

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

**ANNUAL REPORT & CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2021

Registered Number 08515149 (England and Wales)

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members	J Berry OBE JP J Bryars R Green M Johal M Kapur OBE
Trustees	N Benton (Resigned 31 December 2020) J Berry* OBE JP A Fulat (Appointed 28 September 2021) A Kagdadia (Appointed 28 September 2021) L Bruce I Hassall OBE nee Sandhu OBE R Padgett* S Richards* (Chair) P Thompson * denotes members of the Finance and Personnel Committee
Company Secretary	A Breeze (Resigned 27 September 2021) K Chaplin (Appointed 28 September 2021)
Executive Management Team:	
Executive Head Teacher	I Hassall OBE nee Sandhu OBE
Education Improvement Lead	K Priddey
Chief Financial Officer	T Jones (Appointed 1 September 2020)
Trust Business Manager	A Breeze (Appointed 14 September 2020; resigned 31 August 2021)
Chief Operations Officer	M Barrington (Appointed 1 September 2021)
Senior Management Team:	
<i>Launde Primary School</i>	
Executive Head Teacher	I Hassall OBE nee Sandhu OBE
Head of School	K Priddey
KS1 Foundation Leader	S Maher (Resigned 22 August 2021)
KS2 Leader	C Johnston
<i>Glenfield Primary School</i>	
Head Teacher	K Martin
Deputy Head Teacher	S Kaur
Assistant Deputy Head Teacher	N Quinn
Principal and Registered Office	New Street Oadby Leicester Leicestershire LE2 4LJ
Academies operated	Location Oadby Glenfield
Launde Primary School	Head Teacher I Hassall OBE nee Sandhu OBE
Glenfield Primary School	K Martin
Company Registration Number	08515149 (England and Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Independent Auditor	RSM UK Audit LLP Chartered Accountants Rivermead House 7 Lewis Court Grove Park Leicester Leicestershire LE19 1SD
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Bankers	Lloyds Bank plc 56 Chestnut Avenue Oadby Leicestershire LE2 5JG
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Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2021. The annual report serves the purposes of both a Trustees' Report, and a Director's Report under company law.

The Trust operates two primary academies in Leicestershire. Its academies have a combined pupil capacity of 1,080 and had a roll of 1,042 in the school census dated January 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Scholars Academy Trust are also directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Scholars Academy Trust.

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

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while 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.

Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 in total per year on any one claim.

Method of recruitment and appointment of Trustees and Governors

The Members were appointed on the constitution of the Trust and the articles of association require the members of the Charitable Company to appoint at least four Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

Trustees are recruited through a rigorous process of interviews to ensure that they have the relevant skill set required to oversee the Trust and hold leaders to account.

Staff and Parent governors are appointed through nomination and election, in addition the Trust Board appoints community governors to ensure the governing bodies have the necessary skills. Term of office for Trustees and governors is four years, with the exception of the accounting officer, who is appointed for the duration of their time in post.

Policies and procedures adopted for the induction and training of Trustees and Governors

The training and induction provided for new Trustees and Governors is tailored specifically to their previous experience and role. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors will be given a tour of the Academy Trust i.e., both schools. All Trustees and Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. This year Trustees and Governors have continued to undertake training relevant to their needs, this has included induction for new governors, enhancing the role of the Chair of governors and vice-governors, Ofsted, academy finance training, safeguarding, SEN, pupil premium and sports' premium awareness sessions.

Trustees have enhanced the role of clerks for individual governing bodies and expanded the role of the Trust clerk to be included in the new Head of Governance role from September 2021.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The Trust structure consists of the following levels: Members, Trustees, Governors, Executive Management Team, and The Head Teacher/Senior Managers. The individuals in post for the year ended 31 August 2021 are listed on page 1. The Executive Headteacher has been appointed as Trustee and Accounting Officer for the duration of time in post.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. This is set out in the scheme of delegation, published on the Trust website.

The Trustees are responsible for setting general policy, approving the annual budget, monitoring the Trust's financial performance, making major decisions about the strategic direction of the Trust, capital expenditure and senior staff appointments.

The Governors of each school manage the strategic direction of the school by adopting an annual school development plan and have a key focus on standards. Governors agree and monitor the school improvement plan and hold the senior staff to account.

Trustees have delegated the powers and functions they consider are required by the Executive Headteacher, supported by the Executive Management Team, for the internal organisation, management and control of the Trust, including implementation of all approved policies and the direction of teaching and the curriculum.

Senior leaders have the delegated powers to manage the strategic direction of the schools on a day to day basis in line with the scheme of delegation. The Executive Headteacher manages the senior leaders in the schools to ensure that the standards in each school are maintained.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff, including key management, is set out in Trust's Pay Policy which is revised annually and ratified by Trustees. The pay policy sets out the framework for making decisions on teacher and support staff pay. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD), and Leicestershire County Council guidance for support staff pay which has been consulted on with staff and/or the recognised trade unions.

The pay policy underpins the Trust's Performance Management Policy which provides the opportunity for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the pay committee, made up of Trustees, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards.

The performance progression of the Head Teacher will be considered by the Pay Committee on the recommendation of the Executive Headteacher, in the case of Executive Headteacher it will be the Trustees who will carry out the review following advice from the External Adviser.

No remuneration payments are made to Trustees.

Trade union facility time

In the previous year there have been two members of staff who have had the responsibility for Union activity. They have the time allocated to undertake union activity should they wish to do so but in 2020/21 there were 2 days of union training time requested. All policies were consulted upon, but no responses were given by the staff.

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	

Percentage of time spent on facility time

Percentage of time - %	Number of employees
0	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Related Parties and other Connected Charities and Organisations

Scholars Academy Trust is a 'Multi Academy Trust - MAT' which includes two schools, Launde Primary School and Glenfield Primary School. The primary aim of the MAT is to ensure all pupils achieve their academic potential.

The Academy Trust also has a trading subsidiary Oadby Learning Partnership Limited, which started trading on 7 June 2015, however the designation of the Teaching School status began in 2011 providing the provision of teaching resources and training to other local schools in the area. The profits of the subsidiary company are donated to the Academy Trust.

OBJECTIVES AND ACTIVITIES

Object and aims

The objects of the Trust, as set out in the Articles of Association, are specifically restricted to:

- a) To advance for the public benefit in the United Kingdom by establishing, maintaining, carrying on managing and developing schools offering a broad and balanced curriculum;
- b) To promote for the benefit of inhabitants in the areas in which the Academies are situated for the provision of facilities for the recreation or other leisure time occupation of individual who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

Our mission is to draw on the individual strengths of each Academy in the Trust to build good practice and ensure that outstanding teaching and learning is at the heart of everything we do. Children will achieve excellent academic outcomes in a safe and nurturing environment and be empowered to make decisions about their lives and their contribution to society. We will nurture our staff professionally and foster positive relationships with our parents and the wider community.

The main objectives of the Academy Trust are:

- To ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

The key objectives for year ending 31 August 2021 were:

- Raise attainment and improve progression for all pupils;
- Supporting excellent standards of teaching and learning;
- Ensure strong leadership and governance which in turn enables schools to have earned autonomy based on pupil outcomes.

Public benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

The main public benefit delivered by the Trust is the provision of quality first teaching to all pupils in its care.

STRATEGIC REPORT

Achievements and performance

Data 2020/21

There is no external data for the academic year 2020/21 due to school closures because of the Covid pandemic. However, staff worked hard in both schools to ensure that teaching and learning was not affected during periods of self-isolation and lockdown.

Annual Key Performance Indicators for Scholars Academy Trust were updated in 2021.

Teaching and learning

- Pupils to achieve to their full potential, making positive progress from their starting point.
- 100% of teaching and learning to be good or better.
- Pupils to have access to a broad range of experiences across the curriculum.

Wellbeing and personal development

- Pupil attendance to be above national average.
- Effective strategies in place for behaviour management.
- To secure a safe, stimulating environment.
- Provide appropriate professional advice to support the mental health and wellbeing of pupils.
- All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips etc.
- Children to understand and be prepared for life in multicultural Britain.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Leadership and management

- All schools are fully staffed with highly skilled personnel at all levels.
- To ensure appropriate CPD to grow and nurture our staff for succession planning.
- Leadership pathways to provide opportunities to improve and develop leadership capacity.
- Staff attendance maintained at 95% plus.
- All schools to be good or better in two years as categorised by Ofsted.
- Provide school to school support beyond the Trust.

Governance

- Governance structure in place which is compliant and in line with DFE guidance for MATs.
- 100% of skills coverage within Trustees Board.
- Risk management registers in place which informs future planning.
- A full complement of governors at each school working effectively.
- Governors and Trustees hold leaders to account and provide appropriate challenge.

Finance

- Robust financial parameters maintained in all schools ensuring value for money.
- Trust finances are strong and return a surplus.
- Staffing costs across the Trust are below 80% of total Trust income.
- Audit reports indicate financial systems are compliant and fit for purpose.

Premises management

- Sites are compliant with all health and safety legislation and provide a safe environment.

Key Performance Indicators Outcomes 2020/21

Teaching and learning

During the year every effort was made to ensure the children had access to high quality teaching, despite the disruption caused by the pandemic. Teachers worked hard to ensure the curriculum was delivered, children were set appropriate work and feedback was given regardless of whether the children were at home or at school. Internal assessments do highlight that the children did not make all the expected progress when the children were home learning but when in school the progress was accelerated. This was due to the programmes that the teachers set up as part of catch up. Neither school feel that the children's learning will be affected in the long term. The latter was evident during lesson observations and the on-line monitoring.

Wellbeing and personal development

This was given even more of a priority than it has had in previous years as a result of Covid. Senior staff and teachers in both schools worked together to make sure that children knew how to stay safe both within school and beyond. School risk assessments were put in place to cover personal safety over Covid which the parents were also involved in. This was successful as parents adhered to the rules and supported the school and all decisions made.

Bubbles for individual year groups were implemented which were positively received by both staff, children and parents. Though this appeared logistically hard at the beginning it has proven to have significant benefits for the well-being of children. Children reported that the bubbles were very successful during play and lunchtimes as the children were able to engage with their peers and not worry about other year groups. The social element at lunchtimes was particularly noted as the children couldn't now sit with their peers / friends and not simply find empty spaces to sit. This is something that is remaining in schools for the foreseeable future.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Monitoring well-being and personal development was at times difficult. However senior leaders within the Trust put in arrangements to ensure that all parents were contacted when the children were not at school i.e., Periods of self-isolation or during lockdown. The parents' officer at each school had a significant role in contacting parents and providing support often for parents as well as children during this difficult time. Feedback indicated parents are very appreciative of this and supported children on their return into the classrooms. Alongside the parent officer the special needs coordinator also contacted parents to ensure that the children have access to the right resources. Resources were further supplemented for children on pupil premium so that they had access to learning and felt included in all the online learning.

Mental wellbeing was a key focus throughout the year, staff had additional training on this area so that they could identify signs of stress and provide the appropriate support. Activities in school were adapted for this and the curriculum rearranged to ensure that children had the opportunities to talk about feelings regarding their mental and emotional needs. Nurture groups were further developed to support this area of need. Safeguarding checks on vulnerable children were carried out throughout the last year regardless of whether the children were at school or not. This enabled school staff to support the children emotionally as well as academically which again supported the children on their return to school.

Attendance when in school was above the national average throughout the year. During the lockdown it was evident that the children within the Trust schools were engaging with the learning most of the time. This was evidenced through live lessons and through the return of work. Parents were given access to teacher emails to ensure that they could gain additional support from teachers as and when required during working hours.

Enrichment activities on the school curriculum were difficult to implement with the constant changes in the national rules. However, staff still managed to develop online visits / presentations from external presenters so that the children still have access to the wider world. As soon as the national rules enable schools to implement extracurricular activities, schools took this on board and developed the sporting events within the bubble groups.

Leadership and management

At the executive level the appointment of a Chief Financial Officer and a Trust Business Manager have been appointed for 2020/21. This supported additional activity at the senior leadership level. Consequently, the Trust Business Manager was appointed elsewhere which enabled the Trust to review the roles and responsibilities and a Chief Operations Officer was appointed for the start of 2021/22. This has enabled considerable capacity at an operational level which will support the future growth of the Trust and support for individual schools. Additional reviews led to a re-evaluation of the clerk role and subsequently a Head of Governance role was created. Subsequently the clerk role nationally was recommended to change to be a professional lead which Scholars had already created.

Management within schools is strong as evidenced by the work carried out during what was a very difficult year with considerable disruption within schools. Staffing has remained steady in both schools and we are pleased to report that individuals who left did so for promotional reasons. Succession planning has proven successful as individuals have also moved within schools for their own personal development.

Professional development has remained a high priority for all our staff and an online approach was adopted so that staff did not miss out on much needed support or training in line with the school improvement plans as well as government initiatives. This has enabled schools to be ready for the academic year 2021/22 with their ambitious plans for the future of the children's education.

School to school support continue to be developed during this year, largely through online communications. However, the Executive Head undertook external school reviews for the local authority in June. This was supported by Trust staff so that they could also gain professional development opportunities for the future. The local authority had developed cluster groups of which the Executive Head was a lead for one of the groups. This evidenced that as a Trust leader and senior manager Scholars had the skills and capacity to continue to support schools and children beyond the Trust and also reassured the Trust internally that the Trust schools were comparatively better off than others.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Governance

The Trustee Board reviewed its membership and felt that additional Trustees needed to be appointed, this would also fit into the national guidance. As a result of this, two additional Trustees have been appointed to the Board for the start of 2020/21, they have a background in finance and law which will add further capacity to the Trust Board. The Trustees will continue to look for additional talent and ways to add additional strength alongside considering succession planning.

Governors at each school have been developed further and are actively engaged in not only understanding the day-to-day work within the schools but also to provide challenge and hold leaders to account. Skills audits have been undertaken and training implemented to fill any gaps.

Governing bodies have developed their own risk registers which contribute to the Scholars overarching risk register and the management of those risks. There is a unified approach from the schools which assists the Trust in both supporting and challenging governing bodies. Support from the Chair of the Trust is provided for the chairs of the governing bodies to ensure consistency across schools as well as developing peer-to-peer work.

Finance

The appointment of the Chief Financial Officer to oversee finance across the schools has improved the support for individual schools. This has resulted in some reorganisation at a senior level including governance which has enabled schools to have greater responsibility for their individual budget planning in line with their school improvement needs. Financial responsibility for governance has been further enhanced with one governor taking key responsibility for working with the Chief Financial Officer and the Headteacher. The named governor now has the responsibility to keep the full governing body informed of financial matters alongside the Headteacher of each school. This has enabled the Trust to reduce some of the workload for governors and Headteachers by reducing the number of meetings they are required to attend with reference to finance.

Trust finances continue to be strong across the Trust with a healthy surplus which can be utilised for future planning and development alongside covering any emergency spending that may arise. Internal audits have been very positive with minor points for improvement, which were implemented immediately.

Premises management

The Covid risk assessments naturally included the risks within the premises and adaptations needed to be made for the cleaning and management of the premises. Additional cleaning regimes were put in place with the appointment of full-time cleaners in schools. Additional resources were bought including fogging machines and cleaning materials for each classroom. This not only provided reassurance for all staff but also access to cleaning and hygiene materials as required. Most absence were related to Covid self-isolation rather than the normal school bugs therefore cleaning regimes from home and school had a positive effect.

Internal health and safety audits highlighted that the school was safe and working within the appropriate parameters to provide a safe environment. Monthly reports that highlighted any concerns were immediately dealt with, though none directly affected children at any given point. Spending plans for further improvements within the schools have been established which focus on decorating and refurbishment programmes.

Positive aspects of development that occurred because of Covid will remain as permanent features within the schools. For example, the appointment of a full-time cleaner is now seen as a necessity in the day-to-day running in school and not just to cover the Covid pandemic period.

Other information

Oadby Learning Partnership (OLP) have continued to support the educational development of children within other schools. It has undertaken training new entrants to teaching within the Launde partnership with Leicester and Leicestershire initial teacher training programme. As an appropriate body OLP has provided quality assurance for over 60 newly qualified teachers as well as providing continuing support for them as NQTs, to equip them with the necessary knowledge and skills to become good teachers within their own schools.

SCHOLARS ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Other information (continued)

Continuing professional development has always been the focus of the teaching school and last year was no different. However, the structure had to be adapted to fit in with the needs of individual schools because of the pandemic. Subject network meetings were facilitated through teams and subject leads were trained and supported to carry out monitoring activities within their own schools. This work focused both on the in-school activities and the development of blended learning. Evidence-based approaches were considered throughout the meetings and training sessions so that schools could still focus on what was the best approach to teach children and be able to quantify and qualify the approaches.

From 1 September 2021 teaching schools no longer exist however the learning partnership will continue to carry out the work that has undertaken over the last 10 years, giving consideration to the most appropriate structure and future strategic direction.

Key performance indicators overall look at the value for money that the Academy Trust provides, this is scrutinised by the Trust Board.

The Trustees meet within committees, both Finance and Education, to ensure that the above KPIs are scrutinised and checked against national benchmarking to ensure that the performance of the school is on track to achieve outstanding within an Ofsted context. Benchmarking occurs as available so that the company can see value for money against similar schools and academies both academically and financially. The Education Committee will do this at least three times per year and the Finance Committee will consider this at least 6 times a year and this in turn is evaluated within full Trustees' meetings at least 3 times per annum.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the uncertainty presented by Covid alongside considering future plans including the approved new primary free school, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of approval for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

Financial review

The response to Covid has altered the normal pattern of income and expenditure for the Trust, making it difficult to make direct comparisons with prior years. Before pension movements were taken into account, the Trust has delivered a balanced in-year budget, despite the additional pressures from the response to the pandemic. The Trust recognised income of £35,884 from Government to support catch-up activity and refund some exceptional costs relating to the response to the pandemic. The Trust supported pupils' catch-up and recovery of learning lost during lock-downs and isolation by investing in additional staff to deliver targeted support. Total expenditure on catch-up activity was £35,884 in year, and there are plans in place to continue to provide recovery activity for pupils in future years. Whilst some non-staff additional costs were refunded, the response to Covid has led to unfunded additional hygiene measures which increased the expenditure on cleaners, cleaning equipment and materials across the Trust. It is anticipated that this additional activity and expenditure will continue in future years and the cost is likely to be in excess of income provided by the Government for this purpose. This additional spend, and the building maintenance and IT capital 5-year plans have been anticipated in the 3-year budget plan and Reserve Policy, and Trustees are satisfied that there are sufficient reserves in the short to medium term to cover any funding shortfall.

SCHOLARS ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Financial review (continued)

The pandemic was the Academy Trust's principal uncertainty for year ended 31 August 2021 and is anticipated to continue into 2021/22. This is mitigated through scenario planning and reallocating resources where possible to ensure the impact on children and staff is minimised. Outside of Covid, the LGPS deficit and changes to teachers' pension contributions remain as key uncertainties. These cannot be controlled by the Trust, but assumptions are made in budget setting accordance with generally accepted sources.

The financial impact of the response to Covid remains the principal risk to Academy funds, and whilst the Trustees have built in additional support for increased hygiene measures and increased use of supply staff, unexpected events may mean the provision is inadequate. Both schools have adapted their teaching and learning to support good quality on-line provision, and both have a good level of reserves, so should be able to cope with all but catastrophic swings in the level of infection or national response. Covid expenditure was tracked throughout the year, and this will continue, as necessary, in future years.

The Trust's plans for growth were slowed down due to the response to the pandemic, however the Trust invested a significant amount of time into background and preparation work during the year, placing the Trust in a strong position to achieve growth.

The vast majority of the MAT's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. In the current year, the Trust received laptops from the DfE, a local company and several parents to support disadvantaged children to access remote learning. The Trust has decided that ownership of the devices remains with the Trust and therefore the items have been subject to the capitalisation policy, and the value of the devices has been added as donated fixed assets in the Statement of Financial Activities.

The Academy Trust held fund balances at 31 August 2021 of £2,933,048 (2020: £3,761,009) comprising £443,775 (2020: £409,394) of restricted funds (excluding pension reserve), £4,507,155 (2020: £4,570,532) of restricted fixed asset funds, £1,294,118 (2020: £1,262,083) of unrestricted general funds and a pension reserve deficit of £3,312,000 (2020: £2,481,000).

Total incoming resources increased to £5,127,366 (2020: £5,070,077) with the Trust benefiting from an uplift in GAG funding as a result of increased funding per student. Total resources expended amounted to £5,439,327 (2020: £5,234,847) leading to a net expenditure for the year of £311,961 (2020: net expenditure of £164,770).

The Trust's cash flow position is good with a closing balance of £2,137,180 (2020: £2,114,818). As in the prior year, the Trust has managed to provide a cash neutral result which underlines management's focus on running a balanced cash position whilst at the same time investing within school infrastructure and resources.

As at 31 August 2021, the net assets and total funds of the Trust were £2,933,048 (2020: £3,761,009), including fixed assets of £4,507,155 (2020: £4,570,532) and a pension scheme liability of £3,312,000 (2020: £2,481,000). The assets were used exclusively for providing education and the associated support services to the students of the Academies within the Trust. Whilst the pension scheme liability has increased during the year, the Trustees do not consider that this presents the Trust with any current liquidity problems. The Trustees consider that the overall balance sheet position represents a strong and stable platform from which the Trust can develop and grow.

As at 31 August 2021, the Trust had net current assets of £1,737,893 (2020: £1,671,477) including cash at bank of £2,137,180 (2020: £2,114,818). The Trustees therefore consider that the Trust has sufficient resources to cover its liabilities.

SCHOLARS ACADEMY TRUST
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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Key financial performance indicators

	2021	2020
	£	£
Total incoming resources	5,127,366	5,070,077
Net expenditure	(311,961)	(164,770)
Net current assets	1,737,893	1,671,477
Cash at bank	2,137,180	2,114,818
Net cash provided by operations	95,751	547,834

Reserves policy

Reserves are held to protect the Trust's activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The Trustees have determined that for each school the level of general reserves must equate to a minimum of 2% of the school's total funding, and a central reserve will be kept for to cover unexpected costs at Trust level or to support schools.

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Unrestricted reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's objects but which is not yet spent, committed or designated.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,294,118 (2020: £1,262,083). This is in excess of the minimum required by the reserve policy of £102,547 (2% of the total funding for schools). The Academy Trust has restricted fixed assets fund, with a balance of £4,507,155 (2020: £4,570,532) which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the charity and will only be realised by disposing of the tangible assets.

The Academy Trust currently has plans that any reserves as at 31 August 2021 will be carried forward for use against building work and to support growth plans. It is also anticipated that reserves may be used to supplement the government's catch-up programmes.

There are no funds that are in deficit, any unspent funds have been deferred to 2021/22 where appropriate.

The Academy Trustees are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). Whilst this can have an impact on the annual employer pension cost, it is not an immediate liability the Trust needs to cover, as employer contributions are set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case. The current rates have been set for 1 April 2020 – 31 March 2023. Should the employer contribution rate increase in the next valuation, and staffing levels remain static, then there would be a cash outflow effect.

Investment policy

At present, the Academy Trust does not hold significant funding to warrant additional investment, but this is always under review at both governor and Trustee level. Currently, the balance outlined above is held within our main school bank accounts and the balance is planned for improvements to the school buildings at Launde and outdoor provision at Glenfield. The reserves have also been used to invest in capacity building within Scholars.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

In accordance with the Trust's risk management policy, Trustees have a risk register to identify and prioritise the major risks facing the Scholars Academy Trust. Controls and mitigations, target dates and risk owners have been identified and are responsible for reporting to Trustees through regular updates to the risk register. The risk register is formally reviewed annually by all Trustees and more frequently by the audit and risk committee. Any significant adverse changes to risk levels are escalated to the chair of Trustees as appropriate.

The principal risks in the year ended 31 August 2021 were:

Pandemic – finance

The financial impact of the response to Covid remains the principal risk to Academy funds, and whilst the Trustees have built in additional support for increased hygiene measures and increased use of supply staff, unexpected events may mean the provision is inadequate. Covid expenditure was tracked throughout the year, and this will continue, as necessary, in future years. Both schools have a good level of reserves, so should be able to cope with all but catastrophic swings in the level of infection or national response.

Pandemic – teaching and learning

National lockdowns and repeated staff and bubble isolations severely disrupted the school year. To mitigate the risk of children not making good progress, both schools have adapted their teaching and learning to support good quality on-line provision. Proactive approaches were made to parents to ensure they were able to access remote learning and senior staff monitored on-line lessons to ensure they met the standard expected.

Pandemic – health and safety

To control and mitigate the risk of Covid infections spreading through the school, there were increased hygiene measures in place, including investment in a fogging machine and additional cleaner hours. Staff maintained social distancing and wore face coverings to reduce the spread of the virus. Some of the measures will continue into next academic year, which has been factored into budgets.

Growth strategy

School support activity has continued, but at a lower level due to national lockdowns, which meant the Trust was at risk of not meeting its plans for growth. In mitigation, the Trust has focussed on improving performance and building capacity to ensure it retains the ability to support schools joining the Trust.

Fundraising

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

Both schools carry out charitable work for local and national events. The work is focused on curriculum development in terms of enterprise but more importantly is undertaken to ensure children have a greater awareness of the world around them and to have an understanding that there are people and children less fortunate than them. Children will often plan events to raise funds which are for external causes such as Children in Need, Red Nose Day, Christmas Jumper Day and MacMillan Cancer research. Children participate on a voluntary basis with parents informed about how they can support their child to carry out the charitable work without it being an extra expense to them, for example children use their pocket money or give up treats they might have otherwise had towards the fundraising. The number of events is planned so that no additional burden is added to either staff or parents to raise funds.

The only funds sought from parents are the voluntary contributions towards school trips as other fundraising is for external causes as stated above and only carried out by the children and not the wider public. We aim not be intrusive or demand money from parents for school or other activities. In the last year there have been no complaints with regards to fundraising as parents see the importance of raising awareness to appreciate the wider world.

SCHOLARS ACADEMY TRUST
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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

Through school and Trust improvement plans, the Trust will continue its focus on educational standards across all schools and pupils in the Trust. The Trust will work with stakeholders to ensure that there is continuing improvement in standards in addition to responding to local and national changes. The pandemic has delayed the Trust's growth plans, the Trust is working closely with the ESFA, Local Authority and other partners to ensure progress is made. Trustees have committed to accessing reserves, where necessary, to support the recovery of learning lost during the pandemic. 5-year building maintenance plans and capital IT spending plans have been agreed and provided for in the 3-year budget plan submitted to the ESFA.

In August 2021, the Trust was given Secretary of State approval to sponsor the approved new primary free school in Castle Donington, Leicestershire. The school is due to open at the beginning of the 2022/23 academic year.

From 1 September 2021 teaching schools no longer exist, however Oadby Learning Partnership Limited will continue to carry out the work that has undertaken over the last 10 years, giving consideration to the most appropriate structure and future strategic direction.

Funds held as Custodian Trustee on Behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditors

A resolution to appoint auditors for the ensuing year will be put to members.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 30/11/21 and signed on the Board's behalf by:



S Richards
Chair of Trustees

SCHOLARS ACADEMY TRUST
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GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the period. Attendances during the period at meetings of the Board of Trustees were as follows:

Trustee	Meetings attended	Out of possible
I Hassall OBE nee Sandhu OBE (Head Teacher & Accounting Officer)	3	3
N Benton (Resigned 31 December 2020)	0	1
J Berry OBE JP	2	3
L Bruce	3	3
R Padgett	3	3
S Richards (Chair)	3	3
P Thompson	3	3

The Trustees have overall responsibility for the administration of the Trust's finances. The main responsibilities of the Trust are prescribed in the Funding Agreement between the Trust and the DfE, the Academies Financial Handbook 2020 and the Trust's finance policy.

The Trust Board has a strategic role in determining the educational and financial priorities of the Scholars Trust, ensuring that the financial resources delegated to it are used effectively and that adequate internal controls are maintained over these.

During the year, the key activities of the Board were:

- Scrutiny of Trust performance and holding the executive team to account.
- Scrutiny of the Trust's response to Covid.
- Review of risk register, including controls and mitigating actions.
- Approval of a revised scheme of delegation.
- Review of key issues raised by school governing bodies.
- Approval of the 20/21 budget and the 3-year budget return to ESFA.
- Review of activity related to the growth strategy.
- Regular Trustee and governor chair meetings.
- Changing the role of the clerk to Head of Governance and recruiting someone to start 1 September 2021.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)
GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Due to national restrictions on social interaction due to Covid, all governor and committee meetings were held virtually. Written, evidence-based reports from management were issued to Trustees and governors a week before the meetings took place. There were some benefits from meetings operating virtually, so a hybrid option is being considered for meetings next financial year. Some socially distanced Trustee monitoring visits were able to take place during the year.

Internal and external audits have not found any weaknesses in governance, which has provided further reassurance to the Board. The Board is solution focussed, therefore they ensure they have all the necessary information to make decisions and address concerns. Each Trustee works with the Executive Team to ensure there is a constructive relationship which supports and challenges the work of the Trust. Trustees receive papers one week in advance of meetings, giving them the opportunity to review, reflect and raise questions before or at the meeting. The Trust made use of technology to ensure open lines of communication with the executive team during periods of social distancing.

Trustees work closely with governor chairs through the Chair of Trustees, who has Trustee chair and governor chair/vice chair meetings to ensure sharing good practice and peer challenge.

Trustees have always had an ongoing self-evaluation process, and this year an external governance review across the Trust is planned for the Autumn term of 2021/22.

The full Board of Trustees meets three times a year. It maintains effective oversight of funds through the finance and personnel committee, which meets six times per year and all Trustees receive the full set of monthly management accounts during the academic year.

The finance and personnel committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the Board of Trustees on financial, personnel and premises matters.

During the year, the committee's key activities were:

- Review the 20/21 forecast outturn and 3-year budget on behalf of Trustees.
- Monitor financial performance in detail, with particular reference to the impact of Covid responses on the budget.
- Review the SRMSA return in detail, including benchmarking.
- Review and recommend policies for approval by the Board, including a revised finance policy.
- Approve additional spend on books for both schools.
- Approve pay increases in line with the pay policy.
- Approve spend over the Executive Headteacher's delegated authority limit.
- Approve the premises maintenance and IT capital expenditure 5-year plans.

There were no additions to the committee during the year. Attendance at meetings during the year were as follows:

Trustee	Meetings attended	Out of possible
J Berry OBE JP	6	6
R Padgett	5	6
S Richards	6	6
I Hassall OBE nee Sandhu OBE	6	6

SCHOLARS ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

The audit and risk committee is also a sub-committee of the main Board of Trustees. Its purpose is to direct the Trust's programme of internal scrutiny and advise the Board of Trustees on its management of risk and the risk register.

During the year the committee's key activities were:

- Review of the 19/20 statutory accounts and management letter.
- Review of internal audit reports and follow-up of agreed actions.
- Review and update of the Trust's risk register.
- Agreed to meet 3 times per year in accordance with Academies Financial Handbook 2020.

Attendance at meetings during the year were as follows:

Trustee	Meetings attended	Out of possible
J Berry OBE JP	3	3
R Padgett (Chair)	3	3
S Richards	3	3

Review of Value for Money

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

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

- Ensuring learning continued online during national school closures, by reallocating staff time for online lessons and provision for key worker children, and ensuring pupils had the necessary equipment to access lessons remotely.
- Allocating additional funding received for Covid catch-up activity to ensure maximum impact.
- Deploying staff time to provide best value in terms of quality of teaching and learning, adult-pupil ratio and curriculum management.
- Allocation of premises space to provide the best environment for teaching & learning, support services and communal access to central resources.
- Reviewing all contracts for potential savings, resulting in savings for 21/22 on staff absence insurance.
- Changing telephony provider, resulting in savings over 3 years.
- Investing in an online Free School Meals portal to give parents easy access to making claims for free school meals.

During the National Lockdowns, the Trust agreed to pay Leicestershire County Council for school meals on a daily average charge rather than actual amounts. This is due to the council only being able to furlough staff to the equivalent value of paid meals as funding for Free School Meals and Universal Infant Free School meals is held at the schools. This helped to secure the supply of critical services in the medium to long term. There were no other requests for support from suppliers.

Over the next accounting period, the Trust will continue its good practice for allocating resources for teaching and learning. There will be further reviews of the contract register to ensure the Trust is achieving economies of scale.

SCHOLARS ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the finance and personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Identification and management of risks.

The Board of Trustees decided to buy-in an internal audit service from Leicestershire County Council. Their role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- An appraisal of systems and procedures.
- Review of internal controls in place surrounding both financial and governance issues at Trust level.

On an annual basis, the internal auditor reports to the Board of Trustees, through the audit and risk committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Due to Covid, the Trust had 2 remote visits in this financial year. The first audit identified that the scheme of delegation was not consistent across all policies and that the business continuity plan needed updating. Both recommendations were cleared within the agreed timescales. The second audit found no material control issues.

SCHOLARS ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of Effectiveness

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

- The work of the internal auditor.
- The work of the external auditor.
- The financial management and governance self-assessment process.
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 30/11/21 and signed on its behalf by:



I Hassall OBE nee Sandhu OBE
Accounting Officer



S Richards
Chair of Trustees

SCHOLARS ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPERIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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



I Hassall OBE nee Sandhu OBE
Accounting Officer

Date: 8/12/21

SCHOLARS ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 30/11/21 and signed on its behalf by:



S Richards
Chair of Trustees

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF SCHOLARS ACADEMY TRUST**

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of Scholars Academy Trust (the "parent charitable company") and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), 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 group's and the parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees 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.

SCHOLARS ACADEMY TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF SCHOLARS ACADEMY TRUST (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report³ included within the Trustees 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees responsibilities set out on page 21, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF SCHOLARS ACADEMY TRUST (continued)**

FOR THE YEAR ENDED 31 AUGUST 2021

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees Report and evaluating relevant advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the preparation of the financial statements.

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

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF SCHOLARS ACADEMY TRUST (continued)**

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Rivermead House

7 Lewis Court

Grove Park

Leicester

Leicestershire

LE19 1SD

Date 13/12/2021

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021 Total £	2020 Total £
Income and endowments from:						
Donations and capital grants	3	-	-	49,585	49,585	28,313
Charitable activities:						
Funding for the Academy Trust's educational operations	4	-	4,819,324	-	4,819,324	4,675,558
Other trading activities	5	163,310	94,908	-	258,218	365,001
Investments	6	239	-	-	239	1,205
Total		163,549	4,914,232	49,585	5,127,366	5,070,077
Expenditure on:						
Raising funds	7	42,249	44,000	-	86,249	124,556
Charitable activities:						
Academy Trust's educational Operations	8	15,639	5,150,851	186,588	5,353,078	5,110,291
Total	7	57,888	5,194,851	186,588	5,439,327	5,234,847
Net income/(expenditure)		105,661	(280,619)	(137,003)	(311,961)	(164,770)
Transfer between funds	18	(73,626)	-	73,626	-	-
Other recognised losses						
Re-measurement of net defined benefit obligations	24	-	(516,000)	-	(516,000)	(51,000)
Net movement in funds		32,035	(796,619)	(63,377)	(827,961)	(215,770)
Reconciliation of funds						
Total funds brought forward		1,262,083	(2,071,606)	4,570,532	3,761,009	3,976,779
Total funds carried forward	18	1,294,118	(2,868,225)	4,507,155	2,933,048	3,761,009

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2021

COMPANY NUMBER: 08515149

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	14	2,325	4,650
Tangible assets	15	4,504,830	4,565,882
		<u>4,507,155</u>	<u>4,570,532</u>
Current assets			
Debtors	16	115,033	140,369
Cash at bank and in hand		2,137,180	2,114,818
		<u>2,252,213</u>	<u>2,255,187</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(514,320)	(583,710)
		<u>1,737,893</u>	<u>1,671,477</u>
Net current assets			
		<u>6,245,048</u>	<u>6,242,009</u>
Total assets less current liabilities			
		<u>6,245,048</u>	<u>6,242,009</u>
Net assets excluding pension liability			
		<u>6,245,048</u>	<u>6,242,009</u>
Defined benefit pension scheme liability	24	(3,312,000)	(2,481,000)
		<u>2,933,048</u>	<u>3,761,009</u>
Total net assets			
		<u>2,933,048</u>	<u>3,761,009</u>
Funds of the Academy Trust:			
Restricted funds			
- Restricted fixed asset fund	18	4,507,155	4,570,532
- Restricted income funds	18	443,775	409,394
- Pension reserve	18	(3,312,000)	(2,481,000)
		<u>1,638,930</u>	<u>2,498,926</u>
Total restricted funds			
		<u>1,638,930</u>	<u>2,498,926</u>
Unrestricted income funds	18	1,294,118	1,262,083
		<u>1,294,118</u>	<u>1,262,083</u>
Total funds	18	<u>2,933,048</u>	<u>3,761,009</u>

The financial statements on pages 26 to 55 were approved by the Board of Trustees and authorised for issue on 30/11/21 and are signed on their behalf by:


R Padgett
Trustee

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

TRUST BALANCE SHEET AS AT 31 AUGUST 2021

COMPANY NUMBER: 08515149

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	14	2,325	4,650
Tangible assets	15	4,504,830	4,565,882
		<u>4,507,155</u>	<u>4,570,532</u>
Current assets			
Debtors	16	115,956	151,999
Cash at bank and in hand		2,052,383	1,970,163
		<u>2,168,339</u>	<u>2,122,162</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(430,446)	(450,685)
		<u>1,737,893</u>	<u>1,671,477</u>
Net current assets			
		<u>6,245,048</u>	<u>6,242,009</u>
Total assets less current liabilities			
		<u>6,245,048</u>	<u>6,242,009</u>
Net assets excluding pension liability			
		<u>6,245,048</u>	<u>6,242,009</u>
Defined benefit pension scheme liability	24	(3,312,000)	(2,481,000)
		<u>2,933,048</u>	<u>3,761,009</u>
Total net assets			
		<u>2,933,048</u>	<u>3,761,009</u>
Funds of the Academy Trust:			
Restricted funds			
- Restricted fixed asset fund	18	4,507,155	4,570,532
- Restricted income funds	18	390,991	407,875
- Pension reserve	18	(3,312,000)	(2,481,000)
		<u>1,586,146</u>	<u>2,497,407</u>
Total restricted funds			
		<u>1,586,146</u>	<u>2,497,407</u>
Unrestricted income funds	18	1,346,902	1,263,602
		<u>2,933,048</u>	<u>3,761,009</u>
Total funds	18		
		<u>2,933,048</u>	<u>3,761,009</u>

The Academy Trust has taken advantage of the available exemption under Section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities or Income and Expenditure account.

The net movement in funds for the Scholars Academy Trust for the year ended 31 August 2021 was a £827,961 deficit (2020: £215,770 deficit).

The financial statements on pages 26 to 55 were approved by the Board of Trustees and authorised for issue on 30/11/21 and are signed on their behalf by:



R Padgett
Trustee

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	22	95,751	547,834
Cash flows from investing activities			
Interest from investments		239	1,205
Capital grants from DfE Group and others		49,585	19,813
Purchase of intangible fixed assets		-	(6,975)
Purchase of tangible fixed assets		(123,213)	(230,064)
Net cash used in investing activities		(73,389)	(216,021)
Net increase in cash and cash equivalents in the reporting period		22,362	331,813
Cash and cash equivalents at the beginning of the year		2,114,818	1,783,005
Cash and cash equivalents at the beginning of the year		2,137,180	2,114,818

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

General information

Scholars Academy Trust is a Charitable Company (the Academy Trust). The address of the Academy Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations is set out in the Trustees' Report.

Basis of preparation

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Group consolidated financial statements

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking Oadby Learning Partnership Limited. The results of the Academy Trust and its subsidiary are consolidated on a line by line basis.

All intra-group transactions, balances and unrealised gains on transactions with the subsidiary are eliminated on consolidation.

The individual Charitable Company financial statements of Scholars Academy Trust are included in these consolidated financial statements and in accordance with FRS102, the Charitable Company has taken advantage of the exemption from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – compensation for key management personnel.

All the financial statements are made up to 31 August 2021. The Academy Trust has also taken advantage of the available exemption under Section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities or Income and Expenditure account.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the uncertainty presented by Covid alongside considering future plans including the approved new primary free school, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of approval for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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 year 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 when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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, income from recharge of services, teaching resources and training, contributions to trips, catering income and other income is recognised at fair value of the consideration received or receivable in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated services and gifts in kind

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

Expenditure

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

Expenditure on raising funds

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Expenditure on charitable activities

Charitable activities are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of its beneficiaries, 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.

Intangible fixed assets

Intangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible fixed assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software development	33%
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From previous experience, the Academy Trust's software has on average an expected useful life of 3 years, therefore the Trustees consider this rate of write off to be an acceptable rate to use.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Long leasehold buildings	2%
Leasehold improvements	5%
Fixtures, fittings and equipment	20%
Computer equipment	33%

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposals, for the assets as if it were at the age and in the condition expected at the end of its useful life.

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.

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.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (*continued*)

Investments

The Academy's Trust shareholding in its wholly owned subsidiary, Oadby Learning Partnership Limited, is initially measured at cost and subsequently measured at cost less any impairment. An assessment for impairment is made at each reporting date.

Liabilities

Liabilities are recognised when there is an obligation at the reporting 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.

Leased assets

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

Financial Instruments

The Academy Trust has chosen to adopt sections 11 and 12 of FRS102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Short-term Employment Benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') which are multi-employer 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 projected unit method. The TPS is an unfunded multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by funders or donors, and include grants from the Department for Education Group.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy Trust 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.

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 income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In the opinion of the Trustees there are no critical areas of judgement that would have a significant effect of the amounts already recognised in the financial statements.

3. Donations and capital grants

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Assets Funds £	Total 2021 £	Total 2020 £
Capital grants	-	-	19,802	19,802	19,813
Donated fixed assets	-	-	29,783	29,783	-
Other donations	-	-	-	-	8,500
			49,585	49,585	28,313

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for Academy Trust's educational operations

	Unrestricted Funds £	Restricted General Funds £	Total 2021 £	Total 2020 £
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	4,083,750	4,083,750	3,904,081
Other DfE/ESFA Grants:				
Pupil Premium	-	135,791	135,791	169,043
Universal Infant Free School Meals	-	161,399	161,399	166,281
Teachers' Pension Employer Contribution Grant	-	138,363	138,363	156,061
Other DfE/ESFA Grants – Other	-	104,480	104,480	103,547
	-	4,623,783	4,623,783	4,499,013
Other Government grants				
Local authority grants	-	1,125	1,125	2,328
Special education projects	-	156,657	156,657	165,609
	-	157,782	157,782	167,937
Covid-19 additional funding (non-DfE/ESFA)				
Catch up premium	-	35,884	35,884	-
Coronavirus Job Retention Scheme grant	-	1,875	1,875	8,608
	-	37,759	37,759	8,608
Total	-	4,819,324	4,819,324	4,675,558

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Pupil Premium, Universal Infant Free School Meals and Teachers' Pension Employer Contribution Grant is no longer reported within the Other DfE/ESFA grants line item, but as separate lines under Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under exceptional government funding.

The funding received for Coronavirus exception support covers £35,884 of additional costs incurred. These costs are included in notes 7 and 9 below as appropriate.

The Academy furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £1,875 (2020: £8,608) relates to staff costs which are included within note 9 as appropriate.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

5. Other trading activities

	Unrestricted Funds £	Restricted General Funds £	Total 2021 £	Total 2020 £
Hire of facilities	76,997	-	76,997	108,492
Income from recharge of services	12,903	-	12,903	14,265
Contributions to trips	-	700	700	47,589
Catering income	32,254	-	32,254	44,237
Teaching resources and training	5,922	94,208	100,130	121,494
Other income	35,234	-	35,234	28,924
	<u>163,310</u>	<u>94,908</u>	<u>258,218</u>	<u>365,001</u>

6. Investment income

	Unrestricted Funds £	Restricted General Funds £	Total 2021 £	Total 2020 £
Interest from short term deposits	<u>239</u>	<u>-</u>	<u>239</u>	<u>1,205</u>

7. Expenditure

	Non pay expenditure				
	Staff Costs £	Premises Costs £	Other Costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds	-	-	86,249	86,249	124,556
<i>Academy's educational operations</i>					
- Direct costs	3,472,211	-	161,484	3,633,695	3,488,961
- Allocated support costs	897,412	274,240	547,731	1,719,383	1,621,330
Total expenditure	<u>4,369,623</u>	<u>274,240</u>	<u>795,464</u>	<u>5,439,327</u>	<u>5,234,847</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- audit services – statutory audit	24,575	21,235
- other services	10,255	9,375
Operating lease rentals	3,734	6,400
Net interest on defined pension liability (note 24)	44,000	40,000
Depreciation on tangible fixed assets	184,265	157,625
Amortisation on intangible assets	<u>2,325</u>	<u>2,325</u>

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

8. Charitable Activities: Academy Trust's educational operations

	2021 £	2020 £
Direct costs – educational operations	3,633,695	3,488,961
Support costs – educational operations	1,719,383	1,621,330
	5,353,078	5,110,291
Allocated support costs:		
Support staff costs	897,412	798,005
Depreciation and amortisation	186,590	159,950
Premises and equipment costs	87,972	50,152
Legal costs – other	-	470
Other support costs	494,833	572,348
Governance costs	52,576	40,405
	1,719,383	1,621,330

9. Staff numbers and costs

Staff costs

Staff costs during the year for the Trust and the Group were:

	2021 £	2020 £
Wages and salaries	2,997,106	2,783,789
Social security costs	254,427	234,962
Pension costs	978,571	921,977
Total staff costs	4,230,104	3,940,728
Supply staff costs	139,519	126,269
	4,369,623	4,066,997

Staff numbers

The average number of persons (including senior management team) employed by the Trust and the Group during the year were as follows:

	2021 No.	2020 No.
Teachers	43	44
Administration and support	95	103
Management	9	7
	147	154

The average number of persons (including senior management team) employed by the Trust and the Group during the year expressed as full time equivalents were as follows:

	2021 No.	2020 No.
Teachers	39	39
Administration and support	53	53
Management	8	7
	100	99

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

9. Staff numbers and costs (continued)

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme, a defined benefit pension scheme.

10. Key management personnel compensation

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £581,815 (2020: £580,750).

11. Central services

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

- Financial services
- Human resources
- Audit and governance

The Trust charges for these services on the following basis:

- Flat percentage of 3% (2020: 3%) based on GAG income

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Launde Primary School	69,975	65,940
Glenfield Primary School	47,137	45,782
	117,112	111,722

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

12. Trustees' remuneration and expenses

The Accounting Officer only received remuneration in respect of services provided undertaking the role of Executive Head Teacher under her contract of employment and not in respect of her services as a Trustee. Other Trustees did not receive any remuneration nor received any other benefits from the Academy Trust in respect of their role as Trustees.

I Hassall OBE nee Sandhu OBE, (Executive Head Teacher and Accounting Officer), received remuneration of £97,273 for the year (2020: £94,669) and pension contributions paid by the Academy Trust in the year of £23,034 (2020: £22,418).

During the year ended 31 August 2021, 1 Trustee(s) (2020: 2) claimed expenses or had their expenses met by the Academy Trust. The expenses incurred were in respect of travel expenses and amounted to £23 (2020: £49) and were reimbursed or paid by the Academy Trust.

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 (2020: £3,000,000) in total per year on any one claim and the cost for the year ended 31 August 2021 was £57 (2020: £775). The cost of this insurance is included in the total insurance cost.

14. Intangible fixed assets

Group and Trust	Computer software development £	Total £
Cost		
At 1 September 2020	11,075	11,075
At 31 August 2021	11,075	11,075
Amortisation		
At 1 September 2020	6,425	6,425
Charged in year	2,325	2,325
At 31 August 2021	8,750	8,750
Net book values		
At 31 August 2021	2,325	2,325
At 31 August 2020	4,650	4,650

SCHOLARS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets

Group and Trust	Long leasehold buildings and leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2020	5,176,028	87,057	143,434	5,406,519
Additions	-	14,908	108,305	123,213
At 31 August 2021	5,176,028	101,965	251,739	5,529,732
Depreciation				
At 1 September 2020	653,367	67,338	119,932	840,637
Charged in year	120,435	10,353	53,477	184,265
At 31 August 2021	773,802	77,691	173,409	1,024,902
Net book values				
At 31 August 2021	4,402,226	24,274	78,330	4,504,830
At 31 August 2020	4,522,661	19,719	23,502	4,565,882

16. Debtors

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Trade debtors	440	2,320	440	2,320
Amounts due from group undertakings	-	-	1,120	12,509
VAT recoverable	12,651	23,429	12,651	23,429
Prepayments and accrued income	101,942	114,620	101,745	113,741
	115,033	140,369	115,956	151,999

17. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Trade creditors	66,172	79,986	65,724	79,776
Other taxation and social security	59,456	54,026	59,456	54,026
Other creditors	79,868	82,629	79,868	82,629
Accruals and deferred income	308,824	367,069	225,398	234,254
	514,320	583,710	430,446	450,685

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

17. Creditors: amounts falling during within one year (*continued*)

Deferred Income	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Deferred income at 1 September 2020	223,527	294,780	99,795	117,022
Amount released in the year	(99,795)	(171,048)	(99,795)	(117,022)
Resources deferred in the year	172,696	99,795	172,696	99,795
Deferred income at 31 August 2021	296,428	223,527	172,696	99,795

At 31 August 2021, deferred income for the Trust was made up of £2,517 (2020: £529) for Academy trips income for trips taking place in the year ending 31 August 2022, £159,236 (2020: £97,729) relating to grants received in advance and £10,943 (2020: £1,537) for other income in advance received.

At 31 August 2021, deferred income for the Group was made up of £2,517 (2020: £529) for Academy trips income for trips taking place in the year ending 31 August 2022, £282,968 (2020: £221,461) relating to grants received in advance and £10,943 (2020: £1,537) for other income in advance received.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

18. Funds

Group	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted General Funds					
General Annual Grant (GAG)	409,394	4,083,750	(4,049,369)	-	443,775
Pupil Premium	-	135,791	(135,791)	-	-
Universal Infant Free School Meals	-	161,399	(161,399)	-	-
Teachers' Pension Employer Contribution Grant	-	138,363	(138,363)	-	-
Other DfE/ESFA grants – other	-	104,480	(104,480)	-	-
Other government grants	-	157,782	(157,782)	-	-
Other restricted income	-	132,667	(132,667)	-	-
Pension reserve	(2,481,000)	-	(315,000)	(516,000)	(3,312,000)
	(2,071,606)	4,914,232	(5,194,851)	(516,000)	(2,868,225)
Restricted Fixed Asset Funds					
Assets inherited from local authority (transfer on conversion)	4,029,235	-	(92,244)	-	3,936,991
DfE/ESFA capital grants	541,297	19,802	(84,417)	73,626	550,308
Donated fixed assets	-	29,783	(9,927)	-	19,856
	4,570,532	49,585	(186,588)	73,626	4,507,155
Total Restricted Funds	2,498,926	4,963,817	(5,381,439)	(442,374)	1,638,930
Total Unrestricted Funds	1,262,083	163,549	(57,888)	(73,626)	1,294,118
Total Funds	3,761,009	5,127,366	(5,439,327)	(516,000)	2,933,048

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's income and expenditure for Pupil Premium, Universal Infant Free School Meals and Teachers' Pension Employer Contribution Grant is no longer reported within the Other DfE/ESFA grants fund line item, but as separate lines in the funds note. The prior year numbers have been reclassified.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

18. Funds (continued)

Trust	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted General Funds					
General Annual Grant (GAG)	407,875	4,083,750	(4,100,634)	-	390,991
Pupil Premium	-	135,791	(135,791)	-	-
Universal Infant Free School Meals	-	161,399	(161,399)	-	-
Teachers' Pension Employer Contribution Grant	-	138,363	(138,363)	-	-
Other DfE/ESFA grants – other	-	104,480	(104,480)	-	-
Other government grants	-	195,541	(195,541)	-	-
Other restricted income	-	700	(700)	-	-
Pension reserve	(2,481,000)	-	(315,000)	(516,000)	(3,312,000)
	(2,073,125)	4,820,024	(5,151,908)	(516,000)	(2,921,009)
Restricted Fixed Asset Funds					
Assets inherited from local authority (transfer on conversion)	4,029,235	-	(92,244)	-	3,936,991
DfE/ESFA capital grants	541,297	19,802	(84,417)	73,626	550,308
Donated fixed assets	-	29,783	(9,927)	-	19,856
	4,570,532	49,585	(186,588)	73,626	4,507,155
Total Restricted Funds	2,497,407	4,869,609	(5,338,496)	(442,374)	1,586,146
Total Unrestricted Funds	1,263,602	238,021	(81,095)	(73,626)	1,346,902
Total Funds	3,761,009	5,107,630	(5,419,591)	(516,000)	2,933,048

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

18. Funds (continued)

Funds – prior year

Group	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted General Funds					
General Annual Grant (GAG)	202,466	3,904,081	(3,697,153)	-	409,394
Pupil Premium	-	169,043	(169,043)	-	-
Universal Infant Free School Meals	-	166,281	(166,281)	-	-
Teachers' Pension Employer Contribution Grant	-	156,061	(156,061)	-	-
Other DfE/ESFA grants – other	-	103,547	(103,547)	-	-
Other government grants	-	167,937	(167,937)	-	-
Other restricted income	-	105,977	(105,977)	-	-
Pension reserve	(2,129,000)	-	(301,000)	(51,000)	(2,481,000)
	(1,926,534)	4,772,927	(4,866,999)	(51,000)	(2,071,606)
Restricted Fixed Asset Funds					
Assets inherited from local authority (transfer on conversion)	4,121,479	-	(92,244)	-	4,029,235
DfE/ESFA capital grants	550,394	28,313	(67,706)	30,296	541,297
	4,671,873	28,313	(159,950)	30,296	4,570,532
Total Restricted Funds	2,745,339	4,801,240	(5,026,949)	(20,704)	2,498,926
Total Unrestricted Funds	1,231,440	268,837	(207,898)	(30,296)	1,262,083
Total Funds	3,976,779	5,070,077	(5,234,847)	(51,000)	3,761,009

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

18. Funds (continued)

Funds – prior year

Trust	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted General Funds					
General Annual Grant (GAG)	204,247	3,904,081	(3,700,453)	-	407,875
Pupil Premium	-	169,043	(169,043)	-	-
Universal Infant Free School Meals	-	166,281	(166,281)	-	-
Teachers' Pension Employer Contribution Grant	-	156,061	(156,061)	-	-
Other DfE/ESFA grants – other	-	103,547	(103,547)	-	-
Other government grants	-	167,937	(167,937)	-	-
Other restricted income	-	56,197	(56,197)	-	-
Pension reserve	(2,129,000)	-	(301,000)	(51,000)	(2,481,000)
	(1,924,753)	4,723,147	(4,820,519)	(51,000)	(2,073,125)
Restricted Fixed Asset Funds					
Assets inherited from local authority (transfer on conversion)	4,121,479	-	(92,244)	-	4,029,235
DfE/ESFA capital grants	550,394	28,313	(67,706)	30,296	541,297
	4,671,873	28,313	(159,950)	30,296	4,570,532
Total Restricted Funds	2,747,120	4,751,460	(4,980,469)	(20,704)	2,497,407
Total Unrestricted Funds	1,229,659	271,166	(206,927)	(30,296)	1,263,602
Total Funds	3,976,779	5,022,626	(5,187,396)	(51,000)	3,761,009

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

18. Funds (continued)

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

Restricted general funds:

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy at the year end.

Restricted other funds:

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

Restricted fixed asset funds:

This fund represents the net book value of fixed assets that the Academy has purchased out of grants received and have been transferred on conversion.

Unrestricted funds:

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Academy Trust.

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

In the current year, a transfer was made between unrestricted general funds and restricted fixed asset funds in respect of assets purchased during the year, £73,628 (2020: £30,296) was transferred in relation to the Group and the Trust.

Total funds analysis by Academy

Trust

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £	Total 2020 £
Launde Primary School	790,128	728,740
Glenfield Primary School	720,517	651,720
Central services	227,248	291,017
Total before fixed assets and pension reserve	1,737,893	1,671,477
Restricted fixed asset funds	4,507,155	4,570,532
Pension reserve	(3,312,000)	(2,481,000)
Total	2,933,048	3,761,009

SCHOLARS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

18. Funds (continued)

Total costs analysis by Academy

Trust

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	2021 Total £	2020 Total £
Launde Primary School	1,904,038	553,671	42,527	452,940	2,953,176	2,870,336
Glenfield Primary School	1,535,998	244,172	39,335	275,198	2,094,703	2,060,913
Central Services	32,175	99,569	-	53,380	185,124	96,197
Academy Trust	3,472,211	897,412	81,862	781,518	5,233,003	5,027,446

19. Analysis of net assets between funds

Group

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	2,325	2,325
Tangible fixed assets	-	-	4,504,830	4,504,830
Current assets	1,294,118	958,095	-	2,252,213
Current liabilities	-	(514,320)	-	(514,320)
Pension scheme liability	-	(3,312,000)	-	(3,312,000)
Total net assets at 31 August 2021	1,294,118	(2,868,225)	4,507,155	2,933,048

Trust

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	2,325	2,325
Tangible fixed assets	-	-	4,504,830	4,504,830
Current assets	1,346,902	821,437	-	2,168,339
Current liabilities	-	(430,446)	-	(430,446)
Pension scheme liability	-	(3,312,000)	-	(3,312,000)
Total net assets at 31 August 2021	1,346,902	(2,921,009)	4,507,155	2,933,048

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds – prior year

Group

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	4,650	4,650
Tangible fixed assets	-	-	4,565,882	4,565,882
Current assets	1,262,083	993,104	-	2,255,187
Current liabilities	-	(583,710)	-	(583,710)
Pension scheme liability	-	(2,481,000)	-	(2,481,000)
Total net assets at 31 August 2020	1,262,083	(2,071,606)	4,570,532	3,761,009

Trust

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	4,650	4,650
Tangible fixed assets	-	-	4,565,882	4,565,882
Current assets	1,263,602	858,560	-	2,122,162
Current liabilities	-	(450,685)	-	(450,685)
Pension scheme liability	-	(2,481,000)	-	(2,481,000)
Total net assets at 31 August 2020	1,263,602	(2,073,125)	4,570,532	3,761,009

SCHOLARS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

20. Investments

Academy Trust

Scholars Academy Trust has a subsidiary undertaking Oadby Learning Partnership Limited (company limited by guarantee) (company number 08559973). Scholars Academy Trust is the only registered member of Oadby Learning Partnership Limited. Oadby Learning Partnership Limited's registered office address and principal place of business is Launde Primary School, New Street, Oadby, Leicester, Leicestershire, LE2 4LJ. The results of subsidiary undertaking are consolidated in the Group financial statements. The audited financial statements have been filed with the Registrar of Companies. The income and expenditure from the Oadby Learning Partnership relates to Teaching Schools.

The following is a summary of the financial statements of Oadby Learning Partnership Limited for the year ended 31 August 2021 and the year ended 31 August 2020. The principal activities of the company during the year were the provision of teaching resources and training to other local schools in area.

		2021	2020
		£	£
Statement of financial position			
Current assets		84,994	145,534
Current liabilities		(84,994)	(145,534)
Net assets		-	-
Teaching School trading account			
		2021	2020
		£	£
Income			
	Other income		
	Other trading activities	101,187	124,794
	Investment income	12	77
		101,199	124,871
Expenditure			
	Direct costs		
	Other direct costs	(88,529)	(115,902)
		(88,529)	(115,902)
	Other costs		
	Other support costs	(32)	(47)
	Share of governance costs	(12,638)	(8,922)
		(12,670)	(8,969)
	Total	(101,199)	(124,871)
Surplus from all sources		-	-
Teaching school balance at 1 September 2020		-	-
Teaching school balance at 31 August 2021		-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

21. Commitments under operating leases

At 31 August 2021, the total of the Group and Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	2021 £	2020 £
Amounts due:		
Within 1 year	3,403	3,086
Between 2 – 5 years	3,355	2,237
	6,758	5,323

22. Cash Flow notes

a) Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2021 £	2020 £
Net expenditure for reporting period (as per the Statement of Financial Activities)	(311,961)	(164,770)
Adjusted for:		
Amortisation (note 14)	2,325	2,325
Depreciation (note 15)	184,265	157,625
Capital grants and donated fixed assets (note 3)	(49,585)	(19,813)
Interest receivable (note 6)	(239)	(1,205)
Defined benefit pension scheme finance costs (note 24)	44,000	40,000
Defined benefit pension scheme costs less contribution payable (note 24)	271,000	261,000
Operating cash flows before movement in working capital	139,805	275,162
Decrease in trade and other debtors	25,336	330,664
Decrease in trade and other creditors	(69,390)	(57,992)
Net cash provided by operating activities	95,751	547,834

b) Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	2,114,818	22,362	2,137,180
Total	2,114,818	22,362	2,137,180

23. 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 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension and similar obligations

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

Included within other creditors at 31 August 2021 is an amount of £75,508 (2020: £72,326) relating to pension contributions payable.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. 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 below the information available on the scheme.

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:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

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

The employer's pension costs paid to TPS in the period amounted to £432,574 (2020: £412,977).

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 £348,000 (2020: £306,000), of which employer's contributions totalled £280,000 (2020: £248,000) and employees' contributions totalled £68,000 (2020: £58,000). The agreed contribution rates for future years are 21.47% for employers and 5.5% to 12.5% for employees.

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

SCHOLARS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension and similar obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2021 by a qualified independent actuary.

	2021	2020
	%	%
Rate of increase in salaries	3.4	2.7
Rate of increase for pensions in payment / inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.5
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.9	25.2

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

	Fair value of assets	
	2021	2020
	£	£
Equity instruments	2,455,140	1,887,000
Debt instruments	1,481,550	1,055,000
Property	296,310	256,000
Total fair value of assets	4,233,000	3,198,000

The actual return on scheme assets was £734,000 (2020: £(14,000)).

Amounts recognised in the Statement of Financial Activities

	2021	2020
	£	£
Current service cost	551,000	509,000
Net interest cost	44,000	40,000
Total operating charge	595,000	549,000

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension and similar obligations (continued)

Changes in present value of defined benefit obligations:

	2021
	£
At 1 September	5,679,000
Current service cost	551,000
Interest cost	101,000
Employee contributions	68,000
Benefits paid	(47,000)
Actuarial gain	1,193,000
At 31 August	<u>7,545,000</u>

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

	2021
	£
At 1 September	3,198,000
Interest income	57,000
Return on plan assets (excluding net interest on the net defined benefit pension liability)	677,000
Employer contributions	280,000
Employee contributions	68,000
Benefits paid	(47,000)
At 31 August	<u>4,233,000</u>

25. Related party transactions

Group and Trust

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

Key management personnel compensation disclosure is included in note 10.

Trust only

During the year, Scholars Academy Trust received income of £80,406 (2020: £74,120) from Oadby Learning Partnership Limited, the Trust's wholly owned trading subsidiary.

At the year end, the Trust was owed £1,120 (2020: £12,509) from Oadby Learning Partnership Limited.

During the year, the Trust purchased goods totalling £1,057 (2020: £3,300) from Oadby Learning Partnership Limited.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

26. Post balance sheet events

In August 2021, the Trust was given Secretary of State approval to sponsor the approved new primary free school in Castle Donington, Leicestershire. The school is due to open at the beginning of the 2022/23 academic year.

27. Comparative year information

Consolidated Statement of Financial Activities for the year ended 31 August 2020

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020 Total £
Income and endowments from:				
Donations and capital grants	-	-	28,313	28,313
Charitable activities:				
Funding for the Academy Trust's educational operations	-	4,675,558	-	4,675,558
Other trading activities	267,632	97,369	-	365,001
Investments	1,205	-	-	1,205
Total	268,837	4,772,927	28,313	5,070,077
Expenditure on:				
Raising funds	74,776	49,780	-	124,556
Charitable activities:				
Academy Trust's educational operations	133,122	4,817,219	159,950	5,110,291
Total	207,898	4,866,999	159,950	5,234,847
Net income/(expenditure)	60,939	(94,072)	(131,637)	(164,770)
Transfer between funds	(30,296)	-	30,296	-
Other recognised losses				
Re-measurement of net defined benefit obligations	-	(51,000)	-	(51,000)
Net movement in funds	30,643	(145,072)	(101,341)	(215,770)
Reconciliation of funds				
Total funds brought forward	1,231,440	(1,926,534)	4,671,873	3,976,779
Total funds carried forward	1,262,083	(2,071,606)	4,570,532	3,761,009

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 10 September 2020 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Scholars Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Scholars Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Scholars Academy Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Scholars Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Scholars Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

SCHOLARS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO SCHOLARS ACADEMY TRUST AND THE EDUCATION AND
SKILLS FUNDING AGENCY (continued)**

FOR THE YEAR ENDED 31 AUGUST 2021

Reporting Accountant's responsibilities for reporting on regularity (continued)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Scholars Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 10 September 2020. Our work has been undertaken so that we might state to the Scholars Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Scholars Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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Date 13/12/2021