

Company Registration Number: 09148479 (England & Wales)

Attwood Academies

(A company limited by guarantee)

Annual report and financial statements

for the year ended 31 August 2021

Attwood Academies
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Directors' responsibilities	15
Independent auditors' report on the financial statements	16 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23 - 24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 53

Attwood Academies
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Attwood Education Foundation
B Hayes
W Casement
J Zendel

Trustees

T R Attwood, Chair of Board of Directors^{1,2,3}
S M Attwood¹
A F X Green^{1,3}
S C Gough^{1,2}
S L Foley¹
K J Marr^{1,2}
R Cohen¹

- ¹ Member of Trust Board
- ² Member of Finance Committee
- ³ Member of Education Committee

Company registered number
09148479

Company name
Attwood Academies

Registered office
Manor House
Slip Mill Road
Hawkhurst
Cranbrook
Kent
TN18 5AE

Company secretary
S Foley

Attwood Academies

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued) for the year ended 31 August 2021

Senior leadership team

C Davies, Executive Principal
V Norris-Wright, Head of School
E Gordon, Vice Principal
W Minns, Assistant Principal
F Tumi, Assistant Principal
P Gordon, Assistant Principal
T Hillman, Assistant Principal
L Starkey, Assistant Principal
C Steward, Associate Assistant Principal
M Linch, Associate Assistant Principal
L Culshaw, Associate Assistant Principal
Michelle Hercock, Business Manager
Jesse White (appointed 19 March 2021), CFO

Independent auditors

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Member Schools

Bexhill High Academy

Other addresses

Bexhill High Academy
Gunters Lane
Bexhill-on-Sea
TN39 4BY

Attwood Academies

(A company limited by guarantee)

Directors' report for the year ended 31 August 2021

The directors (who are also trustees of the charity for the purposes of the Charities Act) present their annual report together with the audited financial statements and Auditors' report of Attwood Academies (the Academy Trust) for the period ended 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Academy Trust operates one secondary school in the South East of England.

Bexhill Academy is an academy for pupils aged 11 to 16 serving the catchment area of Bexhill on Sea and the surrounding parishes. It has a pupil capacity of 1,500 and a roll of 1,515 in the October 2021 school census. The Academy Trust was appointed as the new sponsors of Bexhill Academy on 1 December 2014.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The trustees of the Attwood Academies Trust are also the directors for the purposes of company law. The terms trustee, director and governor are interchangeable. The Charitable Company is known as Attwood Academies.

Details of the directors who served throughout the year are included in the Reference and Administrative details section 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.

Directors' and officers' indemnities

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects 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 directors and officers indemnity element from the overall cost of the RPA scheme.

Appointment of Board Members

The Members/Directors/Trustees/Governors are referred to as 'directors' and together form the 'Board'. There are different classes of board members as described below. All board members are appointed for four years:

Members: are appointed by the Members of the Academy Trust who established the Academy Trust Company, including themselves.

Trustees: Trustees are appointed by the members

Co opted Trustees: Co opted Trustees are appointed by the Board.

The Executive Principal (Bexhill Academy): The articles of Association include this post ex officio by virtue of office held.

Policies and procedures adopted for the induction and training of directors

New directors attend a training program. The induction program includes a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as directors with particular emphasis on the committee work that they will undertake.

Organisational structure

Attwood Academies

(A company limited by guarantee)

Directors' report (continued) for the year ended 31 August 2021

The governance of the Academy Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Trust Board meets at least once per term and is responsible for the strategic direction of the Academy Trust and agreement of the performance objectives for the Executive Principal of Bexhill Academy.

The school has educational and finance meetings held at least termly. They approve major expenditure requests, set the budget, organise staffing structures and review progress towards educational objectives, on behalf of the board.

The Executive Principal, where appropriate, has delegated financial management responsibilities to the Finance Director, and responsibilities are further delegated to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Executive Principal of Bexhill Academy manages the academy within the Trust on a daily basis supported by a Senior Leadership Team (SLT). The Executive Principal and their SLT meet frequently to discuss emerging matters and develop strategies for future development. Each member of the SLT has specific responsibilities to assist the Executive Principal to manage certain aspects of the academy with the Trust.

The members meet at least once each year to hold an Annual General Meeting.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly, including any director. The key, paid management personnel within the organisation are members of the Senior Leadership Team. Annual remuneration reviews are carried out for SLT members by their senior line managers (normally the Executive Principal). Recommendations are taken for approval to the remuneration review committee, made up of two Trust Board Members. Any annual remuneration awards are linked directly to performance targets.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill (rounded)	7,083,844
Percentage of the total pay bill spent on facility time	-

Attwood Academies

(A company limited by guarantee)

Directors' report (continued) for the year ended 31 August 2021

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy Trust's operations and the composition of the Trust Board being drawn from a cross section of the local and wider community, transactions may take place with organisations in which a director has an interest. In the event of any transactions involving such connected organisations, interests are declared and transactions conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Related party transactions during 2020/21

During the year, the Academy Trust received reimbursement of £2,156 (2020: £10,577) from the Attwood Education Foundation, a member of the Academy Trust and a charitable organisation in which T Attwood, S Attwood and S Gough are directors. These reimbursements were for various costs incurred during the year such as food hampers for vulnerable families. At 31 August 2021 there were no outstanding amounts (2020: nil)

Objectives and Activities

The Trust's Objects and aims

The Articles of Association of the Academy Trust Company specifically states the Academy Trust's object is: 'To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.

East Sussex division

The principal object and aim of the Trust is the operation of Bexhill Academy to provide free education and care for pupils of different abilities between the ages of 11 and 16.

Our vision of Bexhill Academy is to be the school of first choice within the local community. We aim to be a centre of excellence with the highest standards of achievement in all subjects and operate a care and guidance system which promotes personal growth. To achieve this vision, we know that we will need to retain, recruit and train the best staff available. We try to create opportunities for everyone to make a contribution to the development and improvement of the school.

Our curriculum is regularly reviewed, and we aim to be innovative and supportive of our learners, particularly those with additional needs. We are proud of our strong community partnerships and we operate in an inclusive manner for all students within our community. We are committed to closing the progress gaps that historically exist between pupil premium and non-pupil premium students.

Student participation and leadership are vital to the health of the school and we promote these opportunities through our house system and our student council. The staff offer an extensive extracurricular programme to provide educational and sporting opportunities to all students.

Our list of guiding principles (to be focused, aspirational, independent and resilient) sets out what we aim to achieve for our students, staff and local community. These principles are supported by a range of policies that govern how we put them into practice every day.

Attwood Academies
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2021

Key objectives targeted were:

- 1) To make significant improvements in student learning progress, These improvements are measurable independently through KS4 GCSE results.
- 2) To focus on improving the learning progress of pupil premium students who represent over one third of the student body, and close the gap of learning attainment when compared with non-Pupil premium Students.
- 3) To continue to grow the confidence of the local community and improve on recruitment of year 7 pupils from local feeder primaries and the wider catchment area.

In 2021 schools and academies undertook a process of Teacher Assessed Grades. In 2020 the process was different and came under the title Centre Assessed Grades and 2019 saw a more traditional set of GCSE data from students sitting formal exams externally marked by the exam boards under very different conditions. Therefore comparisons are not appropriate and have not been included in the tables below.

Grade 4 and Grade 5 outcomes for the English/ Maths crossover has improved on 2019. A robust system for Teacher Assessed Grades was implemented and well received by students. A full set of papers was sat by all Year 11 students in the summer of 2021 and student motivation and resilience is shown in the outcomes below.

	2021
Attainment 8	42.39
% of Pupils Achieving a strong pass English and Maths	31.08
% of students achieving the English EBacc at a strong pass	3.6
Percentage of students entered for the Ebacc	9.46

Pupil Premium Figures vs Non Pupil Premium

2021 – TAG's	Pupil No's	% 4+ E & M	% 5+ E & M	% 4+ English	% 5+ English	% 4+ Maths	% 5+ Maths	% 2 4+ Science	A8 Score
PP	76	43.32	19.74	53.95	27.63	51.32	38.16	53.95	34.57
Non	146	60.96	36.99	67.81	46.58	73.97	54.79	69.18	46.46

Pupil premium outcomes are affected as a second year of disruption has been in place. We have identified that reading at home during the pandemic was hampered in many households with high deprivation indicators and some families did not engage with the additional resources and opportunities provided by the school.

Public benefit

The directors believe that by working towards the objects and aims of the schools as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and defined by FRS102 as 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

Bexhill Academy accepts students from the locality of Bexhill on Sea in line with the identical admissions policy adhered to by East Sussex and welcomes students of all abilities. The Academy and encompasses a high needs specialist provision for students diagnosed with autism.

Attwood Academies
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2021

Achievements and performance

	Boys 113	Girls 109	2021 TAG
English & Maths 9-4	52.21	57.8	54.95
English & Maths 9-5	25.66	36.7	31.08
English 9 to 4	60.18	66.06	63.06
English 9 to 5	33.63	46.79	40.09
English 9 to 7	5.31	20.18	12.61
Maths 9 to 4	69.91	62.39	66.22
Maths 9 to 5	49.56	48.62	49.1
Maths 9 to 7	12.39	10.09	11.26
9-4 2 Sciences	65.49	62.39	63.96

Key Financial Performance Indicators

Bexhill Academy

The Trust measures the performance of the Bexhill Academy based on:

- 1) meeting educational targets (detailed in objectives, strategies and activities)
- 2) addressing operational financial KPI's while adhering to these general principals:
 - Maintaining a 3 year balanced budget, utilising annual income and, as applicable, brought forward reserves, to fund annual required expenditure.
 - Ensuring best value is obtained in the procurement of resources, to ensure that these are used to the maximum possible benefit of student outcomes.
 - Utilising curriculum financial planning principals to maintain efficient staffing levels to meet both teaching and operational support staff requirements.
- 3) Consideration and comparison of key financial indicators compared with the prior year and target while maintaining and, where educational outcomes are not adversely affected, improved efficiencies. National averages are used to benchmark levels of efficiency.

Pupil numbers – Parental decisions are made for September enrolment in the prior year therefore the year 7 roll for 2021/22 is a KPI for 2020/21.

Year	21/22	20/21	19/20
7	306	335	327
8	331	319	285
9	303	281	305
10	274	305	226
11	303	224	218
Total	1517	1464	1361

Attwood Academies
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2021

Going concern

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

Financial review

Bexhill Academy

Revenue received in 2020/21 exceeded the original forecast by £441K. Expenditure was £659K more than budgeted, as additional income allowed for additional staffing resources (£292K more staffing expenditure than budgeted).

The main source of revenue funding for the Academy Trust is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the period ended 31 August 2021 the Academy Trust received £8,383K in direct revenue funding from the ESFA.

Excluding movements related to fixed assets, the Trust returned a deficit of £46k before movements related to pensions.

Reserves policy

The directors are aware of the requirement to balance current and future needs. The directors always aim to set a balanced budget with annual income balancing annual expenditure, but due to the lagged funding model, the policy to use brought forward reserves to balance future annual budgets (on a temporary and sustainable basis) is adopted. The level of unrestricted reserves at 31 August 2021 was £736k and the amount of cash reserves held by the Academy is £1.4m.

The Trust is recognising a significant pension fund deficit of £2,707,000. This liability is paid over a number of years and does not crystallize as a single sum owing. Future pension fund valuations may see this liability vary based on fund performance.

Investments policy

The Trust Board invests funds in such a way as to maximise the Academy Trust's income but with minimal risk. Cash flow demands during 2020/21 required adequate funds available to be kept liquid, and short term interest earning deposit accounts were utilised to provide a level of investment return. The investment policy is reviewed by the Trust Board Finance Committee.

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising activities were monitored by the Trustees during the year.

Attwood Academies

(A company limited by guarantee)

Directors' report (continued) for the year ended 31 August 2021

Principal risks and uncertainties

The directors maintain a risk register identifying the major risks to which the Academy Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the exposure to these risks is monitored on behalf of the Trust board by the Finance Committee. Those facing the Academy Trust at an operational level are addressed by its systems and controls which are tested and reported on through annual independent internal and external audit checks.

The directors report that the Academy Trust's financial and internal controls conform to guidelines issued by the ESFA.

In academy schools, the level of financial risk is highest with regard to either a) long term fixed costs or b) expenditure increases set by third parties as matching in revenue cannot be relied upon.

Revenue and expenditure cash flows can be reliably forecast, monitored and reported on an annual basis. Staff costs make up the majority of expenditure and reporting systems on future staffing commitments are considered robust. Contingencies are in place to cover costs related to sickness and maternity absence.

The Trust Board and Executive Principal assess the risks and uncertainties facing the Academy Trust as follows:

Operating to a balanced budget

Pressures on income and expenditure require the Trust Board to carefully monitor budgets and oversee strategies required to see any savings required, while ensuring that the provision of required learning resources remains sufficient to see student outcomes maximized. A three year budget is forecast for Bexhill Academy using current information from principal feeder primary schools and historical recruitment percentages.

Cash balances

Subsequent to the year end, the successful application for in year funding (and not lagged pupil number funding) has resulted in an increase in the cash balance held at Bexhill Academy, and cash flow is not considered a risk factor

Increases in Expenditure

Inflationary pressures are expected to continue in all expenditure areas, and in particular around staffing. The national Funding Formula is not expected to cover all these increases. The Trust Board monitors the strategies being followed to provide economies in Academy operations which do not affect student outcomes detrimentally.

Staff retention and recruitment

Current staff retention is good. There are, however, recruitment challenges in certain teaching departments, with a national shortage of teachers providing additional recruitment challenge above that of attracting staff to work in the area. Newly qualified teachers are typically more attracted to areas with greater social opportunities. The risk is mitigated by the positive working environment that is offered to staff through a variety of strategies which include a dedicated staff welfare program at Bexhill Academy.

Safeguarding and child protection

The directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Plans for future periods

The Academy Trust will continue striving to improve the levels of performance of its students at all levels, and will actively promote the Academy Trust to maximise the recruitment of students.

Attwood Academies
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2021

The Trust Board will continue to enhance and expand facilities throughout 2021/22 in pursuance of the Academy Trust's commitment to provide excellent learning facilities.

Disclosure of information to auditors

Insofar as the trustees are aware:

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

Auditors

The auditors, Kreston Reeves LLP, are willing to continue in office and a resolution to re appoint them was passed at a members meeting on 3 December 2021.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 3 December 2021 and signed on its behalf by:



T R Attwood
Chair of Board of Directors

Attwood Academies

(A company limited by guarantee)

Governance Statement

Scope of responsibility

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

The Trust Board has delegated the day to day responsibility to the Accounting Officer, for ensuring financial controls conform to 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 Attwood Academies and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Trust Board has formally met 5 times during the year.

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

Director	Meetings attended	Out of a possible
T R Attwood, Chair of Board of Directors	5	5
S M Attwood	5	5
S C Gough	5	5
A F X Green	5	5
K J Marr	4	5
R Cohen	5	5
S L Foley	5	5

The Finance Committee is a sub committee of the main Trust Board. The purpose of the Finance Committee is to set, monitor and review the use of resources of the Academy, ensuring that income due from grants is received, income generation is promoted and expenditure achieves best value in terms of student outcomes. The Finance Committee also fulfils the responsibilities of an Audit Committee. During the year the principal focus has been to monitor the financial performance of the Trust against the revenue and capital budget forecasts.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
T R Attwood	3	3
S C Gough	3	3
K J Marr	2	3

Attwood Academies

(A company limited by guarantee)

Governance Statement (continued)

Review of value for money

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

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

- Keeping teacher contact time at Bexhill Academy at an efficient level.
- Delivering a budget surplus in year, in order to re-invest in future capital programmes including the current new building.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Attwood Academies 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 Trust Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

The risk and control framework

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

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

The Trust Board has considered the need for a specific internal audit function and has decided to appoint Haines Watts as internal auditor.

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

- testing of key financial controls
- testing of corporate governance

On an annual basis, the auditor reports to the Trust Board through the audit committee on the operation of the

Attwood Academies
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

systems of control and on the discharge of the Trust Board' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. No issues arose from the reports issued during the financial period to 31 August 2021.


Review of effectiveness


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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 Directors on 3 December 2021 and signed on their behalf by:


T R Attwood
Director


C Davies
Accounting Officer

Attwood Academies
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

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

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



C Davies
Accounting Officer
Date: 3 December 2021

Attwood Academies
(A company limited by guarantee)

Statement of Directors' responsibilities
for the year ended 31 August 2021

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors 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 Directors 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 Directors 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 Directors 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 Directors on 3 December 2021 and signed on its behalf by:



T R Attwood

Attwood Academies

(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Attwood Academies

Opinion

We have audited the financial statements of Attwood Academies (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and 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 Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and 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 Trust 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Attwood Academies
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Attwood Academies
(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 Directors 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 Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Academy Trust 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Attwood Academies

(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Attwood Academies (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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies). Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of corporate governance arrangements; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and

Attwood Academies

(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Attwood Academies (continued)

- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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

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

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

Attwood Academies
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Attwood Academies
(continued)

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

3 December 2021

Attwood Academies

(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Attwood Academies and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 September 2020 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 Attwood Academies 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 Attwood Academies and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Attwood Academies 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 Attwood Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Attwood Academies's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Attwood Academies's funding agreement with the Secretary of State for Education dated 1 December 2014 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.

Attwood Academies
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Attwood Academies and the Education & Skills Funding Agency (continued)

Approach

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

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

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

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

Work undertaken

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Board minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

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.

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountant
Chartered Accountants

Date: 3 December 2021

Attwood Academies
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	26,891	26,891	1,068,940
Other trading activities	5	86,038	-	-	86,038	206,866
Investments	6	1,921	-	-	1,921	13,575
Charitable activities	4	-	8,629,374	-	8,629,374	8,163,498
Total income		87,959	8,629,374	26,891	8,744,224	9,452,879
Expenditure on:						
Charitable activities	8	27,035	8,736,411	418,248	9,181,694	19,493,504
Transfer of existing academy out of trust		-	-	-	-	6,631,092
Total expenditure		27,035	8,736,411	418,248	9,181,694	26,124,596
Net (expenditure) / income		60,924	(107,037)	(391,357)	(437,470)	(16,671,717)
Transfers between funds	16	-	(669,038)	669,038	-	-
Net movement in funds before other recognised gains/(losses)		60,924	(776,075)	277,681	(437,470)	(16,671,717)
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(153,000)	-	(153,000)	(429,000)
Net movement in funds		60,924	(929,075)	277,681	(590,470)	(17,100,717)

Attwood Academies
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
for the year ended 31 August 2021

	Unrestricted funds 2021	Restricted funds 2021	Restricted fixed asset funds 2021	Total funds 2021	Total funds 2020
Note	£	£	£	£	£
Reconciliation of funds:					
Total funds brought forward	674,897	(1,568,304)	13,600,221	12,706,814	29,807,531
Net movement in funds	60,924	(929,075)	277,681	(590,470)	(17,100,717)
Total funds carried forward	735,821	(2,497,379)	13,877,902	12,116,344	12,706,814

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

The notes on pages 27 to 53 form part of these financial statements.

Attwood Academies
(A company limited by guarantee)
Registered number: 09148479

Balance sheet
as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	13,877,902	13,600,221
Current assets			
Debtors	14	272,097	354,688
Cash at bank and in hand		1,409,438	1,654,224
		<u>1,681,535</u>	<u>2,008,912</u>
Creditors: amounts falling due within one year	15	(736,093)	(713,319)
Net current assets		<u>945,442</u>	<u>1,295,593</u>
Total assets less current liabilities		<u>14,823,344</u>	<u>14,895,814</u>
Defined benefit pension scheme liability	23	(2,707,000)	(2,189,000)
Total net assets		<u><u>12,116,344</u></u>	<u><u>12,706,814</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	13,877,902	13,600,221
Restricted income funds	16	209,621	620,696
		<u>14,087,523</u>	<u>14,220,917</u>
Restricted funds excluding pension asset	16	14,087,523	14,220,917
Pension reserve	16	(2,707,000)	(2,189,000)
Total restricted funds	16	<u>11,380,523</u>	<u>12,031,917</u>
Unrestricted income funds	16	<u>735,821</u>	<u>674,897</u>
Total funds		<u><u>12,116,344</u></u>	<u><u>12,706,814</u></u>

The financial statements on pages 23 to 53 were approved by the Directors, and authorised for issue on 03 December 2021 and are signed on their behalf, by:



T R Attwood
Chair of Board of Directors

The notes on pages 27 to 53 form part of these financial statements.

Attwood Academies
(A company limited by guarantee)

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	18	422,331	1,104,979
Cash flows from investing activities	19	(667,117)	(273,962)
Change in cash and cash equivalents in the year		(244,786)	831,017
Cash and cash equivalents at the beginning of the year		1,654,224	823,207
Cash and cash equivalents at the end of the year	20, 21	1,409,438	1,654,224

The notes on pages 27 to 53 form part of these financial statements

Attwood Academies

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 August 2021

1. Accounting policies

Attwood Academies is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Manor House, Slip Mill Road, Hawkhurst, Cranbrook, Kent, TN18 5AE. The principal activity of the Academy Trust is to provide a secondary education for pupils that satisfies the requirements of the Education Act 2002.

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

Attwood Academies meets the definition of a public benefit entity under FRS 102.

The academy trust's functional and presentational currency is Pounds Sterling.

The academy trust's financial statements are presented to the nearest pound.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. While the impact of the COVID-19 pandemic has been assessed by the Directors as far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Academy Trust's activities.

However, taking into consideration the UK Government's response and its continued support of schools, as well as the Academy Trust's own reserves and planning, the Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Directors confirm that there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Over 50 years straight line
Fixtures and fittings	- Over 4 - 10 years straight line
Motor vehicles	- Over 2 - 4 years straight line
Computer equipment	- Over 3 - 6 years 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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Provisions

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

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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.

Attwood Academies

(A company limited by guarantee)

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.

Multi-employer defined benefit pension scheme

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 23, 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.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £13,877,902 at the reporting date (see note 13). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the governors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

2. Critical accounting estimates and areas of judgment (continued)

Multi-employer defined benefit pension scheme

Certain employees participate in the Teachers Pension Scheme, a multi-employer defined benefit pension scheme, with other Academy Trusts in the region. In the judgement of the directors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 23 for further details.

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Capital Grants	26,891	26,891	1,068,940
	<u>26,891</u>	<u>26,891</u>	
Total 2020	1,068,940	1,068,940	
	<u>1,068,940</u>	<u>1,068,940</u>	

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	7,283,419	7,283,419	7,031,219
Other DfE/ESFA grants			
Other DfE/ESFA grants	631,814	631,814	527,968
Pupil premium	467,769	467,769	428,205
Other Government grants			
Other government grants	246,372	246,372	176,106
	<u>8,629,374</u>	<u>8,629,374</u>	<u>8,163,498</u>
Total 2020	8,163,498	8,163,498	
	<u>8,163,498</u>	<u>8,163,498</u>	

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

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Trip income	-	-	62,892
School lettings	-	-	17,285
Charity income	6,459	6,459	4,030
Consultancy income	-	-	6,846
Income contributions	755	755	1,915
Other income	78,824	78,824	113,898
	<u>86,038</u>	<u>86,038</u>	<u>206,866</u>
Total 2020	<u>206,866</u>	<u>206,866</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest received	1,921	1,921	13,575
	<u>1,921</u>	<u>1,921</u>	<u>13,575</u>
Total 2020	<u>13,575</u>	<u>13,575</u>	

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Activities:					
Direct costs	5,680,366	-	481,252	6,161,618	5,611,677
Support costs	1,463,184	705,883	851,009	3,020,076	13,881,827
Transfer of existing academy out of trust	-	-	-	-	6,631,092
	<u>7,143,550</u>	<u>705,883</u>	<u>1,332,261</u>	<u>9,181,694</u>	<u>26,124,596</u>
Total 2020	<u>6,498,206</u>	<u>678,131</u>	<u>18,948,259</u>	<u>26,124,596</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	<u>6,161,618</u>	<u>3,020,076</u>	<u>9,181,694</u>	<u>19,493,504</u>
Total 2020	<u>5,611,677</u>	<u>13,881,827</u>	<u>19,493,504</u>	

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	5,620,660	5,620,660	5,036,626
Agency staff	59,706	59,706	139,278
Books, stationary & material	258,417	258,417	280,895
Exam fees	55,695	55,695	81,917
Staff development & other staff costs	167,140	167,140	72,961
	<u>6,161,618</u>	<u>6,161,618</u>	<u>5,611,677</u>
	<u><u>6,161,618</u></u>	<u><u>6,161,618</u></u>	
Total 2020	<u><u>5,611,677</u></u>	<u><u>5,611,677</u></u>	

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	35,000	35,000	28,000
Staff costs	1,463,184	1,463,184	1,322,302
Depreciation	418,248	418,248	403,766
Maintenance of premises & equipment	170,293	170,293	172,431
Cleaning	231,672	231,672	183,189
Rates	67,599	67,599	68,857
Insurance	29,102	29,102	31,912
Computer costs	63,623	63,623	85,705
Catering costs	146,147	146,147	167,405
Water & sewerage	28,279	28,279	16,256
Energy costs	208,040	208,040	209,953
Health & safety costs	10,728	10,728	8,625
Staff recruitment costs	14,794	14,794	45,479
Motor expenses	3,767	3,767	6,042
Furniture & equipment	7,527	7,527	12,731
Telephone & broadband	4,150	4,150	19,587
Intervention & enrichment costs	4,295	4,295	4,949
Sundry admin costs	92,348	92,348	100,906
Legal and professional	21,280	21,280	39,839
Loss on disposal of fixed assets	-	-	10,953,893
	<u>3,020,076</u>	<u>3,020,076</u>	<u>13,881,827</u>
Total 2020	<u>13,881,827</u>	<u>13,881,827</u>	

The loss on disposal of fixed assets of £10,953,893 in the prior year related to the disposal of the Skills Centre by the Academy Trust. A new building was constructed on the Bexhill High School Academy site.

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Depreciation of tangible fixed assets	418,248	403,776
Fees paid to auditors for:		
- audit	11,900	11,560
- other audit services	4,950	4,815
	=====	=====

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	5,239,574	4,692,850
Social security costs	499,282	450,662
Pension costs	1,344,988	1,165,417
	=====	=====
	7,083,844	6,308,929
Agency staff costs	59,706	139,278
Severance payments	-	49,999
	=====	=====
	7,143,550	6,498,206

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

Included in direct costs for the year ended 31 August 2021 there are no non-statutory / non-contractual severance payments (2020: £49,999). Individually, the payments were £Nil (2020: £49,999).

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

10. Staff (continued)

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	74	64
Administration and support	79	80
Management	8	8
	161	152

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1

Five (2020: three) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these employees amounted to £97,055 (2020: £40,270). One (2020: one) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £14,197 (2020: £17,716).

e. Key management personnel

The key management personnel of the Academy Trust comprise the senior management team as listed on page 2. The total salaries received by key management personnel for their services to the Academy Trust was £853,424 (2020 £768,091). Employer pension contributions were a total of £199,346 (2020: £119,208) and employer national insurance contributions were a total of £100,945 (2020: £86,639).

11. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2020 - £NIL).

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

Attwood Academies**(A company limited by guarantee)****Notes to the financial statements
for the year ended 31 August 2021****12. Directors' and Officers' insurance**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme membership.

Attwood Academies
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2021**

13. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2020	14,674,989	-	267,057	481,199	15,500	15,438,745
Additions	106,068	569,150	18,078	2,633	-	695,929
At 31 August 2021	<u>14,781,057</u>	<u>569,150</u>	<u>285,135</u>	<u>483,832</u>	<u>15,500</u>	<u>16,134,674</u>
Depreciation						
At 1 September 2020	1,405,892	-	85,336	331,796	15,500	1,838,524
Charge for the year	314,575	-	30,321	73,352	-	418,248
At 31 August 2021	<u>1,720,467</u>	<u>-</u>	<u>115,657</u>	<u>405,148</u>	<u>15,500</u>	<u>2,256,772</u>
Net book value						
At 31 August 2021	<u><u>13,060,590</u></u>	<u><u>569,150</u></u>	<u><u>169,478</u></u>	<u><u>78,684</u></u>	<u><u>-</u></u>	<u><u>13,877,902</u></u>
At 31 August 2020	<u><u>13,269,097</u></u>	<u><u>-</u></u>	<u><u>181,721</u></u>	<u><u>149,403</u></u>	<u><u>-</u></u>	<u><u>13,600,221</u></u>

Included in land and buildings is leasehold land at valuation of £1,070,937 (2020: £1,070,937) which is not depreciated.

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

14. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	15,422	16,153
Other debtors	126,842	66,731
Prepayments and accrued income	129,833	271,804
	272,097	354,688

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	284,941	152,940
Other taxation and social security	140,885	112,584
Other creditors	242,313	167,599
Accruals and deferred income	67,954	280,196
	736,093	713,319

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted Revenue Fund	674,897	87,959	(27,035)	-	-	735,821
Restricted general funds						
General Annual Grant (GAG)	620,696	7,283,419	(7,025,456)	(669,038)	-	209,621
Other DfE/ESFA grants	-	594,914	(594,914)	-	-	-
Other government grants	-	246,372	(246,372)	-	-	-
Pupil premium	-	504,669	(504,669)	-	-	-
Pension reserve	(2,189,000)	-	(365,000)	-	(153,000)	(2,707,000)
	<u>(1,568,304)</u>	<u>8,629,374</u>	<u>(8,736,411)</u>	<u>(669,038)</u>	<u>(153,000)</u>	<u>(2,497,379)</u>
Restricted fixed asset funds						
Fixed Asset Fund	6,502,228	-	(167,428)	-	-	6,334,800
DfE/ESFA capital grants	7,097,993	26,891	(250,820)	669,038	-	7,543,102
	<u>13,600,221</u>	<u>26,891</u>	<u>(418,248)</u>	<u>669,038</u>	<u>-</u>	<u>13,877,902</u>
Total Restricted funds	<u>12,031,917</u>	<u>8,656,265</u>	<u>(9,154,659)</u>	<u>-</u>	<u>(153,000)</u>	<u>11,380,523</u>
Total funds	<u>12,706,814</u>	<u>8,744,224</u>	<u>(9,181,694)</u>	<u>-</u>	<u>(153,000)</u>	<u>12,116,344</u>

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

GAG represents funds to be used to cover the normal running costs of the academy.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

The restricted fixed asset fund represents tangible fixed assets which were donated from other Academy

Attwood Academies

(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2021**

16. Statement of funds (continued)

Trusts on conversion to an academy including depreciation to the balance sheet date.

DfE/ESFA capital grants fund is to provide the academy with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents the value of fixed assets purchased including depreciation to the balance sheet date and unspent capital grant money to be spent in 2021/22.

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

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

16. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted Revenue Fund	731,482	220,441	(277,026)	-	-	674,897
Restricted general funds						
General Annual Grant (GAG)	126,238	7,031,219	(6,189,460)	(347,301)	-	620,696
Other DfE/ESFA grants	148,316	956,173	(1,104,489)	-	-	-
Other government grants	-	176,106	(176,106)	-	-	-
Pension reserve	(2,234,000)	-	221,000	253,000	(429,000)	(2,189,000)
	<u>(1,959,446)</u>	<u>8,163,498</u>	<u>(7,249,055)</u>	<u>(94,301)</u>	<u>(429,000)</u>	<u>(1,568,304)</u>
Restricted fixed asset funds						
Fixed Asset Fund	24,836,596	-	(18,334,368)	-	-	6,502,228
DfE/ESFA capital grants	6,198,899	1,068,940	(264,147)	94,301	-	7,097,993
	<u>31,035,495</u>	<u>1,068,940</u>	<u>(18,598,515)</u>	<u>94,301</u>	<u>-</u>	<u>13,600,221</u>
Total Restricted funds	<u>29,076,049</u>	<u>9,232,438</u>	<u>(25,847,570)</u>	<u>-</u>	<u>(429,000)</u>	<u>12,031,917</u>
Total funds	<u><u>29,807,531</u></u>	<u><u>9,452,879</u></u>	<u><u>(26,124,596)</u></u>	<u><u>-</u></u>	<u><u>(429,000)</u></u>	<u><u>12,706,814</u></u>

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

17. 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	-	-	13,877,902	13,877,902
Current assets	764,653	916,882	-	1,681,535
Creditors due within one year	(28,832)	(707,261)	-	(736,093)
Provisions for liabilities and charges	-	(2,707,000)	-	(2,707,000)
Total	735,821	(2,497,379)	13,877,902	12,116,344

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	-	-	13,600,221	13,600,221
Current assets	713,328	1,295,584	-	2,008,912
Creditors due within one year	(38,431)	(674,888)	-	(713,319)
Provisions for liabilities and charges	-	(2,189,000)	-	(2,189,000)
Total	674,897	(1,568,304)	13,600,221	12,706,814

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(437,470)	(16,671,717)
Adjustments for:		
Depreciation	418,248	403,766
Capital grants from DfE and other capital income	(26,891)	(1,068,940)
Interest receivable	(1,921)	(13,575)
Defined benefit pension scheme cost less contributions payable	330,000	301,000
Defined benefit pension scheme finance cost	35,000	28,000
(Increase)/decrease in debtors	82,591	561,185
Increase/(decrease) in creditors	22,774	(19,725)
Existing academy transferred out of Trust	-	6,631,092
Loss on disposal of fixed assets	-	10,953,893
Net cash provided by operating activities	422,331	1,104,979

19. Cash flows from investing activities

	2021 £	2020 £
Interest received	1,921	13,575
Purchase of tangible fixed assets	(695,929)	(1,163,242)
Capital grants from DfE Group	26,891	1,068,940
Cash on transfer of existing Academy out of Trust	-	(193,235)
Net cash used in investing activities	(667,117)	(273,962)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,409,438	1,654,224
Total cash and cash equivalents	1,409,438	1,654,224

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,654,224	(244,786)	1,409,438
	<u>1,654,224</u>	<u>(244,786)</u>	<u>1,409,438</u>

22. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements	<u>380,938</u>	<u>86,760</u>

23. Pension commitments

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

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

Contributions amounting to £126,904 were payable to the schemes at 31 August 2021 (2020 - £112,250) 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.

Attwood Academies

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 August 2021

23. 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 £700,344 (2020 - £605,165).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £362,000 (2020 - £331,000), of which employer's contributions totalled £278,000 (2020 - £253,000) and employees' contributions totalled £ 84,000 (2020 - £78,000). The agreed contribution rates for future years are 22.4 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

23. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	2.90	2.30
Rate of increase for pensions in payment / inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
Retiring today		
Females	23.7	23.9
Males	21.2	21.6
Retiring in 20 years		
Females	25.1	25.3
Males	22.0	22.5

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1% (2020: -0.5%)	215	923
Salary rate +0.1% (2020: +0.5%)	25	111
Pension rate +0.1% (2020: +0.5%)	187	794

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	5,309,000	4,442,000
Bonds	1,157,000	1,021,000
Property	514,000	480,000
Cash and other liquid assets	128,000	60,000
Total market value of assets	7,108,000	6,003,000

The actual return on scheme assets was £876,000 (2020 - £252,000).

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

	2021 £	2020 £
Current service cost	(603,000)	(521,000)
Past service cost	-	(33,000)
Interest income	104,000	102,000
Interest cost	(139,000)	(130,000)
Administrative expenses	(5,000)	-
Total amount recognised in the Statement of financial activities	(643,000)	(582,000)

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

	2021 £	2020 £
At 1 September	8,192,000	8,584,000
Transferred out on existing academies leaving the trust	-	(1,645,000)
Current service cost	603,000	521,000
Interest cost	139,000	130,000
Employee contributions	84,000	78,000
Actuarial (gain) / loss	925,000	579,000
Benefits paid	(128,000)	(88,000)
Past service costs	-	33,000
At 31 August	9,815,000	8,192,000

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

23. Pension commitments (continued)

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

	2021	2020
	£	£
At 1 September	6,003,000	6,350,000
Transferred out on existing academies leaving the trust	-	(842,000)
Interest income	104,000	102,000
Actuarial gains	772,000	150,000
Employer contributions	278,000	253,000
Employee contributions	84,000	78,000
Benefits paid	(128,000)	(88,000)
Administration expenses	(5,000)	-
At 31 August	7,108,000	6,003,000

24. Operating lease commitments

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

	2021	2020
	£	£
Within 1 year	22,354	13,604
Between 1 and 5 years	52,026	44,214
	74,380	57,818

25. 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.

Attwood Academies
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

26. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the Attwood Academies Trust received reimbursements of £2,156 (2020: £10,577) from the Attwood Education Foundation, a member of the Academy Trust and a charitable organisation in which T Attwood, S Attwood and S Gough, directors of the Academy Trust, are directors. These reimbursements were in relation to various costs incurred in the year such as food hampers for vulnerable families. At 31 August 2021, there were no outstanding amounts (2020: £NIL).

27. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Directors. There is no ultimate controlling party.