

Sussex Education Trust Limited  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2021

Company Registration Number:  
07874411 (England and Wales)

# Sussex Education Trust Limited

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# Sussex Education Trust Limited

## Reference and Administrative Details

### Members:

C Adams

N Brown

J Clough (Appointed March 2021)

H Humphry

S King

S Webber

### Trustees:

J Appleby

M Burkes

K Christopher

R Crowe

A Harris

H Humphry

S King

R Matthews

P Spencer Ellis

S Webb (appointed 31 March 2021)

R Andrews (resigned 14 September 2021)

T Fry (appointed 31 March 2021, resigned 20 September 2021)

M Leggatt (resigned 2 October 2020)

H Oyns (resigned 2 December 2020)

K Wade (resigned 22 November 2020)

### Senior Management Team:

L New

Principal

L Hanna

Associate Principal: Head of Primary– Resigned August 2021

B Phillips

Deputy Principal

G Grimwood

School Business Manager– Resigned August 2021

C Halton

Senior Assistant Principal: All Through Inclusion

L Hardwick

Senior Assistant Principal: Pastoral and Behaviour

G Hayes

Assistant Principal: Primary Pupil Progress

C Tunnicliffe

Assistant Principal: Primary Pupil Progress (Maternity Cover February 2021-)

S Paul

Assistant Principal: Secondary Pupil Progress

### Company Name

Sussex Education Trust Limited

# Sussex Education Trust Limited

## Reference and Administrative Details

### Principal and Registered Office

Chichester Free School

Hunston Road

Chichester

West Sussex

PO20 1NP

### Company Registration Number

07874411 (England and Wales)

### Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

### Bankers

Lloyds Bank Plc

PO Box 3

Queen Square

Wolverhampton

WV1 1TF

### Solicitors

SMR Solicitors Limited

50 Westgate

Chichester

West Sussex

PO19 3HE

# Sussex Education Trust Limited

## Trustees' Report

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

The academy trust operates an academy for pupils aged 4 to 18 and does not have a specific catchment area. It has a pupil capacity of 1020 and had a roll of 1011 in the school census on 07 October 2021.

### Structure, Governance and Management

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Sussex Education Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Chichester Free School.

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

#### Members' Liability

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

#### Trustees' Indemnities

The academy trust provides indemnity insurance to cover the liability of Trustees/Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to Chichester Free School.

#### Method of Recruitment and Appointment or Election of Trustees

There are three main ways someone becomes a trustee; they can be elected by their constituents – either parents or staff, they can be appointed by the Members or they can be co-opted by the Trustees themselves.

Those appointed by the Members or co-opted by Trustees are considered to have certain skills or experience that would complement the existing board or where the board has identified an area of weakness that could be improved by the appointment.

# Sussex Education Trust Limited

## Trustees' Report

### Policies and Procedures Adopted for the Induction and Training of Trustees

When a new trustee is recruited, they are appointed a "mentor" from the existing board, whose role it is to introduce them to the Trust. The Chair of Governors takes them on a tour of the school so they can meet the leadership team and to experience all aspects of school life. The clerk of Governors will organise any statutory training together with any additional training considered beneficial for their specific role. In parallel to this they have been given a sign on to West Sussex Governance Services website.

They are invited to attend all committee meetings to acquaint them with items covered, then, in consultation with other Trustees it is agreed which committee/s they would be best to serve on.

### Organisational Structure

The working structure of the School is very much an operational matter and is largely left in the hands of the Principal. Structural discussions that impact on the Senior Leadership Team are brought to the full board for their input.

### Arrangements for setting pay and remuneration of key management personnel

As with all employees of the Trust, pay for key management personnel is subject to performance management review and the Principal's and Business Managers pay is reviewed and set by the Pay Review Committee which has delegated responsibility to do this from the Board of Trustees.

### Trade union facility time

There are no such officials working at the school.

### Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Academy trust. The Chichester Free School PTA operates as "The friends of Chichester Free School". There is no sponsor or connected charities and organisations with which the school jointly pursues its charitable activities.

Related parties are MindWorks Ltd whose Managing Director was an Associate Trustee Michelle Leggatt (resigned 2 October 2020). MindWorks provide marketing and PR support to the school. They manage, host, and design the school website.

Mr Chris New designs, manages and supplies the bespoke school trackers and communication system for the whole school and is the husband of Mrs Louise New, Principal.

Mr Nick Wade is the husband of Mrs Kate Wade (Staff Trustee) and he has provided ad hoc taxi services to the school.

# Sussex Education Trust Limited

## Trustees' Report

### Objectives and Activities

#### Objects and Aims

The principal objective is the operation of Chichester Free School – the school – to provide education and care for pupils of different abilities between the age of 4 and 19 years.

In accordance with the Articles of Association the charitable company has adopted a Funding agreement approved by the secretary of State for Education, the agreement specifies – amongst other things:

- That the school has a curriculum satisfying the requirements of Section 78 of EA 2002 – a balanced and broadly-based curriculum for pupils up to the age of 16.
- That it provides education for pupils of different abilities; and
- That the school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.

#### Objectives, Strategies and Activities

For the 2021/2022 the academic focus is to further develop our all through approach to Teaching and Learning, ensuring effective delivery of the curriculum intent and implementation. We will also establish and develop Google Education to enhance pupils learning experience, both within and outside the classroom.

We will launch and implement a whole-school 'Culture of Kindness' initiative, including anti-bullying and e-safety and establish a positive understanding of mental health and wellbeing.

We will establish an inspiring 'Futures Hub' with a year-on-year progressive PSHE and Careers programme in line with best practice and Gatsby Benchmarks that all pupils across the school have accessed.

Additionally, we hope to finalise a land purchase bordering the school and develop a comprehensive business plan for its development into an external sports facility.

Finally, we aim to start our journey as a Multi Academy Trust, with at least two other schools joining SET.

#### Public Benefit

In setting their objectives and planning their activities the Governors have given careful consideration to the Charity Commission general guidelines on public benefit.

# Sussex Education Trust Limited

## Trustees' Report

### Strategic Report

#### Achievements and Performance

The specific aims for the school that were set out when the School was founded continue to remain at the heart of everything we do. These include but are not limited to:

- Consistently high quality of education deliverables
- Excellent progress and achievements for all pupils – including vulnerable sub-groups
- High standards of behaviour and safety for pupils and staff
- All statutory requirements met
- High standards of educational quality control exercised by leadership
- Strategic three-year plan covering the maintenance of pupils' numbers and having the core objectives of continuing to deliver and improve the above aims.

At the start of the academic year 2020/2021 we had hoped for a full return to normality after the disruption of the previous year due to Covid-19. Despite the disappointment felt by our students who had studied so hard for their GCSE's and A-Levels, only to be robbed of their opportunity to display their achievements through a full examination process, we were delighted to be able to demonstrate their abilities through the Teacher Assessed Grades (TAG), an assessment method which was run with rigor by the school.

In doing so the school could be confident in the fair and true results that the students were awarded, which made us truly proud.

The senior leadership team also planned to enhance and drive forward the House System this year and again with the challenges of Covid-19 it may have been easier to postpone these goals; nevertheless, the school engaged with new imaginative ideas to bring the House competitions to life. There was of course going to be disappointment that parents and guardians could not attend many of these events that would have been the norm previously and it is hoped that as we come into the new academic year these foundations can be built on to further enhance this important and founding principle within Chichester Free School.

With Trust's ambition to develop into a Multi Academy Trust (MAT), the board and the Principal met to set out a roadmap to achieve this. Following meetings with the Regional Schools Commissioner we engaged in some exploratory conversations with some targeted local Primary schools. Whereas the responses at times have been slow, there does seem to a genuine appetite from some likeminded schools to form a MAT and these will be further developed during the next academic year.

Following on from a skills audit carried out by the Trustees, various areas identified within the board were considered that skills brought in by new co-opted Governors could benefit the Trust. A small but targeted recruitment was carried out which resulted in the appointment of two new Governors. The Trustees always review and carry out skills audits as part of their ongoing development and this will further enhance the diversity and skill strength of the board.



# Sussex Education Trust Limited

## Trustees' Report

### Key Performance Indicators

The school monitors its level of cashflow, profit and loss and balance sheet by producing a monthly management accounts pack which is reviewed by the Trustees. The Trustees carefully scrutinise this against the budget which together with a descriptive financial management report helps maintain the Trust's financial viability. The Trustees are currently developing a more focussed set of specific KPI's that will be monitored on a RAG rating for the coming academic year.

In respect of regulatory compliance, the School was inspected by OFSTED in February 2019 and retained its grading of GOOD overall and in each individual category inspected. The school is working to improve on this rating for the next inspection. The full report can be found on the school's website.

### Going Concern

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

### Financial Review

As at 31 August 2021 the school had net assets of £27,596,060 (2020: £28,904,680) of which £28,702,173 (2020: £29,326,009) were represented by fixed assets necessary for the school to undertake its operating activity. During the year to 31 August 2021 the trust received GAG income, pupil premium monies and additional funds such as the PE sports grant, growth fund and teacher pension top up funding etc. The principal costs and expenditure incurred during the year relate to the delivery of teaching and learning and the occupational costs relating to the ongoing establishment of the site and initial maintenance. The net result of the year was a deficit of £1,308,620 (2020: deficit of £767,467) which related to the following:

- Unrestricted funds – a deficit of £145,607 (2020: a deficit of £214,527)
- Restricted General Funds – a deficit of £3,890 (2020: a deficit of £101,802)
- Restricted Pension Funds – a deficit of £554,000 (2020: a deficit of £161,000)
- Restricted Fixed Asset Funds – a deficit of £605,123 (2020: a deficit of £290,138)

The income of the school has been affected by the Covid-19 virus.

# Sussex Education Trust Limited

## Trustees' Report

### Reserves Policy

The Governors review the levels of reserves regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves in general. Reserves are a key element of financial stability and allow the Academy Trust to cope with the fluctuating nature and timing of cash flow. Reserves also allow the Academy Trust to deal with unexpected expenditure and changes in income and give time for appropriate actions to be taken. At 31 August 2021, the Academy Trust has determined an appropriate target operational reserve level would be between the lower threshold of £277,500 and an upper threshold of £416,250 (to be held within unrestricted funds and general restricted funds). This amount is calculated with reference to a range of 5% to 7.5% of forecast operational expenditure. When actual reserve levels fall below the lower limit the Academy trust will take all necessary steps to rebuild reserve levels through expenditure reductions or securing additional income. Where reserve levels are in excess of the upper limit action will be taken to ensure excess reserves are utilised in the delivery of the charitable objectives or through investment in the Academy trust's capital infrastructure.

The current level of operational reserves is £16,174 and represents 0.3% of forecast operational expenditure for 2021/22.

### Investment Policy

The school has the power to deposit or invest any funds not immediately required for the furtherance of its objectives (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard for the suitability of investments and the need for diversification). The school may also delegate the management of investments to a financial expert, but only on the terms that:

- The investment policy is set down in writing for the financial expert by the Governors
- Every transaction is reported promptly to the Governors
- The performance of the investment is reviewed regularly by the Governors
- The Governors are entitled to cancel the delegated arrangement at any time
- The investment policy and the delegation arrangement are reviewed once a year
- All payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt; and
- The financial expert must not do anything outside the powers of the Governors

# Sussex Education Trust Limited

## Trustees' Report

### Principal Risks and Uncertainties

We have, in this year, increased our focus on Risk and as a result we have further developed our risk management process as well as an enhanced risk register. Our rationale for doing this is to ensure we can identify all pertinent risks and swiftly build an action plan to counter them.

During the year we have conducted with the ESFA a thorough SRMA process, which has helped the school develop further improvements to its financial reporting, risk monitoring and budgeting. Much of this was implemented within the academic year but increased measures will be incorporated during 2021/2022.

The enhanced risk register ensures that Governors can easily and effectively maintain an overview of all strategic risks that exist when running an education establishment and must not be overlooked because of Covid-19. It enables strategic leaders to focus on increasing or high risks, while operational risk owners monitor the impact of control measures for lower and static risks.

### Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Academy Trust during the year.

### Plans for Future Periods

For the 2021/2022 Academic Year our prime focus area is to get the school functioning as close to 'normal' again as possible but in a safe environment. Despite the excellent offering of remote learning that was conducted by the school, there has inevitably been lost academic time and we now strive to give our pupils the best opportunities to catch up and meet their full potential.

### Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold any such funds.

# Sussex Education Trust Limited

## Trustees' Report

### Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 1 December 2021 and signed on the board's behalf by:

  
J.Appleby (Dec 2, 2021 17:38 GMT)

J Appleby  
Vice Chair of Trustees

# Sussex Education Trust Limited

## Governance Statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Sussex Education Trust Limited 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 Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sussex Education Trust Limited 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 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Howard Oyns (resigned December 2020)	1	1
Helen Humphry	7	7
Joseph Appleby	7	7
Anne Harris	7	7
Kate Wade (resigned November 2020)	1	1
Kathryn Christopher	7	7
Matthew Burkes	6	7
Richard Andrews	7	7
Robert Crowe	7	7
Michelle Leggatt (resigned October 2020)	0	1
Robert Matthews	4	7
Paul Spencer-Ellis	6	7
Stephen King	7	7
Susanne Webb (appointed March 2021)	1	1
Tim Fry (appointed March 2021)	1	1

The Governing Body has sub-committees (Education and Resources) which are tasked with detailed governance of their respective areas. Governors are presented in advance of meeting with detailed analysis and KPI's. Governors use this information to scrutinise academic, pastoral, and financial performance.

# Sussex Education Trust Limited

## Governance Statement

### Governance (continued)

In addition to governance that is carried out within committee meetings, each Governor is given a link role connected to either the School Improvement Plan (SIP) or / and an area of statutory (e.g., Safeguarding, Health and Safety). Each Governor carries out a school visit and if required subsequent follow up visits to ensure that their area is performing and if not to ask for further explanation from the Principal of how performance is being addressed. Following visits are then written up in a common report format and shared with Principal and all other Governors.

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to give oversight and governance on the finances of the Trust and operational aspects of its activities. The committee reports back to the main board regarding issues in these areas. The committee is responsible for scrutinising the annual and 5-year budgets before approval at the main board. The committee uses several financial instruments to ensure the school is meeting both budget and returning value for money of its GAG funding. The committee has delegated powers to review, amend and approve policies associated with the Finance and Operation of the Trust.

During the last financial year, the Trust had to carefully manage its liquidity, during the continued phased closure of the Sixth form. The additional pressure of Covid-19 has presented further challenges to both the finances of the Trust and the safe operation of its facilities for Staff, Pupils, and visitors; this remains a focal point into the new academic year. A planned deficit budget has been closely managed whilst the phased closure of the Sixth form is completed, and the committee are confident in their longer-term budgeting returning the Trust to a surplus position. The committee are confident this can be achieved within the bounds of its current reserves.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Joseph Appleby	6	6
Howard Oyns (resigned December 2020)	2	2
Richard Andrews	6	6
Robert Crowe (appointed December 2019)	5	6
Robert Matthews	3	6
Michelle Leggatt (resigned October 2020)	0	1
Tim Fry (appointed March 2021)	2	2

# Sussex Education Trust Limited

## Governance Statement

### Governance (continued)

The audit committee is a sub-committee of the Resources Committee. Its purpose is to advise on the adequacy of the financial and other controls and risk management arrangements. In order to do so, it directs a programme of internal scrutiny and considers its results, as well as considering the outputs from other assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations. It also reviews the risk register to inform the programme of work, ensuring checks are modified as appropriate each year. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Joseph Appleby	6	6
Howard Oyns (resigned December 2020)	2	2
Richard Andrews	6	6
Robert Crowe (appointed December 2019)	5	6
Robert Matthews	3	6
Michelle Leggatt (resigned October 2020)	0	1
Tim Fry (appointed March 2021)	2	2

### Review of Value for Money

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

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

- More external providers hiring the school facilities has increased the lettings income thereby providing more working capital.
- Restructure of the SEN department to make it more efficient has provided savings and better working practices.
- Restructure of the Senior Leadership Team has provided the same level of cover and skills but for a reduced cost.
- Restructure of the Admin team has been required as the school has evolved and grown but has returned a saving.
- A new Performance Management / Pay Review policy has been brought in, which now links performance review to pay progression. In turn this rewards staff for good performance but under achievers do not benefit from previous automatic pay progression.
- Value for money is benchmarked against similar schools using the Government benchmarking toolkit, currently the school achieves a score of 3/10 (1 being the highest value for money), therefore showing that Chichester Free School achieves better value for money than 80% of other schools nationally in the same expenditure category.

# Sussex Education Trust Limited

## Governance Statement

### 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 Sussex Education Trust Limited 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 Resources 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 has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from SBM Services Ltd and St. Philip Howard Academy

The internal auditor's role includes giving advice on financial 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:

- Income, Purchasing & Creditors, Bank & Cash and Budget
- Administration, Finance & Management Systems, Governance, Payroll and Fixed Assets



# Sussex Education Trust Limited

## Governance Statement

The Risk and Control Framework (continued)

On a termly basis, the auditor reports to the Board of Trustees, through the audit 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.

The internal auditor has delivered their schedule of work as planned (although this was squeezed into a single term due to Covid restrictions on access). No material control issues arose as a result of the internal auditor's work.

Review of Effectiveness

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

- the work of the reviewer
- the work of the external auditor
- the school resource management self-assessment tool
- 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 1 December 2021 and signed on its behalf by:

  
J.Appleby (Dec 2, 2021 17:38 GMT)

J Appleby  
Vice Chair of Trustees

  
Louise New (Dec 8, 2021 10:34 GMT)

L New  
Accounting Officer

# Sussex Education Trust Limited

## Statement of Regularity, Propriety and Compliance

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

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

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

*Louise New*  
Louise New (Dec 8, 2021 10:34 GMT)

L New  
Accounting Officer  
1 December 2021

# Sussex Education Trust Limited

## Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 1 December 2021 and signed on its behalf by:

  
J.Appleby (Dec 2, 2021 17:38 GMT)

J Appleby  
Vice Chair of Trustees

# Sussex Education Trust Limited

## Independent Auditor's Report on the Financial Statements to the Members of Sussex Education Trust Limited

### Opinion

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

In our opinion the financial statements:

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

# Sussex Education Trust Limited

## Independent Auditor's Report on the Financial Statements to the Members of Sussex Education Trust Limited

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# Sussex Education Trust Limited

## Independent Auditor's Report on the Financial Statements to the Members of Sussex Education Trust Limited

### Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who 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 to 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academies Financial Handbook 2020, and the Academies Accounts Direction 2020 to 2021.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

# Sussex Education Trust Limited

## Independent Auditor’s Report on the Financial Statements to the Members of Sussex Education Trust Limited

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust’s financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team’s knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Independent Auditor’s Report.

### Use of our report

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

David Brookes  
David Brookes (Dec 8, 2021 12:34 GMT)

D Brookes FCA (Senior statutory auditor)  
For and on behalf of Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 08/12/2021 .....

# Sussex Education Trust Limited

## Independent Reporting Accountant's Assurance Report on Regularity to Sussex Education Trust Limited and the Education & Skills Funding Agency

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

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

Respective responsibilities of Sussex Education Trust Limited's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Sussex Education Trust Limited's funding agreement with the Secretary of State for Education dated 8 July 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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



# Sussex Education Trust Limited

## Independent Reporting Accountant's Assurance Report on Regularity to Sussex Education Trust Limited and the Education & Skills Funding Agency

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (effective from 1 September 2020) (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

# Sussex Education Trust Limited

## Independent Reporting Accountant’s Assurance Report on Regularity to Sussex Education Trust Limited and the Education & Skills Funding Agency

### Conclusion

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

David Brookes  
David Brookes (Dec 8, 2021 12:34 GMT)

D Brookes FCA  
Reporting Accountant  
Hopper Williams & Bell Limited  
Chartered Accountants  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 08/12/2021 .....

# Sussex Education Trust Limited

## Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
Income and endowments from:							
Donations and capital grants	2	12,754	-	-	75,432	88,186	446,331
Charitable activities:							
Funding for the academy							
trust's educational operations	3	29,066	5,315,723	-	-	5,344,789	5,182,790
Other trading activities	4	14,885	-	-	-	14,885	19,786
Investments	5	88	-	-	-	88	1,723
<b>Total</b>		<b>56,793</b>	<b>5,315,723</b>	<b>-</b>	<b>75,432</b>	<b>5,447,948</b>	<b>5,650,630</b>
Expenditure on:							
Charitable activities:							
Academy trust educational							
operations	7	25,790	5,422,916	242,000	753,862	6,444,568	6,500,097
Net income / (expenditure)		31,003	(107,193)	(242,000)	(678,430)	(996,620)	(849,467)
Transfers between funds	16	(176,610)	103,303	-	73,307	-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes	24	-	-	(312,000)	-	(312,000)	82,000
Net movement in funds		(145,607)	(3,890)	(554,000)	(605,123)	(1,308,620)	(767,467)
Reconciliation of funds							
Total funds brought forward		119,395	46,276	(587,000)	29,326,009	28,904,680	29,672,147
Total funds carried forward		(26,212)	42,386	(1,141,000)	28,720,886	27,596,060	28,904,680

The notes on pages 28 to 52 form part of these financial statements.

# Sussex Education Trust Limited

## Balance Sheet as at 31 August 2021

Company Number 07874411

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	11		2,812		750
Tangible assets	12		<u>28,699,361</u>		<u>29,325,259</u>
			<u>28,702,173</u>		<u>29,326,009</u>
Current assets					
Stock	13	1,099		1,539	
Debtors	14	224,872		241,894	
Cash at bank and in hand		<u>305,412</u>		<u>482,359</u>	
		<u>531,383</u>		<u>725,792</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(496,496)</u>		<u>(560,121)</u>	
Net current assets			<u>34,887</u>		<u>165,671</u>
Total assets less current liabilities			<u>28,737,060</u>		<u>29,491,680</u>
Defined benefit pension scheme liability	24		(1,141,000)		(587,000)
Total net assets			<u>27,596,060</u>		<u>28,904,680</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	28,720,886		29,326,009	
Restricted income fund	16	42,386		46,276	
Pension reserve	16	<u>(1,141,000)</u>		<u>(587,000)</u>	
Total restricted funds			<u>27,622,272</u>		<u>28,785,285</u>
Unrestricted income funds	16		(26,212)		119,395
Total funds			<u>27,596,060</u>		<u>28,904,680</u>

The financial statements on pages 25 to 52 were approved by the trustees and authorised for issue on 1 December 2021 and are signed on their behalf by:

*J. Appleby*

J. Appleby (Dec 2, 2021 17:38 GMT)

J Appleby

Vice Chair of Trustees

The notes on pages 28 to 52 form part of these financial statements.

# Sussex Education Trust Limited

## Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(122,441)	(544,757)
Cash flows from investing activities	20	(54,506)	(7,536)
Change in cash and cash equivalents in the reporting period		<u>(176,947)</u>	<u>(552,293)</u>
Cash and cash equivalents at 1 September 2020		482,359	1,034,652
Cash and cash equivalents at 31 August 2021	21	<u>305,412</u>	<u>482,359</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 1 Accounting policies

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

#### Basis of Preparation

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

#### Going Concern

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

#### 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.

- 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.

- Grants

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

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

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

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Income (continued)

- Government Grants

The following government grants have been received during the year:

#### Coronavirus exceptional support

The accrual model has been used to recognise the grant when it is received or becomes receivable, as there are no future related costs or performance conditions.

- Other Income

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

- Donated goods, facilities and services

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

- Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

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

### Expenditure

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

- Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Intangible Fixed Assets

Intangible assets costing £2,000 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 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:

Purchased computer software	25% straight line
-----------------------------	-------------------

### Tangible Fixed Assets

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

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

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

Freehold Land and Buildings	2% straight line on buildings; not provided on land
Furniture and Equipment	25% straight line
Computer Equipment	25% straight line
Motor Vehicles	25% straight line

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over 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.

### Liabilities

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



# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Provisions

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

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

### Leased Assets

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

### Financial Instruments

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

#### Financial assets

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

#### Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### Financial liabilities

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

#### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

#### 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.

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Pensions Benefits

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

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

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

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

### Fund Accounting

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

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

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

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 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.

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 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.

The assumptions used are disclosed in note 24.

### Critical areas of judgement

There are no other critical areas of judgement.

## 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	45,112	45,112	440,210
Donated fixed assets	-	30,320	30,320	-
Other donations	12,754	-	12,754	6,121
	<u>12,754</u>	<u>75,432</u>	<u>88,186</u>	<u>446,331</u>
Total 2020	<u>6,121</u>	<u>440,210</u>	<u>446,331</u>	

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,553,268	4,553,268	4,376,408
Pupil Premium	-	149,711	149,711	168,827
Start Up Grants	-	-	-	60,000
UIFSM	-	71,803	71,803	74,290
Rates reclaim	-	58,368	58,368	57,836
PE and sports grant	-	19,600	19,600	19,600
Year 7 catch up grant	-	-	-	11,800
Teachers' pay grant	-	62,023	62,023	61,414
Teachers' pension grant	-	175,257	175,257	173,536
Other DfE grants	-	1,628	1,628	10,220
	-	5,091,658	5,091,658	5,013,931
Other government grants				
Local authority grants	-	55,156	55,156	38,340
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	79,720	79,720	-
Coronavirus exceptional support	-	-	-	9,708
Summer schools programme fund	-	12,662	12,662	-
Other DfE/ESFA Coronavirus funding	-	32,690	32,690	-
	-	125,072	125,072	9,708
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	36,120	36,120	-
Other income from the Academy Trust's educational operations				
Other income	29,066	7,717	36,783	120,811
	29,066	5,315,723	5,344,789	5,182,790
Total 2020	70,811	5,111,979	5,182,790	

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 3 Funding for the Academy Trust's educational operations (continued)

Following the reclassification of some grants received from the Department for Education and the ESFA in the Academies Accounts Direction 2020/21, the Academy Trust's funding for UIFSM, Rates reclaim, PE and sports grant, Year 7 catch up grant, Teachers' pay grant, and Teachers' pension grant are no longer reported under the Other DfE grants heading, but as separate lines under the DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £79,720 of funding for catch-up premium and costs incurred in respect of this funding totalled £66,971, with the remaining £12,749 to be spent in 2021/22.

The Academy Trust received other Coronavirus funding in respect of mass testing, Covid-19 Workforce Fund, and emergency support funding.

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	14,885	-	14,885	19,786
Total 2020	19,786	-	19,786	

### 5 Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	88	-	88	1,723
Total 2020	1,723	-	1,723	

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2020/21 £	Total 2019/20 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	4,198,013	-	240,767	4,438,780	4,576,557
Allocated support costs	658,810	236,284	1,110,694	2,005,788	1,923,540
	<u>4,856,823</u>	<u>236,284</u>	<u>1,351,461</u>	<u>6,444,568</u>	<u>6,500,097</u>
Total 2020	<u>4,819,178</u>	<u>225,362</u>	<u>1,455,557</u>	<u>6,500,097</u>	

Net income/(expenditure) for the period includes:

	2020/21 £	2019/20 £
Operating lease rentals	42,658	56,477
Amortisation	938	537
Depreciation	755,474	742,070
(Gain)/loss on disposal of fixed assets	(2,550)	(3,000)
Fees payable to auditor for:		
Audit	7,250	7,040
Other services	<u>3,515</u>	<u>1,975</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the Academy Trust	180	-	-
Unrecoverable debts	5,894	5,894	Provision for student balances which are not expected to be recoverable.

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 7 Charitable activities

	2020/21 Total £	2019/20 Total £
Direct costs	4,438,780	4,576,557
Support costs	2,005,788	1,923,540
	<u>6,444,568</u>	<u>6,500,097</u>

#### Analysis of support costs:

	Educational operations £	2020/21 Total £	2019/20 Total £
Support staff costs	658,810	658,810	585,337
Amortisation	938	938	537
Depreciation	755,474	755,474	742,070
Technology costs	88,852	88,852	107,693
Premises costs	236,284	236,284	225,362
Legal costs - other	1,756	1,756	1,900
Other support costs	201,292	201,292	219,512
Governance costs	62,382	62,382	41,129
Total support costs	<u>2,005,788</u>	<u>2,005,788</u>	<u>1,923,540</u>
Total 2020		<u>1,923,540</u>	<u>1,923,540</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 8 Staff

#### a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	3,399,743	3,457,871
Social security costs	303,517	319,784
Pension costs	988,162	946,986
	<u>4,691,422</u>	<u>4,724,641</u>
Agency staff costs	163,158	94,537
Staff restructuring costs	2,243	-
	<u>4,856,823</u>	<u>4,819,178</u>

Staff restructuring costs comprise:

Redundancy payments	2,243	-
	<u>2,243</u>	<u>-</u>

#### b) Staff numbers

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

	2020/21	2019/20
	No.	No.
Teachers	61	64
Administration and support	62	75
Management	9	10
	<u>132</u>	<u>149</u>

#### c) Higher paid staff

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

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

#### d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £669,156 (2020: £696,795).



# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

		2020/21	2019/20
		£000	£000
Kate Wade	Remuneration	5-10	40-45
(Staff trustee to 22 November 2020)	Employer’s pension contributions paid	0-5	5-10

During the period ended 31 August 2021, no trustees received any reimbursement of expenses (2020: none).

### 10 Trustees and officers insurance

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

### 11 Intangible fixed assets

	Computer software	Total
	£	£
Cost		
At 1 September 2020	43,548	43,548
Acquisitions	3,000	3,000
At 31 August 2021	<u>46,548</u>	<u>46,548</u>
Amortisation		
At 1 September 2020	42,798	42,798
Charged in year	938	938
At 31 August 2021	<u>43,736</u>	<u>43,736</u>
Net book values		
At 31 August 2020	750	750
At 31 August 2021	<u>2,812</u>	<u>2,812</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 12 Tangible fixed assets

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2020	30,066,196	884,811	865,545	39,333	31,855,885
Acquisitions	60,716	22,276	46,584	-	129,576
Disposals	-	-	(16,210)	(19,028)	(35,238)
At 31 August 2021	<u>30,126,912</u>	<u>907,087</u>	<u>895,919</u>	<u>20,305</u>	<u>31,950,223</u>
Depreciation					
At 1 September 2020	1,099,786	652,001	739,506	39,333	2,530,626
Charged in year	558,344	123,528	73,602	-	755,474
Disposals	-	-	(16,210)	(19,028)	(35,238)
At 31 August 2021	<u>1,658,130</u>	<u>775,529</u>	<u>796,898</u>	<u>20,305</u>	<u>3,250,862</u>
Net book values					
At 31 August 2020	28,966,410	232,810	126,039	-	29,325,259
At 31 August 2021	<u>28,468,782</u>	<u>131,558</u>	<u>99,021</u>	<u>-</u>	<u>28,699,361</u>

### 13 Stock

	2020/21 £	2019/20 £
Uniform stocks	<u>1,099</u>	<u>1,539</u>

### 14 Debtors

	2020/21 £	2019/20 £
Trade debtors	11,283	3,777
VAT recoverable	43,495	46,241
Other debtors	15,408	15,508
Prepayments and accrued income	154,686	176,368
	<u>224,872</u>	<u>241,894</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 15 Creditors: amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	170,041	179,025
Other taxation and social security	64,512	77,620
Other creditors falling due within one year	101,608	180,477
Accruals and deferred income	160,335	122,999
	<u>496,496</u>	<u>560,121</u>

  

	2020/21	2019/20
	£	£
Deferred income at 1 September 2020	113,297	114,294
Released from previous years	(113,297)	(114,294)
Resources deferred in the year	108,882	113,297
Deferred income at 31 August 2021	<u>108,882</u>	<u>113,297</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of SEN funding, UIFSM, rates reimbursement, and trip income.

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,553,268	(4,674,491)	121,223	-	-
Pupil premium	-	149,711	(149,711)	-	-	-
UIFSM	-	71,803	(71,803)	-	-	-
Rates reclaim	-	58,368	(58,368)	-	-	-
PE and sports grant	-	19,600	(1,680)	(17,920)	-	-
Teachers' pay grant	-	62,023	(62,023)	-	-	-
Teachers' pension grant	-	175,257	(175,257)	-	-	-
Other DfE grants	-	1,628	(1,628)	-	-	-
Local authority grants	-	55,156	(55,156)	-	-	-
Catch-up premium	-	79,720	(66,971)	-	-	12,749
Summer schools programme	-	12,662	(12,662)	-	-	-
Other DfE/ESFA C-19 funding	-	32,690	(32,690)	-	-	-
Other Coronavirus funding	-	36,120	(36,120)	-	-	-
Other educational activities	46,276	7,717	(24,356)	-	-	29,637
	46,276	5,315,723	(5,422,916)	103,303	-	42,386
Pension reserve	(587,000)	-	(242,000)	-	(312,000)	(1,141,000)
	(540,724)	5,315,723	(5,664,916)	103,303	(312,000)	(1,098,614)
<b>Restricted fixed asset funds</b>						
Fixed asset fund	29,326,009	-	(753,862)	130,026	-	28,702,173
ESFA capital grants (DFC)	-	19,396	-	(19,396)	-	-
Other ESFA capital grants	-	25,716	-	(25,716)	-	-
Donated fixed assets	-	30,320	-	(22,442)	-	7,878
Other capital funds	-	-	-	10,835	-	10,835
	29,326,009	75,432	(753,862)	73,307	-	28,720,886
<b>Total restricted funds</b>	<b>28,785,285</b>	<b>5,391,155</b>	<b>(6,418,778)</b>	<b>176,610</b>	<b>(312,000)</b>	<b>27,622,272</b>
<b>Total unrestricted funds</b>	<b>119,395</b>	<b>56,793</b>	<b>(25,790)</b>	<b>(176,610)</b>	<b>-</b>	<b>(26,212)</b>
<b>Total funds</b>	<b>28,904,680</b>	<b>5,447,948</b>	<b>(6,444,568)</b>	<b>-</b>	<b>(312,000)</b>	<b>27,596,060</b>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 16 Funds (continued)

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

#### General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

#### Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

#### Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### Other educational activities

This includes all other educational income/expenditure.

#### Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

#### Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

#### Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

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

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 16 Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	124,372	4,376,408	(4,697,832)	197,052	-	-
Pupil premium	-	168,827	(168,827)	-	-	-
Start Up Grants	-	60,000	(60,000)	-	-	-
UIFSM	23,706	74,290	(97,996)	-	-	-
Rates reclaim	-	57,836	(57,836)	-	-	-
PE and sports grant	-	19,600	(19,600)	-	-	-
Year 7 catch up grant	-	11,800	(11,800)	-	-	-
Teachers' pay grant	-	61,414	(61,414)	-	-	-
Teachers' pension grant	-	173,536	(173,536)	-	-	-
Other DfE grants	-	10,220	(10,220)	-	-	-
Local authority grants	-	38,340	(38,340)	-	-	-
Coronavirus exceptional supt.	-	9,708	(9,708)	-	-	-
Other educational activities	-	50,000	(3,724)	-	-	46,276
	148,078	5,111,979	(5,410,833)	197,052	-	46,276
Pension reserve	(426,000)	-	(243,000)	-	82,000	(587,000)
	<u>(277,922)</u>	<u>5,111,979</u>	<u>(5,653,833)</u>	<u>197,052</u>	<u>82,000</u>	<u>(540,724)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	29,616,147	-	(739,607)	449,469	-	29,326,009
ESFA capital grants (DFC)	-	18,518	-	(18,518)	-	-
Other ESFA capital grants	-	421,692	-	(421,692)	-	-
	<u>29,616,147</u>	<u>440,210</u>	<u>(739,607)</u>	<u>9,259</u>	<u>-</u>	<u>29,326,009</u>
<b>Total restricted funds</b>	<u>29,338,225</u>	<u>5,552,189</u>	<u>(6,393,440)</u>	<u>206,311</u>	<u>82,000</u>	<u>28,785,285</u>
<b>Total unrestricted funds</b>	<u>333,922</u>	<u>98,441</u>	<u>(106,657)</u>	<u>(206,311)</u>	<u>-</u>	<u>119,395</u>
<b>Total funds</b>	<u>29,672,147</u>	<u>5,650,630</u>	<u>(6,500,097)</u>	<u>-</u>	<u>82,000</u>	<u>28,904,680</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 17 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Intangible fixed assets	-	-	-	2,812	2,812
Tangible fixed assets	-	-	-	28,699,361	28,699,361
Current assets	-	512,670	-	18,713	531,383
Current liabilities	(26,212)	(470,284)	-	-	(496,496)
Pension scheme liability	-	-	(1,141,000)	-	(1,141,000)
Total net assets	<u>(26,212)</u>	<u>42,386</u>	<u>(1,141,000)</u>	<u>28,720,886</u>	<u>27,596,060</u>

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Intangible fixed assets	-	-	-	750	750
Tangible fixed assets	-	-	-	29,325,259	29,325,259
Current assets	119,395	606,397	-	-	725,792
Current liabilities	-	(560,121)	-	-	(560,121)
Pension scheme liability	-	-	(587,000)	-	(587,000)
Total net assets	<u>119,395</u>	<u>46,276</u>	<u>(587,000)</u>	<u>29,326,009</u>	<u>28,904,680</u>

### 18 Long-term commitments, including operating leases

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

	2020/21	2019/20
	£	£
Amounts due within one year	34,076	37,172
Amounts due between one and five years	62,813	26,438
	<u>96,889</u>	<u>63,610</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020/21	2019/20
	£	£
Net expenditure for the reporting period	(996,620)	(849,467)
Adjusted for:		
Amortisation	938	537
Depreciation	755,474	742,070
(Gain)/loss on disposal of fixed assets	(2,550)	(3,000)
Capital grants from DfE and other capital income	(75,432)	(440,210)
Interest receivable	(88)	(1,723)
Defined benefit pension scheme cost less contributions payable	230,000	232,000
Defined benefit pension scheme finance cost	12,000	11,000
Decrease / (increase) in stocks	440	(227)
Decrease in debtors	17,022	31,797
Decrease in creditors	(63,625)	(267,534)
Net cash used in Operating Activities	<u>(122,441)</u>	<u>(544,757)</u>

### 20 Cash flows from investing activities

	2020/21	2019/20
	£	£
Dividends, interest and rents from investments	88	1,723
Proceeds from sale of tangible fixed assets	2,550	-
Purchase of intangible fixed assets	(3,000)	3,000
Purchase of tangible fixed assets	(99,256)	(452,469)
Capital grants from DfE Group	45,112	440,210
Net cash used in investing activities	<u>(54,506)</u>	<u>(7,536)</u>



# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 21 Analysis of cash and cash equivalents

	2020/21	2019/20
	£	£
Cash at bank and in hand	305,412	348,447
Notice deposits (less than 3 months)	-	133,912
Total cash and cash equivalents	<u>305,412</u>	<u>482,359</u>

### 22 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2021 £
Cash	348,447	(43,035)	-	-	-	305,412
Cash equivalents	133,912	(133,912)	-	-	-	-
	<u>482,359</u>	<u>(176,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,412</u>
Total	<u>482,359</u>	<u>(176,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,412</u>

### 23 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

# Sussex Education Trust Limited

## Notes to the Financial Statements 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 West Sussex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £84,434 were payable to the schemes at 31 August 2021 (2020: £86,022) and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### 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 four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 24 Pension and similar obligations (continued)

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 £574,987 (2020: £556,956).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was as follows:

	2021	2020
	£	£
Employer's contributions	194,000	172,000
Employees' contributions	53,000	51,000
	<u>247,000</u>	<u>223,000</u>

The agreed contribution rates for future years are 18.9% 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 an Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	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%
Inflation assumption (CPI)	<u>2.9%</u>	<u>2.2%</u>

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

	2021	2020
Retiring today		
Males	22.1	22.2
Females	<u>24.4</u>	<u>24.2</u>
Retiring in 20 years		
Males	23.1	23.3
Females	<u>26.1</u>	<u>25.9</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 24 Pension and similar obligations (continued)

Sensitivity analysis	Increase/(reduction) in defined benefit obligation	
	2021	2020
	£	£
Discount rate -0.1%	92,000	64,000
Mortality assumption – 1 year increase	123,000	n/a*
CPI rate +0.1%	92,000	60,000

\* This figure was not provided by the scheme actuary in the comparative period.

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

	2021	2020
	£	£
Equities	1,009,000	765,000
Gilts	699,000	482,000
Property	155,000	99,000
Cash	78,000	71,000
Total market value of assets	<u>1,941,000</u>	<u>1,417,000</u>

The actual return on scheme assets was £279,000 (2020: £349,000).

Amount recognised in the Statement of Financial Activities

	2020/21	2019/20
	£	£
Current service cost	424,000	404,000
Interest income	(26,000)	(18,000)
Interest cost	38,000	29,000
Total amount recognised in the SOFA	<u>436,000</u>	<u>415,000</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 24 Pension and similar obligations (continued)

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

	2020/21	2019/20
	£	£
At 1 September	2,004,000	1,275,000
Current service cost	424,000	404,000
Interest cost	38,000	29,000
Employee contributions	53,000	51,000
Actuarial loss	565,000	249,000
Benefits paid	(2,000)	(4,000)
At 31 August	<u>3,082,000</u>	<u>2,004,000</u>

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

	2020/21	2019/20
	£	£
At 1 September	1,417,000	849,000
Interest income	26,000	18,000
Actuarial gain	253,000	331,000
Employer contributions	194,000	172,000
Employee contributions	53,000	51,000
Benefits paid	(2,000)	(4,000)
At 31 August	<u>1,941,000</u>	<u>1,417,000</u>

# Sussex Education Trust Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 25 Related party transactions

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

#### Expenditure Related Party Transactions:

MindWorks Marketing Company Limited – a company in which M Leggatt (a trustee) is a director:

- The Academy Trust purchased services from MindWorks Marketing Company Limited totalling £267 (2020: £17,059) during the period. There were no amounts outstanding at 31 August 2021 (2020: £961).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which M Leggatt neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2020.

Chris New Consultancy – a business controlled by a close family member of L New (a member of key management personnel):

- The academy trust purchased services from Chris New Consultancy totalling £16,428 (2020: £13,896) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which L New neither participated in, nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.