of Directors continually plan and assess the strategic impact of the above risks on the five-year budget forecasts of the Trust and request financial reports to inform the necessary remedial actions to minimise the risks.

Risk Management

The Trust has a Risk Management Strategy which aims to identify and evaluate risks which could prevent the Trust from achieving one or more of its strategic aims and objectives and delivery targets or make their achievement substantially more difficult. It ensures that the likelihood of such risks occurring (high, medium, low) and the potential impact of such occurrences with particular reference to the areas of finance, reputation and planning/ operations are assessed. This enables informed decisions to be taken on how much risk to accept, the actions/controls to be applied to avoid or mitigate the likelihood of such circumstances arising, to

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

transfer risk or insure against the consequences and assign responsibility for implementation.

Throughout 2020/21 and throughout the COVID pandemic the Governors Strategy Committee have met at least once each half term to review COVID 19 mitigations and the Health and Safety committee have met regularly to review control measures, transport and site arrangements, which s included an ongoing review of the COVID risk assessment, Action Plan and Social Distancing Policy. The Full Board has been kept updated with these documents and discussed them at length at each Board meeting which has taken place remotely.

All additional costs attributable to COVID-19 have all been captured and recorded by the Finance Team for future reference and reimbursement from any funds available (COVID Exceptional Costs). Monies received relating to Covid Catch up Premium are being spent in line with the publicised plan and monitoring of spend, impact etc is assigned to the Curriculum and Standards sub-committee.

In addition, any DfE ICT equipment available to assist students with remote working have been obtained and issued according to the guidance.

The Trust has an effective system of internal financial management controls, payroll and Human Resources operational and safeguarding procedures (including the recruitment of staff) and a new electronic online Single Central Record software has been purchased and is now in use which ensures compliance and minimises risk.

The Sub Committee Chairs and Governors Strategy group consider and update the Risk Register at each meeting and risks are fed both from and to the sub committees for further discussion and remedial actions.

The Trust ensures that adequate insurance cover is in place through the DfE RPA scheme. Procedures are in place to ensure the risks are regularly assessed and documented in the risk register in relation to curriculum delivery, safeguarding, finance, payroll, premises, statutory compliance, health and safety, safety of pupils, IT infrastructure, IT cyber security and school trips.

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

Fundraising

During 2020/21 all fundraising has taken place within the Academy and no professional fundraiser was used or appointed.

Fundraising opportunities have been significantly affected due to COVID-19 and school closure periods which as a result less charity monies were raised in 2020/21 compared to previous years. Charity activities undertaken have included Christmas 2020 Jumper Day (Save the Children), Comic Relief and Wear the Rainbow Day.

Other fundraising has taken place for the Y11/Y13 Prom and have consisted of a sponsored bike ride and cake sales. Monies raised in 2019/20 for the Y11/Y13 Proms were agreed by the Prom committees to be carried over for future Proms.

The preference is for all monies to be collected from staff and students electronically using WisePay.

For any cash collection of monies these are collected and promptly passed to the Finance Office for financial recording and banking. Payment is then arranged to the agreed Charity and amounts raised are promoted and circulated to all students and staff.

All pupils, staff and volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness. Where possible all funds are received using the electronic payment system (WisePay) and should cash or cheque donations be made then they will be received, banked and recorded in line with the Trust's financial procedures.

Fundraisers have all been members of staff, students or Governors and have not exploited their position for any personal gain and have had to adhere to all policies and procedures adopted by the Board of Trustees. Donors have the right to obtain complete and timely information on how their funds are used within the Trust.

All fundraising funds received are clearly recorded for the purpose for which they collected and within a set timeframe; expenditure is explicitly recorded against the income accordingly. Monies raised form part of monthly balance sheet reconciliations which are checked, verified and signed off by the Finance Director. In case of a cancelled event; donors will be informed and they must agree to a change of use of funds if a change of timescale or the monies will be returned to the donor. All publicity and promotional activities are clearly advertised and non-deceptive with a clear statement of use. Any fundraising activity is totally voluntary and no demands or pressure is made to staff, students or parents as to their involvement or monetary donation.

No complaints have been received during the year with regard to any fundraising activity that has taken place.

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

Plans for future periods

By 2021/22 the Academy will have:

1. Returned to its traditional role in Louth and the wider community as a single school focused on being a centre of excellence for able children. As part of this commitment we will revive our Specialist and International School Activities to help support the wider Louth community of primary schools with English, Mathematics, and Science provision whilst continuing our primary outreach activities in Sport.
2. Ensured that through our holistic and academic approach we will ensure that all of the students in our care make progress in their academic AND personal development that is at least the equivalent of that achieved by students in the leading independent and selective state schools in the country.
3. Further developed and secured its reputation for caring for and supporting the pastoral needs of individuals. The school will adopt a specific focus and investment in supporting those able students with additional needs/organisational/motivational difficulties or those from a deprived background to ensure that these students reach the very highest level of their potential.
4. Reformed its curriculum offer to help improve student inclusion, motivation, challenge and support thus laying the foundations for improved outcomes at Year 11 and Year 13. This will include securing the Academy's position as Louth's inclusive A Level provider as per the original Louth Joint Sixth Form plans: the School will also invest in Sixth Form Boarding via a Host Families model. COVID PLACED PLANS ON HOLD
5. Secured funding streams and investment opportunities in the site to:
 - a. build a new Sport's Hall and 3G Pitch for school and community use; FUNDING & PLANNING ACHEIVED
 - b. have developed relationships with Louth Sports Community Groups to help provide leadership and support to the community; ONGOING
 - c. develop a new Science Centre - ONGOING
 - d. bring the entire site up to standard by investing in a rolling programme of refurbishment: to include IT infrastructure replacement - ONGOING and part of the Digital Development Plan – 2021 – 2024/25
 - e. increase investment in the site team: caretaking and cleaning - ONGOING

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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 10th DECEMBER 2021 and signed on its behalf by:



.....
Mr S Chesman
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that King Edward VI 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 Headteacher, 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 King Edward VI 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.

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GOVERNANCE STATEMENT (CONTINUED)

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 6 times during the year; however to maintain oversight, its business is undertaken in specific sub committees namely (Curriculum and Standards, Every Child Matters and Finance, Audit and Estates) for which a member of the SLT is assigned responsibility.

This structure means that meaningful review of the sub-committee responsibilities can be undertaken by Governors who from their areas of expertise and results of the skills audit mean they are best placed to undertake this role. Each Sub Committee and Full Board are supported by a Sub Committee minute secretary.

At each Full Board meeting all sub-committee chairs feedback on key business and actions. In addition all agendas, minutes and papers of all sub committees and full board are available on the Governor portal for all Governors to review. The portal also contains other key documents for Governors to review and keep themselves updated.

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

Trustee	Meetings attended	Out of a possible
Mr S Chesman, Chairperson	6	6
Mr D Crombleholme	4	6
Lord Norton of Louth	6	6
Miss A Jay	4	6
Rev N Brown	2	2
Mr J Lascelles, Headmaster and Accounting Officer	6	6

As part of the process to realign the Governing Body to that suitable for a Single Academy Trust, it has been agreed to:

- i. Appoint an additional two Members to total five members, by virtue of their position and these include the Mayor of Louth, District Council Ward member for the School to accompany the existing positions of Rector of St James' Church, Warden of the Foundation and Previous Chair of Governors committee member
- ii. All Governors to become appointed Directors/Trustees
- iii. New appointments to be based upon annual skills audit and gaps in knowledge/expertise except for elected staff and parent governors
- iv. Appoint a Company Secretary to oversee company related matters and oversee clerking and governance compliance. The appointment of sub-committee secretaries in 2020/21 has been effective as they are linked to each sub-committee ensuring timeliness of agenda and follow up of actions etc. Discussions continue with the Chair of the Board with regard to whether the appointment of a Clerk to the Governors is required.

The Chair of the Board and other Directors use the Skills Audit results to identify which governors are most suitable for specific roles, such as the chairmanship of the finance, audit and estates committee. It also allows the Chair of the Board to see where individual directors or governors are lacking in particular skills, and to tailor recruitment of new Directors, induction and training requirements to bridge these gaps.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Audit and Estates committee is a sub-committee of the main board of trustees and performs the schools audit function reviewing internal and external financial audits, Health and Safety audit etc. This committee is responsible for monitoring and making recommendations to the Full board and Headmaster's Strategy Group (which is all the Sub Committee Chairs) on all matters relating to finance, audit and estates. The committee reviews financial management accounts, current and five-year budget plan forecasts, staffing/payroll matters, capital projects, tenders, cashflow, DFE comparative data including integrated curriculum planning and efficiency tools and is responsible for the scrutiny of the draft budget, predicted budget outturn before recommendation to the Trust Board. It is also responsible for the review of the Site, IT infrastructure, IT digital development, IT security and cyber security, CIF and Capital spend plans ensuring the monitoring of funds. The committee monitors processes and procedures to ensure effective financial controls are in place. It reviews the Trust's risks to internal financial control and reviews the reports of the Internal Auditor and reviews the action plan for progress against recommendations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Crombleholme	7	7
Lord Norton of Louth	4	7
Mr S Chesman	6	7
Miss A Jay	4	7
Rev N Brown	1	1
Mr J Lascelles	7	7

KING EDWARD VI EDUCATION TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of DFE benchmarking data and the Schools efficiency and curriculum planning tools issued by the DFE and other sources. The accounting officer for the academy has delivered improved value for money during the year by:

- ensuring there are effective financial control systems in place to monitor expenditure against budgets
- regular reporting to the Board detailing income/expenditure variances and providing explanations of such variances
- as a result of COVID a regular review of budget income and expenditure lines to take account of loss of school generated income and differences in planned expenditure due to remote curriculum delivery, lack of school meal income due to kitchen closure and additional costs in making the school COVID compliant
- ensuring all costs relating to COVID have been separately recorded for future scrutiny and reference
- questioning the charges from exam boards associated with Summer 2021
- challenging and seeking out new suppliers of educational, catering and premises consumables who were continually increasing costs of consumables
- reporting to the Board significant value quotes/projects and trading report detailing pecuniary interest
- Providing to the Board financial reports to assess the financial viability of primary meal provision, catering income and staff cover costs (due to staff absence).

A culture of contract renegotiation and testing the market place for best value is part of the Finance office process and procedure. All contracts when due for renewal are assessed for the specification required and cost which is then challenged if appropriate. Savings have been renegotiated during the year for the supply of IT hardware purchases, educational e-text books, broadband, network switches, grounds contract, utilities (water, gas and electric) and catering suppliers and the ongoing renewal of premises statutory compliance services. The tender policy is followed to ensure formal quotations are obtained, which as appropriate are then reviewed by the tender board and any decision *minuted*. Detailed monitoring and reconciliation of CIF projects occurs ensuring the management of cashflow. An electronic breakdown of orders raised over £5k which require quotes is maintained (and reported to Finance, Audit & Estates), as is the inventory/asset register and a contract file for all Premises/IT contracts.

The budget planning software continues to be an invaluable resource for the Headmaster and FD to model the future Trust financial 5-year plan, accounting for curriculum and staffing changes, identifying risks and scenarios to the Finance, Audit and Estates committee. Staffing reports are utilised from the budget planning software which are used as an establishment report and payroll control measure to check against the monthly payroll variance reports.

Following the appointment of an additional Finance Officer in Nov 2020 it was then possible to carry out the due diligence exercise for a new Financial software system and to identify smarter efficiencies and electronic processes in order to deliver a seamless service to all customers and budget holders. This process is ongoing and further streamlining and review of processes will be undertaken as the new software embeds and capability of the system is known (electronic imports etc). The decision to remove petty cash was taken in Dec 2020 .

The transfer to a new Financial Accounting software cloud solution from 1 September 2021 will ensure that the Finance team can deliver the necessary reporting requirements of the Financial Handbook specifically at year end. The roll out of the new system should ensure more accountability from budget holders, ease of raising purchase orders and attaching quotes and better reporting functionality. During 2021/22 the budgeting software

KING EDWARD VI EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

used will be reviewed and alternatives explored that may link more seamlessly to Xero for Education.

The purchasing and reporting portal is an integral requirement of the day to day finance process and all budget holders are required to raise orders, deliver goods/services and it is vital that they have the ability to view their spend against budget. Quotes and other contract documentation are uploaded to orders which provides a clear and improved audit trail. It is hoped that Xero will significantly improve the quality, ease and speed of financial reporting that budget holders, SLT and Directors can access so that they are fully conversant and equipped with the financial information they require.

However various new software purchases have occurred to facilitate 'smarter' school business processes and new ways of working as a result of COVID 19 such as Schoolcloud (Parents evening and enrichment choices software), Classoos and Boost Platform from Hodders (ebooks), Admissions+ (Year 7 Admissions) etc. A new online Single Central Record (SCR) has been introduced and populated during summer 2021. A review of all software and applications used across the School is required to continue facilitating efficient access remotely and possible cloud options; cashless catering and online payment platform will be reviewed in 2021/22.

Payroll services provided by Dataplan continue to provide a fully auditable payroll system with the use of smart forms for starters, leavers and changes and absence uploads. Further improvements to HR systems with a link to the finance/ budgeting software/MIS system and Dataplan payroll would be the perfect solution combined with automated claim and expenses forms, this will be explored in 2022. There are plans to review the School's MIS system and suitable alternatives during the next 18 months.

Significant improvements to the IT infrastructure commenced during 2021 which has resulted in significant investment to network switches and fibre cabling across the site. This has been in addition to a new high speed broadband line. All this work is key to the success of the IT Digital Development plan 2021 – 2024/5 and further investment is planned for 2022. A tender exercise was carried out for the network cabling/fibre replacement and new broadband line. Multiple quotes are always obtained for all IT hardware purchases and scrutinized to ensure best value.

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 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 King Edward VI 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 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'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.

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The academy'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 a suite of monthly financial reports which are available on the Financial Compliance area of the Governor portal and reviewed by the board of Trustees. Annual Budget scrutinized and approved at both Finance, Audit & Estates and then Full Board.
- Regular financial reports to the Finance, Audit & Estates which indicate financial performance against the forecasts and of major purchase plans, catering, cover, capital works and expenditure programmes, e.g. CIF
- Monthly closedown and production of a suite of Financial Management reports and Balance sheet reconciliations
- Predicted outturn for in year budget undertaken three times in the year and presented to the Board for review and updating future year budgets; including assessing income/expenditure affected by COVID and reviewing the impact
- Setting targets to measure financial and other performance
- The use of DFE benchmarking financial data and efficiency, Integrated curriculum and financial planning tools available.
- Completion of the schools resource management self-assessment tool and review of action plan
- Regular reconciliation of payroll to budget
- Regular updating of the 5-year Budget plan and presentation to the Board with explanations of changes
- Identification and review of risks in relation to premises, COVID, health and safety (including statutory site compliance), remote curriculum delivery, IT security/cyber risk, IT infrastructure and hardware
- Daily recording and monitoring of cashflow and cashflow forecasts to the Board
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Clearly defined purchasing procedures; purchasing portal, credit card purchases and petty cash including guidelines to identify purchases regarding more than one quote and capital purchases (asset/inventory purchase or CIF project)
- Financial reporting to the Board, ESFA, HMRC etc
- Delegation of authority and segregation of duties which are integral to the electronic purchase ordering system
- Identification and management of risks by Strategy Governors
- Regular review of the Single Central Record by the designated Safeguarding Governor and Chair of Governors

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided to employ Assurance Lincolnshire as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The Board agreed that the audit coverage for 2020/21 would include the below and follow up the agreed actions from the 2019/20 Internal Audit.

The processes that were covered included:

- Governance
- Budget Setting and Monitoring
- Financial Reporting
- Payroll
- Pre-Employment Checks
- Payroll documentation and Expense claims
- Purchasing and Credit Card Transactions
- Bank and Control Account reconciliations
- Debtors
- VAT

On an annual basis, the internal auditor reports to the board of Trustees through the Finance, Audit and Estates committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor delivered their schedule of work as planned and advised the Headmaster, Finance Director and Directors areas where it considered production of cashflow forecasts for Governor review, HR Pre-Employment checks and Governance statutory requirements with regard to Trust membership and IT security/ cyber risk as areas to be addressed.

The following principal high-risk area was identified in the internal audit report: Statutory HR pre - employment checks, recording information and ensuring documentation in HR records

A detailed internal audit report was provided which detailed the findings, judgement of risk, recommendations, agreed actions and timescales. The Finance Director, Finance Officers and Headmaster have reviewed the report and spoken to the Internal Auditor. An Action Plan has been produced which will be regularly updated with progress and will be a standing agenda item at the Audit Committee. In addition, the Action plan is available on the Governor portal for review.

KING EDWARD VI EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Headteacher 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 auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Estates committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



.....
Mr S Chesman
Chair of Trustees

Date:

10/12/21



.....
Mr J Lascelles
Accounting Officer

18/12/21

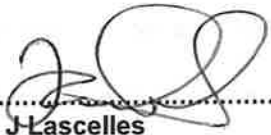
KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of King Edward VI Education Trust I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.


.....
Mr J Lascelles
Accounting Officer

Date: 10/12/21

KING EDWARD VI EDUCATION TRUST

(A company limited by guarantee)

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

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

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

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

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

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

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

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



.....
Mr S Chesman
Chair of Trustees

Date: 10/12/21

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI EDUCATION TRUST

Opinion

We have audited the financial statements of King Edward VI Education Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

KING EDWARD VI EDUCATION TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI EDUCATION TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

KING EDWARD VI EDUCATION TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI EDUCATION TRUST (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI EDUCATION TRUST (CONTINUED)

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with Trustees and other management, and from our commercial knowledge and experience of the Trust and education sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Companies Act 2006, the Academies Financial Handbook 2020, the Academies Accounts Direction, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety and safeguarding legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to allocation and accurate recognition;
- agreed a sample of employees on the Trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI EDUCATION TRUST (CONTINUED)

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports for any indication of breaches of laws and regulations;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the Trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

Use of our report

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House

A1 Business Park

Long Bennington

Notts

NG23 5JR

Date: 14/12/2021

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING EDWARD VI EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Edward VI 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 King Edward VI Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King Edward VI 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 King Edward VI Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King Edward VI Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of King Edward VI Education Trust's funding agreement with the Secretary of State for Education dated 27 August 2015 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the Trust's systems and controls and confirmation of the operation and effectiveness during the year;
- a review of expenditure to confirm the appropriateness and value for money; and
- a review of connected party arrangements, transactions and balances.

KING EDWARD VI EDUCATION TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING
EDWARD VI 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.



Mark Bradshaw (Senior statutory auditor)
Streets Audit LLP

Windsor House
A1 Business Park
Long Bennington
Notts
NG23 5JR

Date: 14/12/2021

KING EDWARD VI EDUCATION TRUST

(A company limited by guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and capital grants	3 1,645	-	880,724	882,369	52,856
Charitable activities	91,167	5,264,227	-	5,355,394	4,915,928
Other trading activities	62,721	25,547	-	88,268	69,059
Investments	6 143	-	-	143	738
Total income	155,676	5,289,774	880,724	6,326,174	5,038,581
Expenditure on:					
Raising funds	13,315	-	-	13,315	58,629
Charitable activities	186,947	5,039,634	100,764	5,327,345	4,909,547
Total expenditure	200,262	5,039,634	100,764	5,340,660	4,968,176
Net (expenditure) /income	(44,586)	250,140	779,960	985,514	70,405
Transfers between funds	17 44,586	(172,100)	127,514	-	-
Net movement in funds before other recognised gains/(losses)	-	78,040	907,474	985,514	70,405
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	24 -	(420,000)	-	(420,000)	(494,000)
Net movement in funds	-	(341,960)	907,474	565,514	(423,595)

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	-	(2,585,923)	12,067,145	9,481,222	9,904,817
Net movement in funds	-	(341,960)	907,474	565,514	(423,595)
Total funds carried forward	-	(2,927,883)	12,974,619	10,046,736	9,481,222

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 63 form part of these financial statements.

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09635329

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	12,697,027	12,067,145
		<u>12,697,027</u>	<u>12,067,145</u>
Current assets			
Debtors	14	295,170	171,281
Cash at bank and in hand		786,786	364,307
		<u>1,081,956</u>	<u>535,588</u>
Creditors: amounts falling due within one year	15	(447,667)	(392,710)
Net current assets		634,289	142,878
Total assets less current liabilities		13,331,316	12,210,023
Creditors: amounts falling due after more than one year	16	(61,580)	(81,801)
Net assets excluding pension liability		13,269,736	12,128,222
Defined benefit pension scheme liability	24	(3,223,000)	(2,647,000)
Total net assets		10,046,736	9,481,222

KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09635329

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	12,974,619	12,067,145
Restricted income funds	17	295,117	61,077
Restricted funds excluding pension asset	17	<u>13,269,736</u>	<u>12,128,222</u>
Pension reserve	17	<u>(3,223,000)</u>	<u>(2,647,000)</u>
Total restricted funds	17	<u>10,046,736</u>	<u>9,481,222</u>
Unrestricted income funds	17	<u>-</u>	<u>-</u>
Total funds		<u><u>10,046,736</u></u>	<u><u>9,481,222</u></u>

The financial statements on pages 32 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Mr S Chesman
 Chair of Trustees

Date: 10/12/21

The notes on pages 37 to 63 form part of these financial statements.

KING EDWARD VI EDUCATION TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	292,328	165,771
Cash flows from investing activities	21	150,221	(16,224)
Cash flows from financing activities	20	(20,070)	(19,921)
Change in cash and cash equivalents in the year		422,479	129,626
Cash and cash equivalents at the beginning of the year		364,307	234,681
Cash and cash equivalents at the end of the year	22, 23	786,786	364,307

The notes on pages 37 to 63 form part of these financial statements

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, 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.

King Edward VI Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

• **Donations**

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

• **Other income**

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

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

The Academy incurs significant repair and replacement costs such that the Trustees believe the property's residual value is not materially different to the cost. Accordingly no depreciation is charged.

Depreciation is provided on all tangible fixed assets other than freehold and leasehold property 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:

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- not depreciated
Long-term leasehold property	- not depreciated
Property improvements	- 2% straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 25% straight line

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

1.7 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.

1.8 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.

1.9 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 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.

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 14. Prepayments are not financial instruments. Amounts due to the academy'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 notes 15 and 16. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Pensions

Retirement benefits to employees of the academy 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 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 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.

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

1.13 Fund accounting

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

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

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

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

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trust's long-term leasehold property is subject to a two-year termination clause, however, the Trustees believe that the likelihood of this clause being triggered are extremely remote, and that the risks and rewards of ownership lie with the Trust. Accordingly, the property has been included on the balance sheet.

As explained in note 1.6 above, the Academy incurs significant repair and replacement costs such that the Trustees believe the property's residual value is not materially different to the cost. Accordingly no depreciation is charged.

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	1,645	-	1,645
Capital Grants	-	880,724	880,724
	<u>1,645</u>	<u>880,724</u>	<u>882,369</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	12,614	-	12,614
Capital Grants	-	40,242	40,242
	<u>12,614</u>	<u>40,242</u>	<u>52,856</u>

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

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
General Annual Grant (GAG)	-	4,729,706	4,729,706
Other DfE/ESFA grants			
Pupil premium	-	64,634	64,634
Teachers pay and pension grants	-	254,824	254,824
Others	-	27,136	27,136
	-	5,076,300	5,076,300
Other Government grants			
Local Authority grants	-	43,042	43,042
	-	43,042	43,042
Other income from the academy's educational operations	91,167	-	91,167
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	-	60,320	60,320
Other DfE covid-19 grants	-	63,981	63,981
	-	124,301	124,301
COVID-19 additional funding (non-DfE/ESFA)			
Other covid-19 grants	-	20,584	20,584
	-	20,584	20,584
	91,167	5,264,227	5,355,394

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
General Annual Grant (GAG)	-	4,274,567	4,274,567
Other DfE/ESFA grants			
Pupil premium	-	62,780	62,780
Teachers pay and pension grants	-	241,884	241,884
Others	-	26,920	26,920
	<u>-</u>	<u>4,606,151</u>	<u>4,606,151</u>
Other Government grants			
Local Authority grants	-	59,970	59,970
	<u>-</u>	<u>59,970</u>	<u>59,970</u>
Other income from the academy's educational operations	<u>249,807</u>	<u>-</u>	<u>249,807</u>
	<u><u>249,807</u></u>	<u><u>4,666,121</u></u>	<u><u>4,915,928</u></u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, individually material income streams are 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.

The Trust received £60,320 of funding for catch-up premium and this is to be spent in 2021/22.

5. Income from other trading activities

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Hire of facilities	4,793	-	4,793
Catering	38,240	-	38,240
Strategic and finance support	8,522	-	8,522
Other income	11,166	25,547	36,713
	<u>62,721</u>	<u>25,547</u>	<u>88,268</u>
	<u><u>62,721</u></u>	<u><u>25,547</u></u>	<u><u>88,268</u></u>

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

5. Income from other trading activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Hire of facilities	7,582	-	7,582
Catering	17,288	-	17,288
Strategic and finance support	15,349	-	15,349
Other income	14,812	14,028	28,840
	<u>55,031</u>	<u>14,028</u>	<u>69,059</u>

6. Investment income

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest	143	143
	<u>143</u>	<u>143</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	738	738
	<u>738</u>	<u>738</u>

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising voluntary income:				
Direct costs	13,315	-	-	13,315
Expenditure on educational operations:				
Direct costs	3,832,911	-	322,997	4,155,908
Allocated support costs	585,609	216,085	369,743	1,171,437
	<u>4,431,835</u>	<u>216,085</u>	<u>692,740</u>	<u>5,340,660</u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on raising voluntary income:				
Direct costs	22,931	-	35,698	58,629
Expenditure on educational operations:				
Direct costs	3,577,323	-	334,299	3,911,622
Allocated support costs	520,585	186,296	292,044	998,925
	<u>4,120,839</u>	<u>186,296</u>	<u>662,041</u>	<u>4,969,176</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	<u>4,155,908</u>	<u>1,171,437</u>	<u>5,327,345</u>

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	3,911,622	998,925	4,910,547

Analysis of support costs

	<i>Total funds 2021 £</i>	<i>Total funds 2020 £</i>
Staff costs	585,609	520,585
Depreciation	59,047	39,064
Technology costs	108,088	75,991
Premises costs	216,085	186,296
Other support costs	190,729	165,494
Governance costs	11,879	11,495
	<u>1,171,437</u>	<u>998,925</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	<i>2021 £</i>	<i>2020 £</i>
Operating lease rentals	17,617	11,004
Depreciation of tangible fixed assets	100,764	64,358
Fees paid to auditors for:		
- audit	8,700	9,200

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,111,772	2,970,540
Social security costs	287,125	276,717
Pension costs	854,526	805,732
	<u>4,253,423</u>	<u>4,052,989</u>
Agency staff costs	171,149	62,850
Staff restructuring costs	7,263	5,000
	<u>4,431,835</u>	<u>4,120,839</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	7,263	5,000
	<u>7,263</u>	<u>5,000</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,263 (2020 - £5,000).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	56	59
Administration and support	40	45
Management	1	1
	<u>97</u>	<u>105</u>

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	51	<i>54</i>
Administration and support	31	<i>33</i>
Management	1	<i>1</i>
	83	<i>88</i>

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>2</i>
In the band £100,001 - £110,000	1	<i>1</i>

e. Key management personnel

The key management personnel of the academy 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 was £485,941 (2020 - £444,757).

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Mr J Lascelles, Headmaster and Accounting Officer	Remuneration	105,000 -	<i>100,000 -</i>
		110,000	<i>105,000</i>
	Pension contributions paid	25,000 -	<i>15,000 -</i>
		30,000	<i>20,000</i>

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

12. Trustees' and Officers' insurance

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

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

13. Tangible fixed assets

	F/H & L/H property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	12,055,417	80,235	188,535	-	12,324,187
Additions	607,890	12,301	105,975	4,480	730,646
At 31 August 2021	<u>12,663,307</u>	<u>92,536</u>	<u>294,510</u>	<u>4,480</u>	<u>13,054,833</u>
Depreciation					
At 1 September 2020	63,185	40,120	153,737	-	257,042
Charge for the year	34,767	9,254	55,623	1,120	100,764
At 31 August 2021	<u>97,952</u>	<u>49,374</u>	<u>209,360</u>	<u>1,120</u>	<u>357,806</u>
Net book value					
At 31 August 2021	<u>12,565,355</u>	<u>43,162</u>	<u>85,150</u>	<u>3,360</u>	<u>12,697,027</u>
At 31 August 2020	<u>11,992,232</u>	<u>40,115</u>	<u>34,798</u>	-	<u>12,067,145</u>

The trust's transactions relating to land and buildings relate to a new sports hall build.

The long-term leasehold buildings have been included in accordance with a valuation at depreciated replacement cost as at 22 June 2016 carried out by the ESFA. The Trustees consider this to be a fair value. The freehold land has been included in accordance with a valuation undertaken on 15 October 2015.

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	583	3,718
Other debtors	100,326	16,322
Prepayments and accrued income	194,261	151,241
	<u>295,170</u>	<u>171,281</u>

KING EDWARD VI EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	20,221	20,070
Trade creditors	163,931	139,284
Other taxation and social security	76,786	69,679
Other creditors	95,194	97,214
Accruals and deferred income	91,535	66,463
	447,667	392,710
	2021 £	2020 £
Deferred income at 1 September 2020	34,285	92,941
Resources deferred during the year	21,623	34,285
Amounts released from previous periods	(34,285)	(92,941)
	21,623	34,285

Deferred income includes rates relief income relating to the period to March 2022, and funds received in advance for trips and meals.

Included within other loans is a loan of £20,221 (2020 - £20,070) from Lincolnshire County Council. Interest is charged at 0.75%, and the loan is due to be repaid by 13 August 2025.

16. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	61,580	81,801
	61,580	81,801

Included within other loans is a loan of £61,580 (2020 - £81,801) from Lincolnshire County Council. Interest is charged at 0.75%, and the loan is due to be repaid by 13 August 2025.

KING EDWARD VI EDUCATION TRUST

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	-	155,676	(200,262)	44,586	-	-
Restricted general funds						
General Annual Grant (GAG)	61,077	5,011,666	(4,665,846)	(172,100)	-	234,797
Pupil Premium	-	64,634	(64,634)	-	-	-
Other DfE and ESFA grants	-	144,885	(84,565)	-	-	60,320
LA and other grants	-	68,589	(68,589)	-	-	-
Pension reserve	(2,647,000)	-	(156,000)	-	(420,000)	(3,223,000)
	<u>(2,585,923)</u>	<u>5,289,774</u>	<u>(5,039,634)</u>	<u>(172,100)</u>	<u>(420,000)</u>	<u>(2,927,883)</u>
Restricted fixed asset funds						
Transfer on conversion	10,947,205	-	(4,442)	-	-	10,942,763
Capital expenditure from GAG	68,536	-	(37,459)	127,514	-	158,591
DfE and ESFA capital grants	1,051,404	880,724	(58,863)	-	-	1,873,265
	<u>12,067,145</u>	<u>880,724</u>	<u>(100,764)</u>	<u>127,514</u>	<u>-</u>	<u>12,974,619</u>
Total Restricted funds	<u>9,481,222</u>	<u>6,170,498</u>	<u>(5,140,398)</u>	<u>(44,586)</u>	<u>(420,000)</u>	<u>10,046,736</u>
Total funds	<u><u>9,481,222</u></u>	<u><u>6,326,174</u></u>	<u><u>(5,340,660)</u></u>	<u><u>-</u></u>	<u><u>(420,000)</u></u>	<u><u>10,046,736</u></u>

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

17. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the academy from the Local Authority upon conversion, which may be used towards meeting any of the objectives of the academy at the discretion of the trustees. These are not currently designated for particular purposes.

Restricted funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the academy.

Other DfE/ESFA Grants represent other restricted funding which does not form part of the GAG funding.

Local Authority Grants represents restricted funding received from the local authority towards the running costs of the academy.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds

Transfer on conversion represents the buildings and assets transferred to the academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2021 results in a surplus of £295,117.

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

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	(56,246)	332,218	(342,032)	66,060	-	-

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

17. Statement of funds (continued)

**Restricted
general funds**

General Annual Grant (GAG)	(116,992)	4,543,371	(4,284,036)	(81,266)	-	61,077
DfE/ESFA grants	-	62,780	(62,780)	-	-	-
LA and other grants	-	59,970	(59,970)	-	-	-
Pension reserve	(1,998,000)	-	(155,000)	-	(494,000)	(2,647,000)
	<u>(2,114,992)</u>	<u>4,666,121</u>	<u>(4,561,786)</u>	<u>(81,266)</u>	<u>(494,000)</u>	<u>(2,585,923)</u>

**Restricted
fixed asset
funds**

Transfer on conversion	10,951,647	-	(4,442)	-	-	10,947,205
Capital expenditure from GAG	69,851	-	(16,521)	15,206	-	68,536
DfE/ESFA capital grants	1,054,557	40,242	(43,395)	-	-	1,051,404
	<u>12,076,055</u>	<u>40,242</u>	<u>(64,358)</u>	<u>15,206</u>	<u>-</u>	<u>12,067,145</u>

**Total
Restricted
funds**

	<u>9,961,063</u>	<u>4,706,363</u>	<u>(4,626,144)</u>	<u>(66,060)</u>	<u>(494,000)</u>	<u>9,481,222</u>
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Total funds

	<u><u>9,904,817</u></u>	<u><u>5,038,581</u></u>	<u><u>(4,968,176)</u></u>	<u><u>-</u></u>	<u><u>(494,000)</u></u>	<u><u>9,481,222</u></u>
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KING EDWARD VI EDUCATION TRUST
(A company limited by guarantee)

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	12,697,027	12,697,027
Current assets	39,680	764,684	277,592	1,081,956
Creditors due within one year	(39,680)	(407,987)	-	(447,667)
Creditors due in more than one year	-	(61,580)	-	(61,580)
Provisions for liabilities and charges	-	(3,223,000)	-	(3,223,000)
Total	<u>-</u>	<u>(2,927,883)</u>	<u>12,974,619</u>	<u>10,046,736</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	12,067,145	12,067,145
Current assets	100,000	435,588	-	535,588
Creditors due within one year	(100,000)	(292,710)	-	(392,710)
Creditors due in more than one year	-	(81,801)	-	(81,801)
Provisions for liabilities and charges	-	(2,647,000)	-	(2,647,000)
Total	<u>-</u>	<u>(2,585,923)</u>	<u>12,067,145</u>	<u>9,481,222</u>

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

19. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	985,514	70,405
Adjustments for:		
Depreciation	100,764	64,358
Capital grants from DfE and other capital income	(880,724)	(40,242)
Interest receivable	(143)	(738)
Defined benefit pension scheme cost less contributions payable	111,000	116,000
Defined benefit pension scheme finance cost	44,000	39,000
Increase in debtors	(123,889)	(18,253)
Increase/(decrease) in creditors	54,806	(64,759)
Defined benefit pension scheme administration cost	1,000	-
Net cash provided by operating activities	292,328	165,771

20. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(20,070)	(19,921)
Net cash used in financing activities	(20,070)	(19,921)

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	143	738
Purchase of tangible fixed assets	(730,646)	(57,204)
Capital grants from DfE Group	880,724	40,242
Net cash provided by/(used in) investing activities	150,221	(16,224)

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

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	786,786	364,307
Total cash and cash equivalents	786,786	364,307

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	364,307	422,479	786,786
Debt due within 1 year	(20,070)	(151)	(20,221)
Debt due after 1 year	(81,801)	20,221	(61,580)
	262,436	442,549	704,985

24. Pension commitments

The academy'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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £15,051 were payable to the schemes at 31 August 2021 (2020 - £13,623) and are included within creditors.

Teachers' Pension Scheme

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

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

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

24. 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 £543,648 (2020 - £505,292).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 £238,000 (2020 - £202,000), of which employer's contributions totalled £197,000 (2020 - £166,000) and employees' contributions totalled £ 41,000 (2020 - £36,000). The agreed contribution rates for future years are 21.3 per cent for employers and various per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, 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 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

24. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.2	2.5
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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
<i>Retiring today</i>		
Males	21.2	21.4
Females	23.6	23.7
<i>Retiring in 20 years</i>		
Males	22.0	22.4
Females	25.1	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1%	140	111
Mortality assumption - 1 year increase	246	173

Share of scheme assets

The academy's share of the assets in the scheme was:

	2021	2020
	£	£
Equities	1,703,000	1,158,000
Corporate bonds	338,000	336,000
Property	246,000	168,000
Cash and other liquid assets	90,000	17,000
Total market value of assets	2,377,000	1,679,000

The actual return on scheme assets was £382,000 (2020 - £280,000).

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

24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(308,000)	(278,000)
Past service cost	-	(4,000)
Interest income	31,000	25,000
Interest cost	(75,000)	(64,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of financial activities	(353,000)	(321,000)

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

	2021 £	2020 £
At 1 September	4,326,000	3,214,000
Current service cost	308,000	278,000
Interest cost	75,000	64,000
Employee contributions	41,000	36,000
Actuarial losses	771,000	749,000
Benefits paid	79,000	(19,000)
Past service costs	-	4,000
At 31 August	5,600,000	4,326,000

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

	2021 £	2020 £
At 1 September	1,679,000	1,216,000
Interest income	31,000	25,000
Actuarial gains	351,000	255,000
Employer contributions	197,000	166,000
Employee contributions	41,000	36,000
Benefits paid	79,000	(19,000)
Administrative expenses	(1,000)	-
At 31 August	2,377,000	1,679,000

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

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	20,107	12,746
Later than 1 year and not later than 5 years	2,290	817
	<u>22,397</u>	<u>13,563</u>

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

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £14,067 (2020 - £11,253) and disbursed £15,307 (2020 - £13,727) from the fund. An amount of £1,240 (2020 - £1,676) is included in creditors relating to undistributed funds that is repayable to ESFA.

