

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 16
Governance Statement	17 - 20
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditors' Report on the Financial Statements	23 - 26
Independent Reporting Accountant's Report on Regularity	27 - 28
Statement of Financial Activities Incorporating Income and Expenditure Account	29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements	32 - 55

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Jennifer Sutherland
Michael Clarke
Susan Taylor

Trustees

Jennifer Sutherland, Chair of Trustees
Susan Taylor, Chair of the Academy Advisory Board
Michael Clarke
Jean Haight
Sarah Fitzjohn-Scott
Richard Preece, Chief Executive Officer and Accounting Officer

Company registered number

09172115

Company name

Torfield and Saxon Mount Academy Trust

Principal and registered office

Saxon Mount School
Edinburgh Road
St Leonards-on-Sea
East Sussex
TN38 8HH

Company secretary

Marion Booth

Senior management team

Richard Preece, Chief Executive Officer and Accounting Officer
Marion Booth, Director of Finance, Resources and Strategy
John Anderson, Headteacher, Torfield School
Amanda Jagot, Headteacher, Saxon Mount School

Independent auditors

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Bankers

NatWest Bank
Havelock Road
Hastings
East Sussex
TN34 1GW

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust operates 1 primary Academy and 1 secondary Academy for pupils aged 4 to 16 serving a catchment area predominantly in Haslings and the eastern areas of East Sussex but including any other area within the LA due to the specialist nature of the provision, with a pupil capacity of 100 and 144 pupils currently enrolled based on the May 2021 census.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable 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 are also the Directors of the charitable company for the purposes of company law. The charitable company operates as the Torfield and Saxon Mount Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ("RPA"), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Local Governing Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement.

- Up to 5 Trustees who are appointed by the Members.
- the Executive Headteacher who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the Schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only a low number of new trustee appointments each year, induction will be tailored specifically to the individual(s) and will reflect existing skills and knowledge. Advantage is taken of specific relevant courses offered by various external organisations as appropriate. Three trustee training events are organised each year which includes training sessions to keep the trustees updated on relevant developments impacting upon their roles and responsibilities. New Trustees also have the opportunity to undertake appropriate training provided by external bodies and all governors receive regular information and updates.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

f. Organisational structure

At 31 August 2021, the Academy Trust comprised the following individual academies:

- Saxon Mount School
- Torfield School

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet 3 times each year on a pattern of once per term and excluding interim training and development events. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one separate Committee of the Board of Trustees as follows:

- The Executive Headteachers Performance Management Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure,
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Executive Headteacher

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Executive Headteacher. The SLT comprises the Executive Headteacher, Headteachers, Assistant Headteachers and the Director of Finance, Resources and Operational Strategy. The Executive Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

The Board of Trustees delegates a number of functions to the Academy Advisory Board ('AAB') for both schools in the Trust. The AAB reviews and monitors performance within each academy, including curriculum and pupil outcomes, safeguarding and Health and Safety and school improvement activities. Trustee members of the AAB include the Executive Headteacher, Trustee with Responsibility for Teaching and Learning and Trustee with Responsibility for Child Protection and safeguarding and Health and Safety. These Trustees report directly to the Board in relation to the AAB's activities.

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Board of Trustees in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff. The pay of the CEO for both Trusts is reviewed annually by the Executive Headteacher pay committee and recommendations made to the Trustees.

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,500,000
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Torfield and Saxon Mount Academy Trust have continued to provide significant support to a local Non-Maintained Special School, St Mary's School and College, during this year, providing leadership, management and Educational improvement support. A formal Business Support contractual agreement is in place. Two of the Academy Trust's Trustees also sit on the Board of St Mary's School and another Trustee is Chair of the School Effectiveness Board, appointed to lead and manage school improvement following poor Ofsted categorisations in October 2018 and early 2019. This support was brokered by the RSC, ESFA and East Sussex County Council. It is intended that this support will continue in future years.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the Inhabitants of Hastings and St Leonards and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The key aims of the Academy Trust during the year ended 31 August 2021 are summarised below:

- To improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time;
- To continually strive to improve standards in every aspect of Trust provision;
- By providing consistently high quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.
- To strive to support the educational provision and life chances of pupils with high needs in other schools within the local areas and in other geographical areas if requested, by sharing the Academy Trust's knowledge, expertise and strategies to assist schools to be able to provide appropriate and outstanding provision for pupils with SEN in whatever setting they are placed.
- To strive to provide outstanding careers advice and guidance opportunities for all pupils. This is to enable them to make informed and relevant choices in preparation for leaving school recognising and developing the skills needed to undertake further education, apprenticeships or work. The trust is committed to working with local and national employers training providers, supporting and recruiting bodies to develop opportunities available to pupils and young adults with SEN.
- To continue to provide high quality and accessible education and support provision for all pupils during the corona Virus pandemic lockdown, either in school or at home. This includes retaining and improving the confidence of parents to enable their children to attend school as safely as possible and offering support for secondary age pup. regular testing at home or in school

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the year are contained in the Academy Trust's Development Plan which is available from the Executive Headteacher.

The key activities of the Academy Trust for the year ended 31 August 2021 were focused as follows:

- Ensuring the provision made by each school in the Trust leads to excellent academic and personal outcomes for pupils, evidenced using a range of key performance indicators.
- Managing succession planning effectively at senior leadership and governance level, to ensure continuity of provision and the retention of high quality senior personnel. Temporary secondments to 1 senior teacher and 1 Finance member have been implemented this year to provide those staff with additional experience in leadership and management roles and retain their experience within the Trust.
- To continue to develop systems, processes and expertise to share within our schools and the wider school community, to help raise awareness and develop opportunities for all children with SEN and their families.
- Continuing to manage the impact of a significant increase in pupil numbers at both schools. Torfield had 85 commissioned places but up to 102 pupils were actually placed in the school during 2020/21. Saxon Mount experienced a similar increase, by the end of the year there were 144 pupils placed in the school, where 129 places had been commissioned. Over the last 2 years, both schools have had to undertake unexpected internal remodelling, resourcing and decoration as well as appoint additional staffing and arrange organisational changes in order to make accommodation and provision suitable for these additional pupils. The schools are anticipated to be at this high level of occupation for some time to come and commissioned places have increased again in 2021/22, although the commissioned number of places remains and it anticipated to remain lower than the actual number of pupils on roll.
- Further developing the KS4 curriculum and work related learning for each new cohort as changes to the exam courses continue, to ensure all pupils are able to access appropriate courses or programmes with the opportunity to achieve successful and meaningful outcomes. Saxon Mount is a lead school in the East Sussex Careers Hub, providing information, guidance and support to other schools.
- To continue to develop the EYF environment and opportunities for our youngest pupils to ensure they have the best start to their school and learning experience. In addition, Torfield School continued to take a leading role in a Communication and Literacy project, initially funded by the Hastings Opportunity Area, to support special and mainstream schools in planning for pupils who are assessed at below age related expectations. This software will be introduced at both schools in Autumn 2021 and further development will continue to ensure information and assessment data is as comprehensive and relevant as possible for each different setting.
- Both schools provided advice, guidance support and resources to support school improvement activities at St Mary's School, Bexhill as part of the formal partnership agreement that is in place.
- Provision of home to school transport to pupils where attendance is an issue for families and local authority transport provision is not an option either due to proximity to the school or the pupils individual circumstances. The schools provide vehicles and staff to enable identified pupils to be able to attend where attendance would otherwise be poor, irregular or timekeeping an issue. This provision is monitored for success and impact on outcomes for pupils and data to date indicates that this provision is likely to expand further due to local circumstances and needs of the pupils and families.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

- Both schools had to continue to respond quickly and efficiently to rapidly changing circumstances throughout 2020 / 21 as the Covid-19 pandemic continued to have implications on education provision, attendance, families and staffing. A number of activities were undertaken to keep staff and pupils safe and to provide continuity and access of provision, both at school and for those at home. Additional resourcing was required including additional cleaning regimes for premises and equipment, PPE, free school meal provision for those eligible but unable to be in school and associated additional staffing costs and enabling both in school and learning to continue for each child. The schools also provided laptops for home use prior to the government scheme being implemented along with food and other teaching / learning resources.
- The principal that guided both schools' approach to provision during the pandemic has been that all pupils who are eligible and all parents who wish for their child to attend school in compliance with regulations / guidance at the time, were offered a place and facilitated to attend. Consequently, overall, attendance was high at both schools throughout the period of lockdown / partial closures. This also led to less disruption to most pupils' learning and a more measured approach being taken to using 'catch up' provision, which is planned to be implemented during 2021 / 22. The aim of this will be that all pupils affected during 2019 / 20 and 2020 / 21 will be provided with intervention and support as required, so that the impact of any disrupted or lost learning is addressed and overcome by summer 2022.
- The schools have been proactive in identifying learning from their experiences during the pandemic and from the need to make changes to usual operation and practice during the periods of lockdown or additional safety measures being in place. This has allowed the schools to develop and improve some aspects of operation where necessary changes showed an opportunity to improve upon existing practice.
- As part of planning for 2021 and 22, a decision was made in the spring of 2021 to use Covid associated additional funding from the DfE to appoint additional staff to deliver or support the delivery of intervention provision as part of the Covid catch up activities. This will be implemented at both schools in compliance with the government guidelines for expenditure of the grants allocated. This strategy includes not only staff appointments that facilitates targeted support from existing staff but improvements and developments to the IT infrastructure, enabling access by all pupils to laptops, iPads and desktops as applicable alongside improvements to the wireless access and server upgrades to improve reliability and accessibility in school and by remote access. Government funded IT equipment has been used both by pupils in school and on loan for periods when pupils are out of school. Whilst all equipment remains the property of the school, this strategy has enabled every child to continue learning for any period not in school, or allow for catch up activities out of school. Where IT equipment is not the best resource for supporting learning at home, the schools have made every effort to provide appropriate resources so that where possible, home learning can take place.
- Maintaining the health and safety of the site and buildings at Torfield and Saxon Mount Schools by:
 - a. Refurbishing adult washroom facilities at Torfield School Croft Road site to address plumbing and water issues and improve the environment and hygiene of these areas.
 - b. Continuing to address electrical safety at Saxon Mount school where historical infrastructure is no longer compliant with current standards.
 - c. The installation of a dedicated secure storage unit at Saxon Mount School, as an additional two storey building, with safe access to both floors.
 - d. Undertaking a number of site surveys at all sites to ascertain and document all aspects of fire safety including location of fire safety equipment and call points, fire doors, compartmentation and exit routes from all locations within each building.
 - e. replacement of fencing at Croft Road activity playground to ensure both retention of the perimeter bank and secure mesh materials. Further works are planned in 21/22 to further improve the perimeter of this area.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

- Success is measured through regular review of school and federation development objectives identified within the school development plans and Trust development plan. The Trust appointed External Advisor assists the Board in evaluating success against key areas of school performance including pupil outcome data, pupil achievement, strength of leadership and management, quality of teaching and learning, pupil engagement and behaviour and overall effectiveness. The board of directors also meet regularly with representatives from the commissioned auditors to receive information, advice and guidance in relation to the Trust's financial performance.
- Coronavirus activities were managed successfully including administration of the government funded school meal voucher scheme for all eligible pupils during the pandemic lockdown periods and in all subsequent holidays since.
- Delivery of education by remote methods and software access to all pupils not able to be in school
- Continued provision of home to school transport for pupils where local authority provision is either not available or appropriate dependent upon the pupils needs.

These key objectives and strategies contribute to the successful achievement of the wider stated aims above.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Hastings, St Leonards and East Sussex and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust is committed to securing continual improvement, which is achieved in a number of ways, including through improvement planning, regular review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

The total number of pupils in the year ended 31 August 2021 was 243, and this has increased to 248 at the October 2021 census due to the continued high demand for Special school places at the Academy Trust.

Due to national changes in response to the Coronavirus pandemic, for a second year, there are no nationally published outcomes for summer 2020. Therefore, the Trust cannot compare the performance of its schools with other settings as it has historically been able to. Instead an analysis of internally produced performance data, which usually occurs alongside the comparison with wider national outcomes has been undertaken. The schools continue to perform well against all key measures using this analysis.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2021 were as follows:

For Saxon Mount School

The school External Advisor summarised their view in a report to the Trustees in October 2021:

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

The headteacher, together with all Saxon Mount staff, alongside parents and pupils have collaborated to ensure that the impact of the pandemic has been, as much as possible, minimised.

Within the now, almost expected, "this is how we do it here" paradigm the school has provided significant opportunities to develop structures maintaining the development and support for the progression of pupils and staff and the high quality relationship with parents / carers and pupils.

The deployment of IT resources, training, and confidence building, for both staff students and families has been excellent, the ability to move IT access and provision from predominantly "in school" to "home based" and, at the same time, ensure the safe and effective use by pupils is a reflection on the outstanding quality of education and support provided by the school structured through highly effective and wise leadership.

The support systems needed to guide the school through to the "new normal" are in place embracing both mental and physical health as well as developing the personal capacity of all pupils.

To be in the midst of a global pandemic, supporting families whilst also taking the learning and teaching agenda forward so extensively, excitingly and effectively has ensured pupils continue to learn, develop, grow and enjoy school.

For Torfield School:

The school External Advisor summarised their view in a report to the Trustees in October 2021:

'So much has been done within the school during the pandemic. It will be interesting to review, across the broader range of subjects, how progress and motivation for individuals and groups has been affected.

Provision for Early Years has been enhanced and data is available in school to demonstrate the impact of this.

Speech and language provision continues to relate to NHS provision. Within the school, the speech and language provision use the Nuffield Early Learning. The growth and use of resources in maths remains a challenge but one where progress has been made.

The aspiration is to maintain and further develop the focus on maths progression and the "Matis Mastery" approach which will develop pupils' reasoning skills and fluency. This has worked with Torfield pupils and, with continuing external help for them to identify what they can and cannot do.

The school has taken so many significant steps to ameliorate the difficulties presented.

Resources have been identified with the significant aim of supporting pupils and families, retaining high quality teaching and consequently, strategies have sometimes had to be put in place because the resources have been there rather than at some planned time in the future after detailed training and preparation etc. The school has been able to make adjustments "on the fly" and from discussion and reading this report it is clear that this iterative approach has been very successful.

Every indication is that staff, pupils, and parents are happy.

Congratulations for all the hard work put in by the Headteacher, the staff, parents, and pupils who are your school community'

Key Performance Indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2021, the balance of the unrestricted and restricted income reserves was £2,987,539 (2020: £2,521,967), which is after transfers of £287,728 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil numbers at the most recent census were 249 which is an increase of 5 pupils from the previous census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 76.4% (2020: 73.4%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 84.5% (2020: 73.6%).

b. Going concern

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

There is continued uncertainty on funding for High Needs places nationally and locally including plans to open a number of additional special Free schools / special academies in the Local authority area which may impact upon future placements at Torfield and Saxon Mount in the short and medium term. Contingencies are held and planned for, in line with Trust policy, to enable such turbulence to be managed for a significant period to avoid negative impacts on pupils and staff and to support effective planning strategies to be put in place.

Cost increases due to the Covid pandemic and long-term practice adaptations, increasing value pay awards and associated NI and pension reviews will also impact more heavily in all such Trusts as ours over time and with no certainty on increased central or local government funding for high needs settings. Trust contingencies are held to provide protection and sustainability of the service in future years and to enable continued spending on improving and maintaining the learning and activity environments. Financial review

Financial review

For the year ended 31 August 2021, the Academy Trust's total income (excluding capital grants and other capital income) was £5,008,328 (2020: £5,008,056) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £4,255,028 (2020: £4,388,572), resulting in a net operating surplus for the year of £753,300 (2020: surplus of £621,484).

The balance of reserves at 31 August 2021 excluding the restricted fixed asset funds and LGPS liability fund was £2,987,539 (2020: £2,521,967).

The financial impact of the Covid 19 pandemic continued in the year 2020/21 and additional costs included for enhanced and an increased cleaning practices and in school testing from February 2021 to March 2021 at Saxon Mount School for both pupils and staff. A test centre was set up in school in line with PHE guidelines and twice weekly testing took place throughout the period required. The government grant to cover these costs was received and we continue to receive home test kits for staff and pupils at both schools and to follow PHE and government guidance on all aspects of Covid management and testing.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Both schools have put catch up strategies in place and some government funding grants were received to assist with this. A grant was also bid for and received for the provision of summer schools and clubs and a high number of pupils benefited from these across the summer holiday period.

The net book value of fixed assets at 31 August 2021 were £13,508,672. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £2,223,000 (2020: £1,633,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academies. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 24 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management including financial responsibilities of the Board of Trustees, Executive Headteacher, Senior Leaders, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of operating reserves should be as follows:

- approximately a minimum of 5%. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. It is understood that this contingency sum may be held either within the individual schools or within the Trust. This also provides for adequate timescales to undertake any staffing reviews and potential restructures should any income stream significantly reduce due to local or national funding reviews or strategy changes.
- Structural maintenance funds received from the Local Authority, specifically to maintain land and buildings, with unspent balances from each year contributing to a total reserve value for any major work required and not subject to a successful CIF bid, or to contribute to future CIF bids. This reserve may be held in revenue or capital funds.
- Long term teacher absence/support staff self-insurance fund to the maximum of one full time teacher. This reserve is held as a working, diminishing budget as the year progresses and long term cover is required.
- The Trust continues to hold additional surplus funds in as a Trust development working capital fund to support future MAT projects to enhance and improve knowledge and expertise in curriculum and operational development within the wider special school and mainstream community as required; and to enable effective succession planning and building leadership and management capacity in line with the longer term priorities and future needs of the Trust.

The Academy Trust's current level of operating reserves at 31 August 2021 is £2,987,539 (2020: £2,521,957), which is made up of restricted income reserves of £2,114,633 (2020: £1,544,897) and unrestricted funds of £872,906 (2020: £976,970).

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

a. Reserves policy (continued)

The Trustees recognise that the total value of reserves at the year end exceeds the combined value of the individual items above. This is due to the future planning, development and protection during the current and future period of uncertainty regarding schools funding streams, and specifically funding for special schools via a High Needs funding formula and the Local Authority's specific high needs deficit funding issues and the impact of the planned opening of a number of proposed Free schools within the next 1 to 3 years in the Local Authority area.

The Trustees wish to maintain some protection to the Trust schools in the light of this uncertainty in income and in conjunction with increasing staff costs over the next 3 years, in order to provide stability of provision as necessary strategies are implemented. In addition to this, there are a number of extracurricular and attendance strategies taking place across the Trust schools, previously subject to funding support from the Hastings Opportunity area and fixed term Local Authority grants which was short term grants.

To date these initiatives are demonstrating significant social and academic benefits to pupils so are planned to be continued and developed further from the usual and guaranteed school income funding streams when not subject to additional grant funding. There are also a number of planned development and improvement building and transport projects at both schools carried forward from 2020/21 that will be funded from reserves carried forward from previous years. Delays in works were largely due to pandemic related delays in supplier material chains and lock downs reducing the holiday periods available to carry out works scheduled for within the year.

The value of the restricted fixed asset fund at 31 August 2021 is £15,907,999 (2020: £16,508,672), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £2,223,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £1,000,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Education

The continuing success of the Academy Trust is dependent on continuing to attract pupil placements in sufficient numbers by maintaining the highest educational standards across all key stages.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

c. Principal risks and uncertainties (continued)

To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community. The schools offer a range of holiday and after school opportunities to all pupils either by way of recreational and fitness activity clubs or year group catch up and revision clubs.

Safeguarding and child protection

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority – East Sussex County Council). In the year, approximately 58% of the Academy Trust's income (excluding amounts transferred on conversion from the Local Authority or amounts transferred from other academies joining the Trust) was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every month, and more formally and in depth by reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged CK Chartered Accountants and Business Auditors as internal scrutiny auditor to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2021

Plans for future periods

The Academy Trust's plans for future periods are:

- To further develop and improve on the facilities and environments at both Trust schools to enhance pupils learning experiences and opportunities to achieve the best that they can.
- To improve the life chances of all pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time.
- To continually strive to improve standards in every aspect of Trust provision including providing a curriculum giving every pupil the best chance of achieving qualifications and skills to them forward into the next phase of their life.
- To improve on future career opportunities by working with local, regional and national careers organisations, the local community and employers, and by providing work experience and information for pupils to assist them in making informed and effective choices for the next stage in their education or employment options.
- To ensure that our staff structure, recruitment and training programmes attract, retain and develop the highest quality staff and expertise to benefit the Trust schools and support Trust developments in the future.
- To implement and operate a wider range of extra-curricular after school and holiday clubs available for all pupils
- To encourage all pupils to attend at least one extra-curricular after school activity by offering transport home.
- To support and improve attendance of pupils not entitled to free home to school transport provided by the LA by offering a morning collection service and afternoon drop off service, where possible.
- To continue to follow government guidance to ensure the impact of past and any future lock downs due to Covid 19, have as minimal impact as possible on our pupils either by continued attendance in school or home learning and support.
- To continue to improve and invest in the IT infrastructure across the Trust schools to ensure access to appropriate and identified learning platforms are accessible and available to all pupils either by remote access or in school.

Funds held as custodian on behalf of others

The Academy Trust managed and held the funds for the Special Schools Education Improvement Partnership, on behalf of the Special Schools Alliance. Management of the funds sits with the Chair of the Partnership who is currently the Chief Executive Officer / Executive Headteacher of the Torfield and Saxon Mount Academy Trust. Funds are spent in accordance with the agreed strategies and activities of the partnership forum and reported to this group. Funds are held in a separate bank account from Trust funds.

The Academy Trust and its Trustees do not act as custodian Trustees for any other charity.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

Disclosure of information to auditors

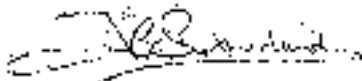
Insofar as the Trustees are aware:

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

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2021 and signed on its behalf by:



Jennifer Sutherland
Chair of Trustees

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

There have been no changes to the Board of Trustees in the year 2020/21. A review of governance is carried out in the summer terms each year and the Governors action plan updated to reflect changes including actions identified as completed, those in progress and any additions to carry into the next period.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year ended 31 August 2021.

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

Trustee	Meetings attended	Out of a possible
Jennifer Sutherland	3	3
Susan Taylor	3	3
Michael Clarke	3	3
Leah Flaigh	3	3
Sarah Fitzjohn-Scott	1	3
Richard Preece	3	3

Governance reviews

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust. However, the board are planning to undertake further review activities in the next academic year as part of their work on succession planning.

Although the Board of Trustees formally met less than six times during the year, they have maintained effective financial oversight and governance through the formal work and management accounts reporting from the Chief Financial Officer and the meetings undertaken by the Lead Director for Finance on 3 further occasions and prior to each full Board meeting. The notes of these meetings are provided to the full Board of Trustees along with the management accounts and notes at each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

Throughout the Covid 19 pandemic Board meetings have continued to the agreed schedule but via email delivery and electronic communication mechanisms, with all Trustees participating and discussions and outcomes detailed in the minutes of each meeting.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

In addition, the full Board of Trustees also meet on 3 other occasions each year for training and for review purposes. Lead Trustees for the respective areas of Finance, Health and Safety and Safeguarding, and Development also meet with relevant senior leaders of the Trust prior to each Academy Advisory Board meeting or full Board of Trustees meeting as determined for each Lead Board member role within the Trust Governance handbook. The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness.

The Finance Oversight Board is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance and resources of the Academy Trust.

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

Trustee	Meetings attended	Out of a possible
Michael Clark	3	3
Richard Preece	3	3
Jennifer Sutherland	3	3

The key issue(s) dealt with by the Finance Oversight Board during the year was the review of the Academy Trust's 3 and 5 year financial forecasts and the actions required to address the increased staffing expenditure due to unfunded salary increases including NI and pension contribution increases.

Review of value for money

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

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

- Monitoring and reporting processes for ad hoc and locally generated income have been embedded and improved, including regular reporting to Headteachers to inform future requests for contributions to fund curriculum support activities. Mechanisms for collecting and monitoring parental contributions and pupil premium contributions to support initiatives have also resulted in a higher % of contributions being collected as payment by parents has been made simpler and more efficient. Improving use of the staff and parents payment software has also reduced cash handling particularly critical since the beginning of the Covid 19 management.
- The Trust has actively sought and implemented achieving economies of scale and shared use of resources through joint purchasing, contract management and human resource management to enable optimum use of funds to deliver and improve the learning opportunities for the pupils in both schools. This also includes working in partnership with other schools and external organisations to support and achieve enhanced provision through sharing knowledge and expertise within the schools staff. This is particularly pertinent in including St Marys School in Trust contract negotiations and achieving better prices from all 3 schools under combined contract arrangements.
- The recruitment of a bank of school vehicle drivers to enhance transport provision for collecting and dropping off pupils not entitled to LA transport provision, to improve attendance and engagement with pupils and families. This provision has also been extended to pupils entitled to LA transport but for various reasons are unable to access this so the local authority pay the schools to undertake this transport for a small number of children.

TORFIELD AND SAXON MOUNT ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- The Trust has benefited from bidding for all available grants from the ESFA and local bodies to support Covid initiatives and other local initiatives via the Hastings Opportunity Area board, and been successful in obtaining the funds to deliver curriculum improvements and holiday club provision.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 Torfield and Saxon Mount Academy Trust for the period from 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 from 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 Trustees;
- regular reviews by the Executive Headteacher and the Chief Financial Officer the Lead Director for Finance and the full Board of Trustees, of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- examining KPI's on budgets at each meeting of the Board of Trustees;
- investigating further enhancements to our monthly monitoring procedures to enable the various systems to undertake auto-reconciliation where this might now be available, to support manual monthly sampling of output data; and
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from CK Chartered Accountants and Business Advisors

The internal scrutiny auditor's / reviewer'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 year included a full review of Governance arrangements including:

- key governance documents
- review of financial information supplied to the Board
- conflicts of interest
- trustee meetings, Committees and terms of reference
- appointment and induction of Trustees.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a annual basis, the internal auditor / reviewer reports to the Board of Trustees 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 / reviewer has delivered their program of work during the year ended 31 August 2021 as planned. A number of low risk recommendations were identified from the work completed and the Trustees and management have developed an action plan to address these weaknesses and improve governance operation over the next 12 months. The key remedial actions being undertaken by the Academy Trust are:

- undertake a review of Governance against the latest Governance handbook and 21 key questions a MAT board should ask itself;
- consider the implications of governance on any formal partnership with St Mary's School and College;
- implement a comprehensive new Governors checklist with a defined completion period included consider further developments on the monthly balance sheet provided.

All recommendations have been addressed and the management response accepted by the internal auditor / reviewer.

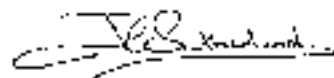
Review of effectiveness

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

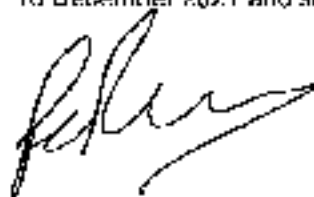
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development 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 Board of Trustees and the Lead Director for Finance and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2021 and signed on their behalf by:



Jennifer Sutherland
Chair of Trustees



Richard Procco
Accounting Officer

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material regular 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.

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.



Richard Preece
Accounting Officer

Date: 10 December 2021

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

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

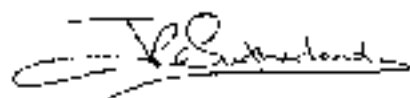
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 10 December 2021 and signed on its behalf by:



Jennifer Sutherland
Chair of Trustees

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2005, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST (CONTINUED)**

Use of our report

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

Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

At 2.00pm on 27 June 2018 at 2.00pm in accordance with section 497(2) of the Companies Act 2006

Date:

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 1 October 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 Torfield and Saxon Mount Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Torfield and Saxon Mount Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Torfield and Saxon Mount Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TORFIELD
AND SAXON MOUNT ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**
(CONTINUED)

Conclusion

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

Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date:

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	42,302	42,302	(64,346)
Charitable activities	4	16,059	4,707,216	-	4,723,275	4,781,858
Other trading activities	5	10,711	272,672	-	283,383	214,465
Investments	6	1,670	-	-	1,670	11,379
Total income		28,440	4,979,888	42,302	5,050,630	4,943,356
Expenditure on:						
Charitable activities	7	1,614	4,538,414	530,703	5,070,731	6,190,009
Total expenditure		1,614	4,538,414	530,703	5,070,731	6,190,009
Net income/(expenditure)		26,826	441,474	(488,401)	(20,101)	(246,653)
Transfers between funds	17	(130,890)	(158,838)	287,728	-	-
Net movement in funds before other recognised gains/(losses)		(104,064)	284,636	(200,673)	(20,101)	(246,653)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(305,000)	-	(305,000)	60,000
Net movement in funds		(104,064)	(20,364)	(200,673)	(325,101)	(186,653)
Reconciliation of funds:						
Total funds brought forward	17	976,970	(88,003)	15,508,672	16,397,639	16,584,292
Net movement in funds		(104,064)	(20,364)	(200,673)	(325,101)	(186,653)
Total funds carried forward	17	872,906	(108,367)	15,307,999	16,072,538	16,397,639

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

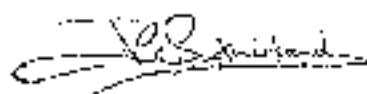
The notes on pages 32 to 55 form part of these financial statements.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09172115

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	15,307,999	15,508,671
		<u>15,307,999</u>	<u>15,508,671</u>
Current assets			
Debtors	15	250,039	260,552
Cash at bank and in hand		3,203,658	2,828,251
		<u>3,453,697</u>	<u>3,088,803</u>
Creditors: amounts falling due within one year	16	(466,458)	(567,165)
Net current assets		<u>2,987,239</u>	<u>2,521,638</u>
Total assets less current liabilities		<u>18,295,238</u>	<u>18,030,309</u>
Net assets excluding pension liability		<u>18,295,238</u>	<u>18,030,309</u>
Defined benefit pension scheme liability	24	(2,223,000)	(1,699,000)
Total net assets		<u><u>16,072,238</u></u>	<u><u>16,331,309</u></u>
 Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	15,307,999	15,508,672
Restricted income funds	17	2,114,633	1,544,997
Pension reserve	17	(2,223,000)	(1,633,000)
Total restricted funds	17	<u>15,199,632</u>	<u>15,420,669</u>
Unrestricted income funds	17	872,606	910,640
Total funds		<u><u>16,072,238</u></u>	<u><u>16,331,309</u></u>

The financial statements on pages 29 to 55 were approved by the Trustees, and authorised for issue on 10 December 2021 and are signed on their behalf by:



Jennifer Sutherland
Chair of Trustees

The notes on pages 32 to 55 form part of these financial statements.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	693,736	641,080
Cash flows from investing activities			
	20	(308,059)	(344,520)
Change in cash and cash equivalents in the year		375,707	296,540
Cash and cash equivalents at the beginning of the year		2,828,251	2,531,711
Cash and cash equivalents at the end of the year	21, 22	<u>3,203,958</u>	<u>2,828,251</u>

The notes on pages 32 to 55 form part of these financial statements

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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.

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 8 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.4 Fund accounting

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

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

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or 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 Capital Grants' 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.

1.6 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.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Expenditure (continued)

• Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

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

1.8 Tangible fixed assets

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

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

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

Leasehold land	- 125 years straight line
Long-term leasehold property	- 50 years straight line
Plant and machinery	- 10 years straight line
Motor vehicles	- 10 years straight line
Fixtures and fittings	- 10 years straight line
Computer equipment	- 5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.9 Operating leases

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

Liabilities and provisions 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.

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

1.13 Pensions

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

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

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Agency arrangements

The Academy Trust holds and manages the funds for the Special School Education Improvement Partnership, on behalf of the Special Schools Alliance. Payments received and subsequent disbursements to schools are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid during the year and balances held at the end of the year are disclosed in note 25.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	22,000	22,000	355
Capital Grants	-	20,302	20,302	(64,701)
	<u>-</u>	<u>42,302</u>	<u>42,302</u>	<u>(64,345)</u>
Total 2020	<u>355</u>	<u>(64,701)</u>	<u>(64,346)</u>	

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General annual grant	-	2,140,000	2,140,000	2,108,829
Other DfE/ESFA grants				
Pupil premium	-	146,647	146,647	143,120
PE sport grant	-	16,940	16,940	16,860
UJFSM	-	8,225	8,225	8,522
FSM	-	4,950	4,950	880
Teachers pension grant	-	136,817	136,817	115,365
Teachers pay grant	-	28,495	28,495	22,724
Other DfE Group grants	-	4,555	4,555	114,200
	-	-	2,496,639	2,531,000
Other Government grants				
Local Authority SEN funding	-	1,962,953	1,962,953	2,024,390
Other Government grants	-	174,494	174,494	214,551
	-	2,137,447	2,137,447	2,238,941
Other income from educational operations	16,059	-	16,059	11,916
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	58,080	58,080	-
	-	58,080	58,080	-
COVID-19 additional funding (non-DfE/ESFA)				
Mass testing grants	-	25,050	25,050	-
	-	25,050	25,050	-
Total 2021	16,059	4,707,216	4,723,275	4,781,857
Total 2020	11,916	4,769,941	4,781,857	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for various grants previously aggregated together as Other DfE/ESFA grants are now reported as separate grants under the heading of Other DfE/ESFA grants above. The prior year comparatives have been reclassified accordingly.

The Academy Trust received £58,080 of funding for COVID catch-up premium and costs incurred in respect of this funding totalling £58,080.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	10,714	272,672	283,386	214,485
Total 2020	214,485	-	214,485	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	1,670	1,670	11,379
Total 2020	11,379	11,379	

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Charitable activities.					
Direct costs	2,600,114	-	42,389	2,642,203	2,599,297
Support costs	1,255,145	283,707	89,676	2,428,528	2,690,712
Total 2021	3,855,259	283,707	93,705	5,070,731	5,190,009
Total 2020	3,768,615	330,750	1,080,544	5,190,009	

Of the total expenditure in the year, £1,614 (2020 - £20,572) was to unrestricted funds. £4,558,414 (2020: - £4,660,000) was to restricted funds and £530,703 (2020 - £509,437) was to restricted fixed asset funds.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	2,642,203	2,428,528	5,070,731	5,190,009
Total 2020	2,589,297	2,590,712	5,190,009	

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
LGPS FRS102 net pension interest cost	26,000	28,000
Staff costs	1,255,145	1,213,752
Depreciation	530,703	508,945
Technology costs	72,528	43,297
Property costs	285,707	360,750
Other support costs	238,489	419,242
Governance costs	18,956	16,725
	<u>2,428,528</u>	<u>2,590,712</u>

Included in governance costs are legal costs of £2,363 (2020 - £4,325) relating to the transfer of existing schools into the Academy Trust and £825 (2020 - £8,450) relating to other matters.

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	4,341	2,327
Depreciation of tangible fixed assets	530,703	508,942
Fees paid to auditors for:		
- audit	8,500	8,300
- other services	7,460	10,450
	<u>578,004</u>	<u>530,019</u>

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows

	2021 £	2020 £
Wages and salaries	2,885,340	2,614,091
Social security costs	248,481	242,379
Pension costs	820,467	837,371
	<u>3,764,278</u>	<u>3,693,841</u>
Agency staff costs	60,981	74,774
	<u>3,825,259</u>	<u>3,768,615</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	31	29
Administration and support	69	67
Management	8	8
	<u>108</u>	<u>104</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £30,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £110,001 - £120,000	-	-
In the band £120,001 - £130,000	-	1
	<u>-</u>	<u>4</u>

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff (continued)

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 £451,220 (2020 - £481,116).

11. Central services

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

- Leadership support
- Finance support
- Information & technology support
- Site team support

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

- central budgeted costs are allocated over the two Academies using pupil ratio.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Torfield School	216,640	254,715
Saxon Mount School	264,788	299,016
Total	481,428	553,734

12. Trustees' remuneration and expenses

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

		2021 £	2020 £
Richard Preece	Remuneration	115,000 - 120,000	125,000 - 130,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year, no Trustees received any benefits in kind (2020 - £NIL). The Executive Headteacher received benefits in kind amounting to £1,354 in the current year (2020 - £1,269).

During the year ended 31 August 2021, expenses totalling £27 (2020 - £1,283) were reimbursed to the Executive Headteacher for travel expenses incurred in operating the Academy Trust's activities.

During the year no Trustees were reimbursed for travel expenses (2020 - £Nil).

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	16,394,166	1,100,210	318,232	245,342	18,057,950
Additions	224,937	29,632	75,262	-	330,031
Disposals	-	(109)	(6,407)	-	(9,516)
At 31 August 2021	<u>16,619,103</u>	<u>1,129,933</u>	<u>384,087</u>	<u>245,342</u>	<u>18,378,465</u>
Depreciation					
At 1 September 2020	1,772,031	418,281	286,816	71,551	2,549,279
Charge for the year	327,300	106,492	70,375	24,536	530,703
On disposals	-	(109)	(6,407)	-	(9,516)
At 31 August 2021	<u>2,099,331</u>	<u>527,264</u>	<u>347,784</u>	<u>96,087</u>	<u>3,070,466</u>
Net book value					
At 31 August 2021	<u>14,519,772</u>	<u>602,669</u>	<u>36,303</u>	<u>149,255</u>	<u>15,307,999</u>
At 31 August 2020	<u>14,622,135</u>	<u>681,329</u>	<u>31,416</u>	<u>173,791</u>	<u>15,508,671</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	5,961	905
Other debtors	175	175
Prepayments and accrued income	204,473	205,770
VA1 repayable	39,430	54,032
	<u>250,039</u>	<u>260,882</u>

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	139,975	202,763
Other creditors	149,953	253,870
Accruals and deferred income	178,530	110,532
	468,458	567,165
	468,458	567,165
	2021	2020
	£	£
Deferred income at 1 September 2020	5,058	14,537
Resources deferred during the year	99,055	5,058
Amounts released from previous periods	(5,058)	(14,537)
	99,059	5,058
	99,059	5,058

Deferred income relates to funding received in advance for Universal Infant Free School Meals, Teachers pay and Teacher pension grants, School trips and clubs that will be utilised during the year ending 31 August 2022.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	878,970	28,440	(1,014)	(130,800)	-	872,906
Restricted general funds						
General Annual Grant (GAG)	1,544,997	2,140,000	(1,124,026)	(156,838)	-	2,104,133
PE Sport Grant	-	16,940	(6,440)	-	-	10,500
Pupil Premium	-	145,617	(146,647)	-	-	-
UFISM funding	-	8,225	(8,225)	-	-	-
FSM funding	-	4,950	(4,950)	-	-	-
Teacher pension grants	-	136,817	(136,817)	-	-	-
Teacher pay grants	-	28,495	(28,495)	-	-	-
Other DfE Group grants	-	4,566	(4,566)	-	-	-
Local Authority SEN funding	-	1,962,953	(1,962,953)	-	-	-
Other Government grants	-	174,494	(174,494)	-	-	-
COVID Catch-up premium	-	58,090	(58,090)	-	-	-
Other COVID DfE Group funding	-	25,050	(25,050)	-	-	-
Other income	-	272,672	(272,672)	-	-	-
Pension reserve	(1,833,000)	-	(285,000)	-	(306,000)	(2,223,000)
	<u>(68,003)</u>	<u>4,979,888</u>	<u>(4,535,414)</u>	<u>(156,838)</u>	<u>(306,000)</u>	<u>(108,387)</u>
Restricted fixed asset funds						
Tangible fixed assets	15,508,672	-	(530,703)	330,030	-	15,307,999
Capital grants and donations	-	47,302	-	(47,302)	-	-

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	15,608,872	42,302	(530,703)	287,728	-	15,307,999
Total Restricted funds	15,420,869	5,022,190	(5,085,117)	130,890	(305,000)	15,199,632
Total funds	16,397,339	5,050,630	(5,070,731)	-	(305,000)	16,072,638

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with its Funding Agreement.

All ESFA / DfE grants, which include Pupil Premium grants, Universal Infant Free School Meal grants, Teacher pay grants, Teachers' Pension grants, PE sports grants, COVID catch-up premium grants, and other ESFA/DfE grants are all used in accordance with the specific restrictions of the individual grants.

Other grants, which include Local Authority funding, other Government grants and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant was awarded.

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	759,426	239,145	(20,572)	-	-	978,070
Restricted general funds						
General Annual Grant (GAG)	1,279,809	2,108,829	(1,687,430)	(256,011)	-	1,544,997
PE Sport Grant	-	16,860	(16,860)	-	-	-
Pupil Premium	-	143,120	(143,120)	-	-	-
UFISM funding	6,118	8,522	(14,640)	-	-	-
FSM funding	-	880	(880)	-	-	-
Teacher pension grants	-	116,365	(116,365)	-	-	-
Teacher pay grants	-	22,224	(22,224)	-	-	-
Other DfE Group grants	-	114,200	(114,200)	-	-	-
Local Authority SEN funding	-	2,024,390	(2,024,390)	-	-	-
Other Government grants	111,340	214,651	(325,891)	-	-	-
Pension reserve	(1,399,000)	-	(294,000)	-	50,000	(1,633,000)
	(1,933)	4,769,941	(4,660,000)	(256,011)	50,000	(28,003)
Restricted fixed asset funds						
Tangible fixed assets	15,720,968	-	(509,437)	259,141	-	15,508,672
Capital grants and donations	97,831	(64,701)	-	(33,130)	-	-
	15,828,799	(64,701)	(509,437)	255,011	-	15,508,672
Total Restricted funds	15,924,866	4,705,240	(5,169,437)	-	50,000	15,120,669

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. **Statement of funds (continued)**

Total funds	13,584,292	4,943,356	(5,190,009)	-	60,000	16,397,639
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Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Torfield School	1,192,490	951,972
Saxon Mount School	1,579,864	1,221,292
Central Services	215,185	348,733
Total before fixed asset funds and pension reserve	2,987,539	2,521,997
Restricted fixed asset fund	15,307,999	15,508,672
Pension reserve	(2,223,000)	(1,633,000)
Total	16,072,538	16,397,639

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Torfield School	1,249,823	112,902	10,596	471,912	1,845,232	1,887,386
Saxon Mount School	1,496,274	117,235	23,954	488,323	2,125,786	2,249,951
Central Services	173,574	449,271	3,106	139,307	765,258	806,967
Academy Trust	2,919,671	679,408	37,655	1,099,542	4,736,276	4,943,304

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	15,307,999	15,307,999
Current assets	872,908	2,581,091	-	3,453,997
Creditors due within one year	-	(466,458)	-	(466,458)
Provisions for liabilities and charges	-	(2,223,000)	-	(2,223,000)
Total	872,908	(108,367)	15,307,999	16,072,638

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	15,508,671	15,508,671
Current assets	978,969	2,112,164	-	3,089,133
Creditors due within one year	-	(587,167)	-	(587,167)
Provisions for liabilities and charges	-	(1,633,000)	-	(1,633,000)
Rounding	-	-	1	1
Total	978,969	(88,003)	16,508,672	16,397,638

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(20,101)	(246,653)
Adjustments for:		
Depreciation	530,703	508,942
Capital grants from DfE and other capital income	(20,302)	64,701
Interest receivable	(1,670)	(11,379)
Defined benefit pension scheme cost less contributions payable	256,000	266,000
Defined benefit pension scheme finance cost	29,000	28,000
Decrease in debtors	10,943	103,625
Decrease in creditors	(100,707)	(74,728)
Loss on disposal of fixed assets	-	2,552
Net cash provided by operating activities	683,766	541,050

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	1,670	11,379
Purchase of tangible fixed assets	(330,031)	(291,198)
Capital grants from DfE Group	20,302	(64,701)
Net cash used in investing activities	(308,059)	(344,520)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	3,203,558	2,828,251
Total cash and cash equivalents	3,203,558	2,828,251

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,628,251	375,707	3,203,958
	<u>2,628,251</u>	<u>375,707</u>	<u>3,203,958</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.

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2015

Contributions amounting to £40,088 were payable to the schemes at 31 August 2021 (2020 - £68,744) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependant 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 2016.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.100 million, giving a notional past service deficit of £22.000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £333,584 (2020 - £331,574).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2018/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £309,000 (2020 - £313,000), of which employer's contributions totalled £233,000 (2020 - £238,000) and employees' contributions totalled £76,000 (2020 - £74,000). The agreed contribution rates for future years are 22.1 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	2.90	2.20
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

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

Sensitivity analysis

Increase in the reported value of defined benefit obligations:

	2021 £000	2020 £000
Discount rate -0.5%	835	655
CPI rate +0.5%	750	599
Salary increase rate +0.5%	70	47

Share of scheme assets

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

	2021 £	2020 £
Equities	3,545,000	2,917,080
Corporate bonds	772,000	670,140
Property	343,000	315,360
Cash and other liquid assets	85,000	39,420
Total market value of assets	4,745,000	3,942,000

The actual return on scheme assets was £578,000 (2020 - £(13,000)).

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

	2021 £	2020 £
Current service cost	(489,000)	505,000
Interest income	69,000	89,000
Interest cost	(95,000)	(97,000)
Total amount recognised in the Statement of Financial Activities	(515,000)	477,000

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	5,575,000	5,099,000
Current service cost	489,000	505,000
Interest cost	95,000	97,000
Participants' contributions	75,000	74,000
Actuarial losses/(gains)	815,000	(142,000)
Benefits paid	(81,000)	(58,000)
At 31 August	<u>6,968,000</u>	<u>5,575,000</u>

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

	2021 £	2020 £
At 1 September	3,842,000	3,700,000
Interest income	69,000	69,000
Actuarial gains/(losses)	510,000	(82,000)
Employer contributions	233,000	238,000
Employee contributions	75,000	74,000
Benefits paid	(81,000)	(58,000)
Administration expenses	(3,000)	-
At 31 August	<u>4,745,000</u>	<u>3,842,000</u>

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	3,736	3,736
Later than 1 year and not later than 5 years	3,424	7,160
	<u>7,160</u>	<u>10,896</u>

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A Company Limited by Guarantee)

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

26. Agency arrangements

The Academy Trust distributes Education Improvement Partnership funds to local schools as an agent for East Sussex County Council. In the year ended 31 August 2021, the Trust received £Nil (2020 - £8,800) and disbursed £317 (2020 - £7,656) from the fund. An amount of £21,943 (2020 - £22,015) is included in other creditors relating to undistributed funds that will be carried forward and utilised on ongoing and new projects in the 2021/22 year.

27. 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 Academies Financial Handbook including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the current and previous year.

Jean Hagh, Michael Clarke and Richard Preece, who are Trustees of the Academy Trust, were also Trustees of The Talking Trust, which operates as St Mary's School and College, during the year ended 31 August 2021, although Richard Preece resigned as a Trustee of The Talking Trust on 10 September 2020. During the year ended 31 August 2021, the Academy Trust charged St Mary's School and College £136,523 (2020 - £148,963) for teaching and administrative support staff services provided to the School and £86,777 (2020 - £33,535) for other administrative costs and services. The Academy Trust also paid St Mary's School and College £210 (2020 - £280) for plant training services. At 31 August 2021, there was an amount of £5,675 (2020 - £806) owing to the Academy Trust by St Mary's School and College. In entering into this transaction, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2020.

Richard Preece, the Chief Executive Officer / Executive Headteacher, and Marion Booth, the Director of Finance, Resources and Strategy, are the Chair and Treasurer respectively of the Education Improvement Partnership (EIP), a collaboration of special schools in the East Sussex area. During year ended 31 August 2021, the Academy Trust received a payment of £Nil (2020 - £600) from the EIP in relation to administration costs and management of the EIP. No balance was outstanding at the year end (2020 - NIL).

