

The AURIGA ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

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THE AURIGA ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members

Mr Hugh Boulte	<i>(appointed 10 December 20, resigned 23 September 21)</i>
Mr James De Bass	
Mr David Leeming	
Mr Keith Tysoe	
Mr Harry James	(non-voting)

Trustees

Mr Ivan Pryce, Chief Executive Officer	<i>(resigned 11 December 20)</i>
Mr Harry James, Chair	
Dr Joanne Dixon, Vice Chair	
Mrs Susan Connor, Finance & Resources Director	<i>(resigned 11 December 20)</i>
Ms Lorna Goodwin	
Mr Michael Harlow	<i>(appointed 11 December 20)</i>
Mr Paul Hodgins	<i>(appointed 17 December 20)</i>
Mr John Kipps	<i>(resigned 11 December 20)</i>
Mr Simon Mann	<i>(resigned 15 December 20)</i>
Mrs Gaelle Newland	
Mr Paul Roberts	

Company Secretary

Mrs Susan Connor

Trust Executive Leadership Team

Mr Ivan Pryce	Chief Executive Officer
Mrs Susan Connor	Finance & Resources Director
Mr Harry James, Chair	
Dr Joanne Dixon, Vice Chair	
Mr John Kipps, Headteacher Clarendon School	

Senior Leadership Team – Capella House School

Mr Don Blaylock	<i>(Interim Headteacher) (resigned 31 August 21)</i>
Mr Dominic Sunderland	<i>(Headteacher) (appointed 1 June 21)</i>
Maria Landeira Frias	<i>(appointed 1 September 21)</i>

Senior Leadership Team – Clarendon School

Mr John Kipps	<i>(Headteacher)</i>
Ms Rosemary Clarke	<i>(Deputy Headteacher - Head of Secondary Centre)</i>
Ms Angela Mason	<i>(Deputy Headteacher - Head of Primary Centre)</i>
Ms Jayne Gray	<i>(Assistant Headteacher - Head of Gateway Centre)</i>
Mr Michael Sinanan	<i>Assistant Headteacher, Secondary)</i>
Ms Miranda Van Manen	<i>(DSL, Assistant Headteacher, Secondary)</i>
Mrs Juliet Harrowell	<i>(Assistant Headteacher - Primary)</i>

Senior Leadership Team - Strathmore School

Mr Ivan Pryce	<i>(Headteacher)</i>
Mrs Sarah Hurtado	<i>(Deputy Headteacher– Head of Centre)</i>
Mrs Eleanor Bukht	<i>(Deputy Headteacher – Head of Centre)</i>
Ms Lauren Crew	<i>(Assistant Headteacher) (appointed 1 January 21)</i>
Ms Adriana Martyr	<i>(Assistant Headteacher)</i>

Company Name

The Auriga Academy Trust

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Principal and registered office

The Auriga Academy Trust, c/o Strathmore School, Station Road, Twickenham, TW1 4DQ

Company registered number

10284264 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Building 4 Foundation Park, Roxborough Way, Maidenhead, SL6 3UD

Bankers

Lloyds Bank Group, Lloyds Banking plc, 84 Station Road, Addlestone, Weybridge, Surrey KT15 2AE

Solicitors

Mills & Reeve LLP, 78-84 Colmore Row, Birmingham B3 2AB

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Auriga Academy Trust trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 3 special academies Clarendon School, Strathmore School and Capella House School and caters for pupils aged 4 to 19. For the year ended 31 August 21, the 3 schools have a combined pupil capacity of 279 and had a roll of 287 in the October 2020 school census. The Trust serves a catchment area in Richmond and Kingston with pupils also being admitted from the neighbouring boroughs of Hounslow, Wandsworth and Surrey.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of The Auriga Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company operates as The Auriga Academy Trust.

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to The Auriga Academy Trust. The cost of this insurance in the year was £5,274.

Method of Recruitment and Appointment or Election of Trustees

Vacancies on the Board of Trustees are addressed through a recruitment process which involves sourcing a potential shortlist from the existing Local Governing Bodies and upstanding Members of the local community. Candidates are assessed by the Chair and Vice Chair of Trustees and the Chief Executive Officer. Appointments are focused on the needs of the Trust. A skills and knowledge audit is conducted every 2 years at Trust level in order to identify recruitment and training needs.

Subject to Articles 48-49 and 53, the Articles of The Auriga Academy Trust require that the makeup of the Board of Trustees be as follows:

- Up to 12 Trustees appointed by the Members by Ordinary Resolution (Article 50);
- A minimum of 2 Parent Trustees, if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body (Article 46c);
- Co-opted Trustees may be appointed under Article 58 (Article 47);
- The total number of Trustees who are employed by the Trust will not exceed one third of the total number of trustees (Article 50B);
- Local Authority Associated Persons cannot exceed 20% or more of the total number of trustees.

The term of office for any Trustee is 4 years.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

On joining the Trust a Trustee is provided with a copy of the Articles of Association, a copy of the Academies Financial Handbook, is required to sign the Trustee Code of Conduct and is expected to visit the schools within the Trust. Trustees are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documentation that they will need to undertake their role as Trustees. The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, educational, legal and financial matters.

The Academy Trust performs a skills audit of Trustees every 2 years, should any gaps be identified training courses are offered to address these issues. All schools subscribe to the Local Authorities Governors Support and Continuing Professional Development Programme (SPARK) which offers a comprehensive range of training programmes. Further training and advice is available via subscriptions e.g. to the NGA, The Key etc. In house training is also provided in particular areas, for example, finance by the FD.

Organisational Structure

The academy has established a management structure to enable its efficient running. The organisational structure consists of five levels; the Members, the Board of Trustees, Local Governing Bodies including the sub-committees, School Leadership Teams and members of staff. The aim of the management structure is to devolve responsibility and encourage engagement and decision making at all levels. Roles and responsibilities at each level are detailed in the Scheme of Delegation and Terms of Reference for each committee.

In the year ended 31 August 2021 the Trust undertook a comprehensive review of its Scheme of Delegation. The purpose of the review was to ensure that the Trust and Local Governing Bodies were operating effectively in addressing key operating areas, with Local Governing Bodies main focus being the quality of education. Roles and responsibilities are clearly defined under the revised Scheme of Delegation and Committee Terms of Reference have been redrafted to ensure there is consistency in practice across the Trust.

The Members hold the Trust Board accountable and are responsible for Trust Board appointments.

The Trust Board is responsible for the strategic direction of the Trust, with the primary focus being to ensure the best educational outcomes for all pupils and young persons in its schools. The Trust is also responsible for setting general policy, making decisions regards the direction of the Trust, adopting an annual review of long-term strategic plans and budgets, monitoring each school's performance, oversight of capital expenditure and approval of senior staff appointments. All statutory policies and procedures are reviewed and approved by the Trust Board to ensure consistency of understanding and practice across the Trust.

Each Local Governing Body receives delegated authority from the Trust Board to support the Trust in fulfilling its obligations. The Scheme of Delegation details which matters are delegated. In summary, Local Governing Bodies remain responsible for setting local policies, developing and monitoring the School Development Plans and setting a 3-year budget. The Trust Board approves and submits one consolidated budget to the Education Skills Funding Agency and monitors the use of budgets by academies against this.

The Headteacher of each school is directly responsible for its day-to-day operations and is assisted by their School Leadership Team. The Headteachers are responsible for the appointment of all staff with the exception of Leadership posts. The Scheme of Delegation states that leadership posts are appointed in conjunction with the Trustees.

The Chief Executive of the Trust assumes the role of the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the academies key management personnel are monitored by the Finance & Resources Committee which comprises of at least 3 Trustees. The Trust Board has adopted the principles of the Local Authorities model Teachers' Pay Policy which has been based on the national agreement for teachers, agreed in consultation with the trade union representatives.

The Local Governing Body Pay Committees have delegated responsibility to implement and monitor the Trust Wide Pay Policy for teachers and support staff. The Trust has reviewed and aligned teacher and support staff roles and salaries in order to ensure that there is consistency and fairness across the Trust.

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£807
Provide the total pay bill	£6,156,912
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

Paid trade union activities

Time spent on paid trade union activities such as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	3.57%
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Related parties and other connected charities and organisations.

Clarendon School and Strathmore School work alongside Friends of Clarendon (Charity Number 267119) and Friends of Strathmore School ("FOSS") (Charity Number 1024661) respectively to raise funds for the benefit of pupils and support their wider education.

Friends of Clarendon support the school community with pupil-led fund-raising and social activities for parents. COVID-19 restrictions have meant that the friends of Clarendon have not been active this academic year.

This year Friends of Strathmore School (FOSS) have raised funds to enhance the pupils' environment, providing specialised classroom resources including trikes, scooters and the storage thereon. FOSS has also part funded the 6th Form Leavers celebration and funded sessions with Music for Autism. FOSS is a chosen beneficiary of the Victoria Foundation (a local based charity) which this year has part-funded the investment in adapted bikes and trikes. Previously, in conjunction with the school, FOSS hosts and part funds family focused social events to strengthen parental engagement. COVID-19 restriction have curtailed any parental engagement.

Throughout the year each school usually holds several fund-raising events to support national charities and also a range of other smaller local charities, often decided on by the individual school councils. Due to the impact of COVID-19 these activities were severely curtailed. Fund raising can be school wide or class specific and staff regularly engage in fund raising for charities of their own choice.

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

OBJECTIVES AND ACTIVITIES

The principle object and activity of the charitable company is to advance, for the public benefit, special educational provision for pupils with Special Educational Needs and Disabilities (SEND).

Objectives, Strategies and Activities

The Auriga Academy Trusts' strategic vision is to provide an outstanding education for all pupils with SEND in the local community whatever their individual difficulties and needs.

The Trusts objectives are

- for all pupils and students to make outstanding, measurable progress; both towards individual academic targets and, more holistically, to becoming integrated members of their communities enabled to contribute to society with confidence and high self-esteem.
- to develop each young person by matching high expectations with specialised and appropriate teaching and support.
- to provide access to a fun, flexible and personalised creative curriculum in which meaningful learning opportunities are provided in real life contexts.
- to develop and enhance the communication skills of each young person by using multi-modal means such as sign, symbol and voice output as appropriate.
- to prepare our students for the next stage of their learning and for adulthood with as much independence as possible.
- to set the highest possible standards for our staff whether in leadership, teaching, therapy or care, as in order for our pupils and students to receive outstanding education they must receive outstanding teaching and support.
- to be an integral part of the local community by having the capacity to offer places and provide support to those young persons with Special Educational Needs. Growth should be considered not only in relation to pupil numbers but also in terms of the services the Trust offers. The Trusts aim is to develop further as a centre of excellence supporting schools within the local community.

The Trust believes it can achieve this by

- working in a supportive partnership with the special schools within the Trust, with each school maintaining its unique identity and ethos so that it can cater for the specific needs of its pupils and students.
- building on the current expertise and experience of staff within schools through Trust wide continued professional development aimed at meeting the needs of pupils,
- sharing best practice in all areas of teaching, learning, in curriculum design and delivery across the Trust by appointing Trust wide curriculum and specialist leads.
- supporting the specific needs of our pupils and students by directly commissioning therapy services and engaging extra support to ensure that interventions are targeted and as responsive as possible.
- creating economies of scale by sharing core administrative functions and by negotiating bought in services for our schools which will enable greater investment where it matters, in the classroom.
- addressing the future demand for specialist provision now through collaboration with local Children Services

The main activities the Trust will undertake in order to achieve Trust objectives will be to

- continue to invest in people recognising that employees are the Trust's main asset.
- actively working with the Local Authority to
 - understand the type of provision required within the Borough and the level of demand for places in the future.
 - address the increasing demand for places within our special schools by finding short term and long term solutions including working with/supporting local mainstream schools to develop specialist resource provision.
 - ensure that funding is secure and appropriate to the needs of our pupils and students;

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

Objectives, Strategies and Activities (continued)

- ensure that therapies are commissioned effectively;
 - streamline the placement procedure ensuring that pupils support needs are identified early and they are placed in the appropriate setting.
- streamline the operations of the Trust by continuing to review the effectiveness of internal operating procedures and Governance across all levels.

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

The Auriga Academy Trust is founded on the vision that we can provide outstanding learning experiences for the pupils and students with special educational needs in our local communities both now and in the future. All our academies are co-located with mainstream schools ensuring that inclusion is a key focus in each schools' curriculums with the aim of fostering a better understanding of special educational needs and disability.

Wherever possible each academy aims to contribute to the benefit of the wider public by making available its specialist resources and the premises to third parties for the provision of educational and other opportunities.

STRATEGIC REPORT

The Auriga Academy Trust is in its fourth year of operation and as at 31 August 2021 comprised of 3 academies, Clarendon School, Strathmore School and Capella House School.

Clarendon School is a community special school for pupils aged 4 to 16 with moderate learning difficulties, many of whom have additional complex needs, including autism. The school manages an offsite centre, The Gateway, which is for pupils aged 11 to 16 who have a diagnosis of ASD. The Centre is located adjacent to Twickenham School. Clarendon School was OFSTED inspected in January 2019 and was classified as Outstanding.

Strathmore School is a community special school for pupils aged 4 to 19 with Severe and Profound Learning Difficulties. More than 50% of pupils have an additional diagnosis of Autistic Spectrum Disorders or have additional physical and sensory disabilities. The School was OFSTED inspected in January 2019 and was classified as Good.

Capella House School is a Free School specialising in speech, language and communication needs. The school opened on 1 September 2019 with 12 secondary pupils. In the year ended 31 August 2021 the capacity of the school increased to 24.

Achievements and Performance

Each school is required to determine its own method of assessment that measures pupil progress.

Clarendon School

Clarendon School has recently moved from Classroom Monitor to a bespoke version of the Arbor Assessment module to record teacher assessments of pupil progress at the Secondary Centre. The Primary Centre have developed their own recording system since so many differing assessments are required. Teachers record the small steps the pupils make and use these steps to build a bigger picture of the pupils' learning and achievements. Progress is recorded at least termly, and half termly in English and maths. Pupils also complete work each half term for their Golden Books, in which examples of assessed work are included as evidence of pupil progress. Teaching staff moderate their judgements internally each term for both English and Maths, and the school also takes part in external moderation meetings at least annually with other similar special schools to ensure consistency in the levelling of children's work. In addition to teacher assessments, each child completes standardised assessments annually in reading, spelling and maths.

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

Clarendon School (continued)

The results of cohorts of pupils are analysed by teaching group, gender, specific need and by ethnicity to ensure that no groups are underperforming, and targeted interventions are then put in place for individuals or groups making less than expected progress. In 2020/21, data was also analysed specifically to look at groups whose in-school attendance had been more severely affected by COVID-19.

The majority of pupils leaving Clarendon at the end of year 11 will have achieved a broad range of qualifications, from GCSE and BTEC level one qualifications to Entry Level Certificates. All go on to further education, either at colleges or within special school post 16 provisions. Despite the pandemic, the average point score of Clarendon Year 11 pupils in 2020 rose by 30.6 points from 2019, to 112.8, and by a further 37.1 points to 149.9 in 2021. Gateway pupils average point score rose from 157.9 in 2020, to 222 in 2021.

The average annual progress in reading (according to standardised testing) over the 5 years to 2019 had been 12.6 months, above the national average for all pupils. Average annual progress in spelling had increased annually over the four years to 2019. The coronavirus pandemic in 2020, and subsequent partial closure of the school throughout lockdown, has led to a slight decrease in the rate of progress in reading (9.7 months average progress) in the academic year 2019/20, and prevented our annual standardised testing in maths and spelling at the Secondary Centre. Average annual progress in reading has increased again in 2021 to 10.9 months, in and in spelling to 8.1 months. Standardised testing in maths took place immediately after the Spring 2021 lockdown, in order to provide data on gaps in progress, and showed annual average progress of 7 months for secondary pupils.

The school has worked with four other similar special schools, all graded Good or Outstanding by Ofsted, to compile a Flight Path, which enables us to set targets in English and maths in line with upper quartile progress across the whole data set. Using this Flight Path tool, in 2020/21:

- 90% of primary aged pupils achieved better than median progress in spoken language, with average progress in the upper quartile
- 73% of all pupils achieved better than median progress in writing, with average progress in the upper quartile
- 73% of pupils achieved better than median progress in maths, with average progress in the upper quartile.

Our new baseline testing will enable us to focus effective interventions on closing any identified gaps that may have opened during this period, with a particular focus on returning pupils to pre-COVID trajectories.

The school has a well-defined and fully integrated life skills curriculum against which pupils are assessed regularly. There has been a significant increase in Occupational Therapy provision within the school since the formation of the Trust.

Each of the 20 pupils leaving the Gateway Centre between 2017 and 2021 achieved between 4 and 8 GCSE passes including English, Maths and science, in line with expectations. All have gone on to college placements.

The School's curriculum is reviewed on an on-going basis to ensure that it meets the needs of the children and is modified accordingly. This review has been particularly thorough in the period 2019-2021, in line with Ofsted expectations. We also regularly review the range of qualifications and accreditations offered in order to best meet the needs of our cohorts. For example, a particularly able group was identified in year 9 in science, and were able to complete a double award GCSE in this subject in 2021.

The school adopts differing approaches to the differing behavioural needs of pupils. The awarding of reward points promotes positive behaviour and celebrates successes. Behavioural data, recorded on Sleuth (Primary) and Arbor (Secondary), demonstrates an annual decrease in the number of pupils involved in higher level unwanted behaviours over the last three years. No Clarendon pupils were excluded in 2019/20, and one pupil for one day in 2020/21.

Clarendon has been awarded the Healthy Schools bronze and silver awards and The Arts Mark (Gold).

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

Clarendon School (continued)

Clarendon School remained open to pupils throughout the pandemic in 2020 and 2021 and all pupils were offered at least part-time places. Pupils in receipt of free school meals were provided with lunches delivered by the school in the initial period, and then with vouchers. Primary pupils unable to attend were provided with regular packs of activities and resources, with plentiful online resources and regular contact with the staff team. Secondary pupils unable to attend school were able to access a comprehensive online offer, with which most engaged very well. Individual chromebooks were made available to any pupil that needed one. Parental feedback throughout the lockdown period was overwhelmingly positive.

Strathmore School

Strathmore School tracks pupils' progress towards their Annual Outcomes (as stated in their EHCP and set at Annual Review) and within the Curriculum Framework introduced in September 2020. The Framework was developed within school and references a range of other frameworks including Routes for Learning, Development Matters, MAPP (Mapping & Assessing Pupil Progress developed by The Dales School) and the National Curriculum. Pupil progress is recorded by Teaching staff and Therapists using "Earwig", an integrated software system that allows school staff to record their pupils assessments, including video evidence, with which to identify next steps. Leaders are able to review and moderate assessments and track progress of specific cohorts of pupils. The system also allows families to add their own evidence as well as view examples of progress identified by class staff. The process enables school to track the progress pupils make towards each outcome within four strands of the Continuum of Skill Development: *Prompting* (from dependent to independent), *Fluency* (from approximate to accurate), *Maintenance* (from inconsistent to consistent) and *Generalisation* (from a single context to many contexts). The school will be using the Engagement Profile & Scale to track progress of pupils working at pre-subject specific levels.

Progress is tracked twice by class staff, therapists and Leaders in each term leading back to the Annual Review. Progress is moderated and checked via Pupil Progress meetings with a Member of the School Leadership Team. This is to ensure that any barriers or under/over achievement are identified and addressed.

Covid-19 inevitably impacted on pupils attendance. 80% of pupils were accommodated on a full or part time basis with the remaining 20% kept away from school by their parents. All pupils had access to the online learning resources and some physical resources were sent home for individuals. This has had an impact on pupils learning and reference to prior learning was particularly important on the return to full opening. This has identified which pupils demonstrated any dip in attainment and expectations were shared to support those to re-attain skills.

Capella House School

Capella House School opened on 1 September 2019 initially just a secondary site. The primary site is due to open in September 2021 in premises on Amy and Park Road.

When full, Capella House will provide specialist education for 72 pupils all with Speech, Language and Communication Needs. With two classes of children at Reception-KS1 (including assessment places) and two KS2 classes at Primary and 6 classes for KS3 & KS4 at secondary.

The main focus in 20/21 has been the development of the Curriculum, preparing to open the new Primary Department and establishing a substantive Leadership Team. The Curriculum work has gone on throughout the year with the support of an external consultant, with staff ownership of the curriculum ensuring Programmes of Study match the needs of the students. Three pathways have been established, with projections for KS4 qualifications set out in long term plans.

The Trust secured the appointment of a new Leadership Team that included a new substantive Headteacher, Head of Primary (both from September 2021), Head of Therapies (January 2021) and Lead Assessment Teacher (September 2021). Additional Therapy staff were appointed including OT, SaLT, Therapy Assistant and HLTAs. Staff retention is good with just one Teaching Assistant leaving to go to university.

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

Capella House School (continued)

The pandemic had a marked impact on the school and a number of staff and pupils did not attend during the lockdown periods. The school operated a hybrid of online and face to face learning. When everyone returned in March, staff focused again on Behaviour for Learning, and re-establishing clear, safe working practices for students. While most students settled back into school routines relatively quickly, a small number found the process very challenging and required extensive intervention strategies. Student behaviour is assessed as Good, which is testament to staff efforts. Attendance was over 96% in the 20/21 summer term which shows a return to pre pandemic levels.

Capella House continues to face considerable financial pressures largely due to the shortfall in pupil numbers against a fixed staffing cost base. The Trust has supported the school by not recharging any Trust central costs, despite the considerable input from the Trust central team, and Clarendon School has agreed not to recharge shared utilities and operations costs until the school is in a financially secure position to repay them. The Trust is continuing to work with the Local Authority to ensure the school is financially viable with pupil numbers being the main focus. The Trust successfully argued for the LA to place fund both the Assessment provision and the KS2 Class at 6 places each.

Strategic Impact of the COVID-19 Virus

Throughout all lock-downs the Trust schools remained open for the vast majority of pupils, and the leadership teams worked relentlessly to encourage parents to send their children to school. For those pupils studying at home, significant time went into producing and delivering home learning resources and pupils were provided physical resources including access to technology. In school the safety of staff was carefully considered with general and individual risk assessments. Staff shielding, and those staff working from home, focused on creating remote resources, curriculum development work and undertaking professional development.

The Trust continues to be concerned regards the actual potential redeployment of health staff, and the current inability to recruit overseas trained therapists, which will impact the operations of the Trust by disrupting pupils learning.

Key Financial Performance Indicators

The Trustees consider that the following are key performance indicators for the Academy Trust:

- Pupil numbers have a direct impact on funding levels. The Trust continues to work with the Local Authority through the Memorandum of Understanding to ensure that pupils are placed appropriately on a timely basis to ensure that staffing levels correlate to pupil needs.
- The percentage of income spent on staffing in 2020/21 was 72%. The Trustees are aware that this is high in comparison to mainstream settings but as a special school it is felt to be justified for the support and safekeeping of the children and is comparable to similar special school as detailed in the Educational Services Funding Agency Benchmarking Reports.

Going Concern

After making appropriate enquiries, as evidenced in the Finance and Resource Committee minutes and the Trust Board minutes, the Board of Trustees has serious concerns regards the ability of the Trust to meet the needs of its pupils based on current funding levels. The Trust does however have reasonable expectation that the academy Trust will have adequate resources to continue in operational existence for the foreseeable future but at the cost of its ability to meet current pupil need.

Special Schools currently receive place value funding (£10k per pupil) and 'top up funding' based on each pupil's level of support need. In 2013, in consultation with Clarendon School and Strathmore School, a 'top-up' funding model was established with the Local Authority (London Borough of Richmond upon Thames) in order to ensure that the needs of each school's pupils were met. The funding model created a banding system based on a pupil's required support need. This forms the basis of the 'top up' income received by each school, for each pupil, from the Local Authority and budgets are prepared on the basis that each school is staffed and funded based on pupil need.

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

Going Concern (continued)

There has been no increase in the value of the 'top-up' bands since 2013. To date each school has funded support staff and operational inflationary increases by utilising reserves. Given the projected use of reserves to fund inflationary increases this position is unsustainable in the longer term. The Budget Forecast Return submitted in July 21 indicated a 3-year Trust deficit of £262k.

The Trust has a good working relationship with the Local Authority and is currently in negotiation to agree a sustainable 'top-up' funding model going forward. As part of this process a School Management Resource Audit was undertaken by the Department for Education in August 2020. Whilst the Trust does not agree with all the 'savings' the audit potentially identified, the Trust is continuing to investigate the audit recommendations in order to challenge current practice with the view to exploring alternative staffing models and their cost implication. The Trust is also in the process of benchmarking, in detail, Strathmore income and staffing against a comparator school in order to precisely identify where savings could potentially be made.

In light of the fact that the funding position is currently under review the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

All schools within the Trust set their own school budgets. Each school manages its own staffing structure. Costs directly correlate to the staffing needs of the individual pupils at each school which are reviewed monthly. The Educational Services Funding Agency (ESFA) funds the place value based on pupil numbers provided by the Local Authority for each school. The Local Authority funds any places for pupils placed in school over and above this number. The Trust operates a Trust-wide needs-based banding model to identify the specific funding requirements for each pupil, this is referred to as the pupil 'top up' funding. A Memorandum of Understanding has been agreed with the Local Authority in order to facilitate a fair charging mechanism for the pupil top-up funding. This is currently under review. The banding model was established in 2013 and to date there has been no revision in the band funding levels. Regardless of this support staff and operational costs have risen with inflation. The impact of this has been most significantly felt by Strathmore School due to smaller class sizes and the higher number of support staff required to meet pupil need. For the second year running Strathmore has used reserves to fund its operations.

Capella House School pupil numbers have been below budget for its first 2 years of operation. This has directly impacted the level of funding received. The Trust has supported Capella House in managing costs by not recharging any central Trust costs, despite a significant level of input and support, and Clarendon School has supported by not charging shared operational costs. The Trust has ensured that where necessary there has been investment in the curriculum to ensure the best outcomes for pupils.

During the period £9,134k of ESFA and Local Authority revenue grants were received excluding additional Covid support. Restricted funds includes £221k of other income. Restricted fund expenditure was £9,693k. The funding received from the ESFA and the Local Authority and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. Overall, the academy has a healthy balance sheet and cash flow and will be using reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the School Development Plans and Trust aims. The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS102.

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

FINANCIAL REVIEW (continued)

During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academies.

The immediate financial impact of COVID-19 to the Trust has included the cost of covering staff who are self-isolating and waiting for test outcomes and the cost of the additional cleaning and PPE equipment.

Reserves Policy

Reserves brought over by each school joining the Trust are accounted for in the school's statements. Each school is responsible for setting their budget and the management of its reserves. There is no pooling of reserves by the MAT. In the event that reserves are required to be spent over and above budgeted use, the school, in conjunction with their Local Governing Body, can apply to the Trust to access these funds.

The level of reserves held by each school takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle object of the Trust.

In the year ended 31 August 21, Strathmore used reserves to fund its ongoing operations. Reserves were used to fund the unfunded cost of support staff salary inflationary increases. Capella House School also used reserves to fund its operations. Capella House School opened in 2019 and, to date, actual pupil numbers have not met the budgeted class capacity. In order for the school to be operational it needs a basic staffing structure which has not been funded fully due to the shortfall in pupil numbers. Clarendon School continues to break even and has supported Capella by absorbing shared operational costs. As there has been no increase in pupil funding levels since 2013, and support staff costs continue to increase due to inflationary rises, in the immediate future, Trust reserves will continue to be used to fund ongoing operations where necessary. Meeting the needs of our pupils is at the heart of the Trust's operations, and to meet these needs the Trust is addressing its operational funding issue by

- working with the local authority to agree an appropriate level of band funding which meets pupil need
- reviewing current staffing structures to realise long term savings
- continually reviewing operational costs to ensure they are reasonable and deliver best value.

Within the reserves policy, due to the accounting for the Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit of £4,640k. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there was a pension surplus included in the restricted funds this would not create an immediately realisable asset that can be released straight away and expended for the specific purpose of that fund. A surplus or deficit position of the pension scheme would generally result in a cash flow effect of the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust takes this fact into account when reviewing current business plans and budgets, and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trusts budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

At 31 August 2021 the total funds comprised:

Unrestricted		£330,762
Restricted:	Fixed asset funds	£18,409,134
	Pension reserve	£(4,640,000)
	Other	£1,226,317
		<u>£15,326,213</u>

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

Investment Policy

The Trust does not hold any investments at the current time. The accounting policy will be determined should the need arise.

The Board of Trustees are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Due to the nature of the funding cycle, each academy may at times hold large cash balances which may not be required for immediate use. In the event of such a situation the Board of Trustees has approved that cash may be placed on short to medium term deposit having ensured that there is adequate cash available to meet the ongoing operations of the academy for the period in question.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principle risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

In the year ended 31 August 21, the Trust undertook a revamp of its Risk Registers, with the Trust Board setting the risk appetite for the organisation. The Trust and Local Governing Body risk registers have been consolidated and streamlined to ensure that strategic risks have Risks Owners, identified risks are under continual scrutiny and that the risk register informs the agenda of each committee. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The risk register hence focuses on those risks relating to teaching, provision of facilities and other operational areas of the Academy, and its finances.

The Trustees have identified the following principal risks to the Trust.

- Uncertainty regards future levels of 'top-up' funding. Following a School Resource Management Audit undertaken in August 2020, sustainable 'top-up' funding levels are currently in the process of being negotiated with the Local Authority.
- Uncertainty regards the viability of Capella House School. The Capella House School Secondary site opened 1 September 2019. Since opening the school has struggled to fill places. The Capella House Primary site is due to open 1 September 2021 placing additional pressure on pupil numbers. The Trust will continue to work with the Local Authority to fill the requisite number of places in order to make the school viable.
- Uncertainty regards future levels of therapy funding. The Trust receives funding directly from the Local Authority for Occupational Therapy. The Trust has developed a cost-effective in-house therapy model whereby the Trust directly employs occupational therapists who train support staff creating an embedded classroom approach benefiting all pupils. Despite a significant increase in pupil numbers and identified pupil need, funding has not increased. The Trust is working with the Local Authority to determine appropriate levels of funding within the restraints of the Local Authority budget.
- Uncertainty in pupil numbers and the implications for funding when budgeting. Actual pupil numbers continue to fluctuate compared to budgeted due to the timing and processing of pupil applications. This directly impacts on staff planning and the associated cost thereof. The Trust is addressing this by continuing to actively work with the Local Authority to ensure pupil places are taken up on a timely basis and that the appropriate staffing levels are in place to meet the needs of these pupils

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

Principal Risks and Uncertainties (continued)

- Teacher and support staff recruitment and retention continues to be of concern. This is being addressed by
 - Developing a Trust wide skills matrix and promoting in-house expertise. An annual trust wide audit of teachers' skills is undertaken identifying areas of outstanding knowledge and practice and focus areas for development. The 20/21 academic year has seen the development of a Trust staffing model whereby staff can have Trust-wide responsibility for certain areas hence providing opportunities for development whilst promoting best practice. A Trust wide ASD lead was appointed in September 20.
 - Considering pay related incentives.
 - Establishing a clear hierarchy of progression and development for all roles.
 - Establishing and implementing a Trust wide People Plan.

FUNDRAISING

For the year ended 31 August 2021 the responsibility for fund raising was delegated to the individual schools. Fund raising is generally done in relation to specific projects and in conjunction with each school's parent association and established fund-raising partners. COVID19 has severely curtailed all fund-raising activities.

PLANS FOR FUTURE PERIODS

In July 21 Local Governing Bodies undertook their annual strategic review with Trust input. The focus of Local Governing Bodies is the quality of teaching and learning in schools. In December 2021 the Trust Board met to review and agree the Trust's 3 year strategic priorities. The Trusts aim is to build on its reputation as a Centre of Excellence, by all stakeholders, whilst remaining fully focused on achieving its vision of providing outstanding SEND education for the local community. The Trust aim is for all of its schools to have an 'Outstanding' Ofsted judgement within three years (depending on the timing of their next inspection). The Trust aims to achieve this by

- Continuing to develop people within the Trust to support the development of high quality staff by motivating and uniting a wide range of people across organisations around visionary and challenging goals.
- Enhancing its therapy offer by actively looking for therapy input and synergies across the Trust.
- Increasing student capacity, where it is needed locally, wherever we can, by identifying new premises and by working with other schools either in partnership or by welcoming them into the Auriga family of schools.
- Seeking further inclusion opportunities with our co-located schools for the benefit of both sets of students whilst also positively influencing the attitudes of future generations to special needs and inclusion. Sharing this practice with local mainstream schools with SRPs as an example of best practice
- Working in partnership with mainstream colleagues, using Trust expertise to provide advice and support for the benefit of students in the mainstream with special educational needs.
- Creating school to school efficiency, partnerships and collaboration to drive improvement, focusing on administration and leadership structures.
- Continuing to interrogate Trust operating systems to ensure that we maximise their full potential.
- Considering opportunities to generate income for investment in the Trust. This could involve the use of our facilities, the development of our services, as well as building relationships with local businesses. The Trusts aim is to develop our buildings, as community hubs so they become an integral part of that communities.

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

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on the Board's behalf by:

Dr J ~~Dixon~~
Vice Chair of Trustees

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that The Auriga 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 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 The Auriga Academy Trust and the Secretary of State for Education. The Chief Executive Officer acting as Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr Ivan Pryce, Chief Executive Officer	3	3
Mr Harry James, Chair	6	6
Dr Joanne Dixon, Vice Chair	6	6
Mrs Susan Connor, Finance Director	3	3
Ms Lorna Goodwin	5	6
Mr Mike Harlow	3	3
Mr Paul Hodgins	2	3
Mr John Kipps	3	3
Mr Simon Mann	2	3
Mrs Gaelle Newland	5	6
Mr Paul Roberts	6	6

In March 2019 the Trustees' conducted a governance self-evaluation using the Department for Education's MAT Improvement Framework. The key finding was that the Trust could further strengthen the performance of individual schools by promoting best practice across all the schools within the Trust. It was agreed that this could be achieved by:

- Agreeing the Trust strategic plan with the input of all stakeholders.
- Using the Trust Strategic plan to inform individual local School Development plans.
- The Trust maintaining a strategic overview by making LGBs accountable through the provision of agreed Key performance Indicators.
- Developing cross school collaboration further.

This has remained a focus throughout the 20/21 academic year but was partly curtailed by the operational impact to schools of COVID-19. However, a revised Scheme of Delegation has been adopted across the Trust, enabling the Trust to achieve and give greater focus to its strategic objectives by promoting efficiency in operation. The main focus of Local Governing Bodies being the quality of education, with a revised committee structure focusing on pupil achievement and wellbeing and staffing. KPI's have been identified and work is ongoing to establish reporting templates which provide trust wide consistency of reported information.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE (continued)

The Trust has 3 sub-committees, The Finance & Resources Committee, The Audit, Risk & Effectiveness Committee and an Executive Leadership Group. All 3 committees meet prior to and report to the Trust Board Meeting.

The **Finance & Resources Committee** is responsible for assisting the decision making of the Board of Trustees by enabling more detailed consideration to be given to finance, premises and human resources, including planning monitoring and probity, to ensure sound governance and management of The Auriga Academy Trust's resources.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Susan Connor, Finance Director	2	2
Mr Harry James, Chair	4	4
Mrs Gaelle Newland	4	4
Mr Simon Man	1	2
Mr Ivan Pryce, Chief Executive Officer	2	2

The key issues for the Finance & Resources Committee were:

- Monitoring the progress of discussions with the Local Authority regards reviewing future funding through the established pupil banding model.
- Understanding the implications of the outcomes from the School Management Resource Audit.
- Monitoring the financial impact of supporting the Capella House School in its second year of operation.
- Understanding the financial impact of Covid-19 on the Trust which has included investment in
 - additional online learning resources
 - additional cleaning provision and health & safety equipment
 - enhanced Employee Assistance Programmes.
 - long term agency staff through honouring existing contracts.

The **Audit, Risk & Effectiveness Committee** is responsible for reviewing the risks to the Trust and in particular the effectiveness of the system of financial internal controls. This committee is also responsible for monitoring the performance in all areas of Trust governance including communication and the impact the Trust has on all related parties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr Joanne Dixon, Chair	3	3
Ms Lorna Goodwin	3	3
Mr Mike Harlow	2	2
Mr John Kipps	1	1
Mr Paul Roberts	2	3

- The key areas of work for the Audit, Risk and Effectiveness Committee were:
- Ensuring recruitment of a trustee with relevant financial and risk expertise to join the committee
- Supporting of the trust wide review and update of risk management procedures and monitoring their implementation
- Monitoring the effectiveness of measures to mitigate identified significant areas of risk and receive reports from all headteachers highlighting issues and actions

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE (continued)

- Monitoring progress against both Trust-wide and individual school improvement and development targets enabling identification of areas requiring additional support, resource or expertise from within the trust
- Agreeing the appointment of a new, independent internal auditor following review of the tender documentation
- Reviewing outcomes of 2019/20 year end audit and the 2020/21 internal scrutiny exercise and identifying priorities for ongoing internal scrutiny
- Monitoring compliance with the Academies Financial Handbook (now the Trust Handbook) in particular following the publishing of new guidance, advising the Trust Board on any action required
- Overseeing the review and implementation of Trust-wide policies
- Building on the previous year's work reviewing the effectiveness of governance a new scheme of delegation was researched and drafted by the CEO which has been further refined over the year. The result will be implemented from September 2021 aiming to clarify respective responsibilities, improve effectiveness and communication and ensure consistency of procedures across the trust. The committee again directed each Local Governing Body to undertake a standard self-evaluation exercise to identify their respective development priorities for the coming year as the new scheme of delegation is implemented.
- Monitoring of the impact of Covid-19 across the Trust has been ongoing as the pandemic has continued to impact capacity to implement wider new development plans. The focus necessarily remaining on supporting pupils wellbeing and learning both in school and at home alongside ensuring a safe and supportive environment for all school staff.

The Executive Leadership is responsible for driving forward the vision of the Trust.

Trustee	Meetings attended	Out of a possible
Mr John Kipps, Chief Executive Officer	6	6
Mr Harry James, Chair	6	6
Dr Joanne Dixon, Vice Chair	6	6
Mr Ivan Pryce	6	6
Mrs Susan Connor, Finance Director	6	6

The key issues for the Executive Leadership Team were:

- Ongoing review and assessment of the Trusts financial position and progress made in the reassessment of the Local Authority banding model. To drive the agenda between the Trust and the Local Authority.
- Monitoring the on-going operational issues impacting the operations of the Trust and Schools, including recruitment and succession planning.
- Monitoring the financial and operational impact of supporting the Capella House School in its second year of operation.
- Driving forward the strategic direction of the Trust. Whilst this was possible this was severely impacted by the operational impact of the COVID pandemic.

REVIEW OF VALUE FOR MONEY

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

REVIEW OF VALUE FOR MONEY (continued)

- Reviewing and revising the Scheme of Delegation The Scheme of Delegation was revised to provide a more operational focus creating efficiencies across the Trust for senior leadership and Governance.
- Undertaking a Trust wide administration restructure to create a central admin staff with the remit of supporting all schools within the Trust by providing core services. The Trust Central admin function now covers the following core service areas,
 - Finance
 - HR and CPD Coordination
 - Estate Management
 - Pupil Administration
 - School Wide Administration
 - Data Protection
 - Governance

The restructure is focused on creating efficiencies within current operational practices and future proofing the Trust in the event of the Trust expanding.

- The Trust is continuing to review its operating systems to ensure that they are used to their full functionality with the aim of creating additional operational capacity.
- Establishing Integrated Financial Planning across the Trust. School Leaders at all levels understand the principle of detailed budgeting to meet school development priorities and curriculum delivery. Middle leaders have been identified as budget holders creating a clear link between school development priorities, the curriculum and the budget resulting in focused, monitored spend.
- Using Department for Education frameworks to support buying decisions where appropriate.
- Continuing to monitor the effective use of Trust wide Occupational Therapy funding by creating an in-house provision. This includes onsite HCPC registered Occupational Therapists and specially trained Higher Level Teaching Assistants operating on a consultancy model, thereby giving directed and specialised support to pupils and hence maximising the potential of the funding available.
- Monitoring pupils' progress to ensure resources are targeted appropriately and pupil premium expenditure is assessed to show effectiveness in improving the attainment of students on Free School Meals and Looked After Children.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Auriga Academy Trust for the period 1 September 2019 to 31 August 2020 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 Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy in a specialist internal audit service rather than use 'in-house' expertise. In the year ended 31st August 21, the Trust considered 3 proposals to deliver Internal Scrutiny services and in January 21 appointed Strictly Education.

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

- Financial control procedures including those matters raised in the statutory audit findings report;
- Management information and reports; and
- A Governance review based on selected requirements of the Academies Financial Handbook 2019.

On an annual basis the internal scrutiny auditor reports to the Board of Trustees, through the Audit & Effectiveness committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. In the year ended 31 August 21 the areas reviewed were Governance and Risk Management. The Trust can confirm that the internal auditor has delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor; and
- the school resource management self-assessment tool; and
- the work of the Trust Finance Director who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Effectiveness Committee and there are no weaknesses identified requiring an action plan.

Approved by order of the Members of the Board of Trustees on 13 December 2021 and signed on its behalf by:

Dr J Dixon
Vice -Chair of Trustees

Mr I Pryce
Accounting Officer

THE AURIGA ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

Mr Ivan Pryca
Accounting Officer

13 December 2021

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

The Trustees (who are also the directors of 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 and signed on its behalf by:

Dr J Dixon
Vice-Chair of Trustees

Date: 13 December 2021

THE AURIGA ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE AURIGA ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

THE AURIGA ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE AURIGA 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 (incorporating the Strategic Report and the Directors 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.

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE AURIGA ACADEMY TRUST (CONTINUED)

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.

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:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of 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;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

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.

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
AURIGA 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.

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson (Statutory Auditor)
Maidenhead, United Kingdom

Date: 16/12/2021

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Auriga 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 The Auriga Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Auriga 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 The Auriga Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Auriga Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Auriga Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2016 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.

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines and testing as appropriate, and
- making appropriate enquiries of the Accounting Officer

Conclusion

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

Reporting Accountant
MHA MacIntyre Hudson (Statutory Auditor)
Maidenhead, United Kingdom

Date: 16/12/2021

THE AURIGA 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	8,193	-	1,984,600	1,992,793	9,115,158
Charitable activities	4	-	9,340,506	-	9,340,506	8,378,992
Other trading activities	5	32,927	15,005	-	47,932	70,834
Investments	6	189	-	-	189	1,699
Total income		41,309	9,355,511	1,984,600	11,381,420	17,566,683
Expenditure on:						
Charitable activities		15,030	9,692,814	575,443	10,283,287	9,403,196
Total expenditure	7	15,030	9,692,814	575,443	10,283,287	9,403,196
Net income/ (expenditure)		26,279	(337,303)	1,409,157	1,098,133	8,163,487
Transfers between funds	16	-	(61,786)	61,786	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(323,000)	-	(323,000)	(888,000)
Net movement in funds		26,279	(722,089)	1,470,943	775,133	7,275,487
Reconciliation of funds:						
Total funds brought forward		304,483	(2,691,594)	16,938,191	14,551,080	7,275,593
Net movement in funds		26,279	(722,089)	1,470,943	775,133	7,275,487
Total funds carried forward		330,762	(3,413,683)	18,409,134	15,326,213	14,551,080

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

The notes on pages 32 to 61 form part of these financial statements.

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10284264

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		18,409,134		16,938,191
			<u>18,409,134</u>		<u>16,938,191</u>
Current assets					
Debtors	14	255,080		180,810	
Cash at bank and in hand		1,940,326		1,694,920	
		<u>2,195,406</u>		<u>1,875,730</u>	
Creditors: amounts falling due within one year	15	(638,327)		(671,841)	
Net current assets			<u>1,557,079</u>		<u>1,203,889</u>
Total assets less current liabilities			<u>19,966,213</u>		<u>18,142,080</u>
Defined benefit pension scheme liability	23		(4,640,000)		(3,591,000)
Total net assets			<u><u>15,326,213</u></u>		<u><u>14,551,080</u></u>
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	16	18,409,134		16,938,191	
Restricted income funds	16	1,226,317		899,406	
Pension reserve	16	(4,640,000)		(3,591,000)	
Total restricted funds	16		<u>14,995,451</u>		<u>14,246,597</u>
Unrestricted income funds	16		<u>330,762</u>		<u>304,483</u>
Total funds			<u><u>15,326,213</u></u>		<u><u>14,551,080</u></u>

The financial statements on pages 29 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Dr J Dixon
Vice-Chair of Trustees
Date: 13 December 2021

The notes on pages 32 to 61 form part of these financial statements.

THE AURIGA 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	307,003	316,920
Cash flows from investing activities	20	(61,597)	(165,091)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		245,406	151,829
Cash and cash equivalents at the beginning of the year		1,694,920	1,543,091
Cash and cash equivalents at the end of the year	21, 22	1,940,326	1,694,920
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 to 61 from part of these financial statements

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Auriga Academy Trust is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operations and registered number are detailed on page 2. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1.

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.

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

Capital grants are recognised in full when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants 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 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.

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.6 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.

1.7 Liabilities and provisions

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

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

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

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

1. Accounting policies (continued)

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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. 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 at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long-term leasehold property	- 2% on cost
Fixtures and fittings	- Straight line over 7 years
Computer equipment	- Straight line over 3 years

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 incorporating Income and Expenditure Account.

1.9 Leased assets

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

1.10 Financial instruments

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

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

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

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

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

1. Accounting policies (continued)

1.11 Taxation

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

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

1.12 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

1. Accounting policies (continued)

1.13 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.

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	8,193	-	8,193
Capital grants	-	44,600	44,600
Local authority donated asset	-	1,940,000	1,940,000
	8,193	1,984,600	1,992,793

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	24,296	-	24,296
Capital grants	-	90,862	90,862
Grants	-	9,000,000	9,000,000
	24,296	9,090,862	9,115,158

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	2,930,000	2,930,000
Other DfE/ESFA grants		
Pupil Premium	106,596	106,596
Others	301,760	301,760
	3,338,356	3,338,356
Other Government grants		
SEN funding	5,621,728	5,621,728
Other government grants	173,560	173,560
	5,795,288	5,795,288
Other income from the Academy Trust's academy trust's educational operations	35,727	35,727
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	72,240	72,240
Other DfE/ESFA COVID-19 funding	37,995	37,995
	110,235	110,235
COVID-19 additional funding (non-DfE/ESFA)		
Other COVID-19 funding	60,900	60,900
	60,900	60,900
	9,340,506	9,340,506

The academy received £72,240 of funding for catch-up premium and costs incurred in respect of this funding totalled £72,240.

THE AURIGA ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	2,590,406	2,590,406
Other DfE/ESFA grants		
Pupil premium	109,675	109,675
Others	366,297	366,297
	<u>3,066,378</u>	<u>3,066,378</u>
Other Government grants		
SEN funding	5,187,963	5,187,963
Other government grants	98,235	98,235
	<u>5,286,198</u>	<u>5,286,198</u>
Other income from the Academy Trust's academy trust's educational operations	<u>26,416</u>	<u>26,416</u>
	<u><u>8,378,992</u></u>	<u><u>8,378,992</u></u>

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Catering income - staff	882	-	882
Hire of facilities	(1,575)	-	(1,575)
Supply teacher insurance income	-	15,005	15,005
Other income	33,620	-	33,620
	<u>32,927</u>	<u>15,005</u>	<u>47,932</u>

THE AURIGA 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 (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Catering income - staff	756	-	756
Hire of facilities	20,549	-	20,549
Supply teacher insurance income	-	7,612	7,612
Other income	41,917	-	41,917
	<u>63,222</u>	<u>7,612</u>	<u>70,834</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	<u>189</u>	<u>189</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	<u>1,699</u>	<u>1,699</u>

THE AURIGA ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Academy Trust's educational operations:				
Direct costs	6,662,390	370,900	697,929	7,731,219
Allocated support costs	1,552,921	331,778	667,369	2,552,068
	8,215,311	702,678	1,365,298	10,283,287
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Academy Trust's educational operations:				
Direct costs	6,110,627	161,800	740,523	7,012,950
Allocated support costs	1,312,971	381,807	695,468	2,390,246
	7,423,598	543,607	1,435,991	9,403,196

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academy trust's educational operations	7,731,219	2,552,068	10,283,287
	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy trust's educational operations	7,012,950	2,390,246	9,403,196

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	6,662,390	6,110,627
Depreciation	575,443	437,089
Technology costs	19,084	11,702
Educational supplies	88,122	85,384
Examination fees	11,557	7,429
Educational consultancy	196,576	165,190
Other direct costs	178,047	195,529
	7,731,219	7,012,950

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Pension finance cost	55,000	37,000
Staff costs	1,552,921	1,312,971
Technology costs	123,138	138,907
Premises costs	331,778	381,807
Other support costs	451,398	485,444
Governance costs	37,833	34,117
	2,552,068	2,390,246

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	7,428	9,625
Depreciation of tangible fixed assets	575,443	437,089
Fees paid to auditors for:		
- audit	13,500	13,500
- other services	24,615	13,825
	<u>615,986</u>	<u>474,039</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,883,120	4,601,502
Social security costs	456,340	425,285
Pension costs	1,724,006	1,499,789
	<u>7,063,466</u>	<u>6,526,576</u>
Agency staff costs	1,151,845	897,022
	<u>8,215,311</u>	<u>7,423,598</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teaching	52	43
Administration and support	130	125
Management	9	17
	<u>191</u>	<u>185</u>

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

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
	<u>11</u>	<u>8</u>

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 £1,344,815 (2020 - £1,295,430).

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

11. Related party transactions - 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
		£	£
J Kipps, resigned 11/12/2020	Remuneration	25,000 - 30,000	100,000 - 105,000
	Pension contributions paid	5,000 - 10,000	20,000 - 25,000
I Pryce, resigned 11/12/2020	Remuneration	20,000 - 25,000	85,000 - 90,000
	Pension contributions paid	5,000 - 10,000	20,000 - 25,000
S Connor, resigned 11/12/2020	Remuneration	15,000 - 20,000	50,000 - 55,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed to four Trustees (2020 - £1,129 to four Trustees).

12. Trustees' and officers' insurance

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. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	17,090,000	550,116	358,741	17,998,857
Additions	1,940,000	51,673	54,713	2,046,386
At 31 August 2021	19,030,000	601,789	413,454	20,045,243
Depreciation				
At 1 September 2020	732,617	126,154	201,895	1,060,666
Charge for the year	370,900	88,468	116,075	575,443
At 31 August 2021	1,103,517	214,622	317,970	1,636,109
Net book value				
At 31 August 2021	17,926,483	387,167	95,484	18,409,134
At 31 August 2020	16,357,383	423,962	156,846	16,938,191

The leasehold buildings are owned by the London Borough of Richmond upon Thames. The Academy Trust has a 125 year lease over the buildings and no payments to the London Borough of Richmond upon Thames are required under the lease.

During the year a further 125 year lease for one school building was finalised, valued at £1,940,000.

Land and buildings with an estimated value of £12,020,000 are not currently included within these financial statements pending finalisation of the leases.

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14. Debtors

	2021	2020
	£	£
Trade debtors	5,496	25,719
Other debtors	4,339	6,109
Prepayments and accrued income	157,578	63,431
VAT recoverable	87,667	85,551
	255,080	180,810

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	188,470	169,184
Other taxation and social security	114,865	99,528
Other creditors	125,390	147,846
Accruals and deferred income	209,602	255,283
	638,327	671,841

	2021	2020
	£	£
Deferred income at 1 September 2020	10,012	13,728
Resources deferred during the year	160,485	10,012
Amounts released from previous periods	(10,012)	(13,728)
	160,485	10,012

Deferred income comprises of grant income relating to the period from 1 September 2021.

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16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General unrestricted Funds	304,483	41,309	(15,030)	-	-	330,762
Restricted general funds						
General Annual Grant	57,430	2,930,000	(2,541,303)	(61,786)	-	384,341
Pupil premium	-	106,596	(106,596)	-	-	-
Other DfE/ESFA revenue grant	-	301,760	(301,760)	-	-	-
Other local authority grants	-	5,795,288	(5,795,288)	-	-	-
Other restricted income	-	50,732	(50,732)	-	-	-
Funds on conversion	841,976	-	-	-	-	841,976
Catch-up premium	-	72,240	(72,240)	-	-	-
Other DfE/ESFA COVID-19	-	37,995	(37,995)	-	-	-
Other COVID-19 funding	-	60,900	(60,900)	-	-	-
Pension reserve	(3,591,000)	-	(726,000)	-	(323,000)	(4,640,000)
	(2,691,594)	9,355,511	(9,692,814)	(61,786)	(323,000)	(3,413,683)
Restricted fixed asset funds						
Fixed asset fund	16,938,191	-	(575,443)	2,046,386	-	18,409,134
DfE/ESFA grants	-	44,600	-	(44,600)	-	-
Restricted fixed asset donations	-	1,940,000	-	(1,940,000)	-	-
	16,938,191	1,984,600	(575,443)	61,786	-	18,409,134
Total Restricted funds	14,246,597	11,340,111	(10,268,257)	-	(323,000)	14,995,451
Total funds	14,551,080	11,381,420	(10,283,287)	-	(323,000)	15,326,213

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

16. Statement of funds (continued)

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

All general funds are held for the purpose of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided to the academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

Pupil premium represents pupil premium funding received from the DfE and the associated expenditure.

The local authority restricted fund represents other funding received from the local authority in relation to specific purposes such as SEN funding.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

Income on conversion represent amounts transferred to the Academy Trust on conversion to Academy status.

The other restricted income fund represents donations to the Academy Trust to be expended on the Academy Trust's educational activities.

The pension reserve fund has been created to separately identify the pension deficit transferred from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised. The trust is planning to increase these funds to a surplus through increased contributions in the coming years.

The fixed asset fund includes the tangible assets gifted to the Academy upon conversion which represent the school site including the leasehold property, fixed assets purchased by the Academy Trust and unspent capital grants. Depreciation charged on those assets is allocated to the fund.

Transfers between restricted and restricted fixed assets funds represents funding of fixed asset additions.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General unrestricted Funds	230,848	89,217	(15,582)	-	-	304,483
Restricted general funds						
General Annual Grant	145,760	2,590,406	(2,577,327)	(101,409)	-	57,430
Pupil premium	-	109,675	(109,675)	-	-	-
Other DfE/ESFA revenue grant	-	366,297	(366,297)	-	-	-
Other local authority grants	-	5,187,963	(5,187,963)	-	-	-
Other restricted income	-	132,263	(132,263)	-	-	-
Funds on conversion	841,976	-	-	-	-	841,976
Pension reserve	(2,126,000)	-	(577,000)	-	(888,000)	(3,591,000)
	<u>(1,138,264)</u>	<u>8,386,604</u>	<u>(8,950,525)</u>	<u>(101,409)</u>	<u>(888,000)</u>	<u>(2,691,594)</u>
Restricted fixed asset funds						
Fixed asset fund	8,117,628	-	(437,089)	9,257,652	-	16,938,191
DfE/ESFA grants	61,501	90,862	-	(152,363)	-	-
Other capital grants	3,880	-	-	(3,880)	-	-
Restricted fixed asset donations	-	9,000,000	-	9,000,000)	-	-
	<u>8,183,009</u>	<u>9,090,862</u>	<u>(437,089)</u>	<u>101,409</u>	<u>-</u>	<u>16,938,191</u>
Total Restricted funds	<u>7,044,745</u>	<u>17,477,466</u>	<u>(9,387,614)</u>	<u>-</u>	<u>(888,000)</u>	<u>14,246,597</u>
Total funds	<u><u>7,275,593</u></u>	<u><u>17,566,683</u></u>	<u><u>(9,403,196)</u></u>	<u><u>-</u></u>	<u><u>(888,000)</u></u>	<u><u>14,551,080</u></u>

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

16. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Clarendon School	975,543	673,727
Strathmore School	322,579	447,746
Central services	(3,607)	(1,666)
Capella House Free School	262,564	84,082
Total before fixed asset funds and pension reserve	1,557,079	1,203,889
Restricted fixed asset fund	18,409,134	16,938,191
Pension reserve	(4,640,000)	(3,591,000)
Total	15,326,213	14,551,080

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 £
Clarendon School	3,215,826	609,488	42,593	614,201	4,482,108
Strathmore School	2,917,204	370,405	37,867	477,810	3,803,286
Central services	13,065	397,538	-	184,243	594,846
Capella House Free School	516,295	175,490	7,662	128,157	827,604
Academy Trust	6,662,390	1,552,921	88,122	1,404,411	9,707,844

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Clarendon School	2,958,152	503,996	34,659	628,488	4,125,295
Strathmore School	2,782,605	515,103	46,200	512,269	3,856,177
Central services	-	170,272	-	229,029	399,301
Capella House Free School	381,274	112,196	4,525	87,339	585,334
Academy Trust	6,122,031	1,301,567	85,384	1,457,125	8,966,107

17. Central services

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

- Administration and governance costs

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

Allocation of costs arising

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Clarendon School	117,083	153,686
Strathmore School	117,990	138,586
Capella House School	24,137	6,318
Total	259,210	298,590

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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	-	-	18,409,134	18,409,134
Current assets	330,762	1,864,644	-	2,195,406
Creditors due within one year	-	(638,327)	-	(638,327)
Provisions for liabilities and charges	-	(4,640,000)	-	(4,640,000)
Total	330,762	(3,413,683)	18,409,134	15,326,213

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	-	-	16,938,191	16,938,191
Current assets	304,483	1,571,247	-	1,875,730
Creditors due within one year	-	(671,841)	-	(671,841)
Provisions for liabilities and charges	-	(3,591,000)	-	(3,591,000)
Total	304,483	(2,691,594)	16,938,191	14,551,080

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	1,098,133	8,163,487
Adjustments for:		
Depreciation	575,443	437,089
Capital grants from DfE and other capital income	(1,984,600)	(9,090,862)
(Increase)/decrease in debtors	(74,270)	112,666
(Decrease)/increase in creditors	(33,514)	119,239
Dividends, interest and rents from investments	(189)	(1,699)
Pension adjustments	726,000	577,000
Net cash provided by operating activities	307,003	316,920

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	189	1,699
Purchase of tangible assets	(106,386)	(257,652)
Capital grants from DfE Group	44,600	90,862
Net cash used in investing activities	(61,597)	(165,091)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,940,326	1,694,920

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	1,694,920	245,406	1,940,326
	<u>1,694,920</u>	<u>245,406</u>	<u>1,940,326</u>

23. Pension commitments

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

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

Contributions amounting to £119,778 were payable to the schemes at 31 August 2021 (2020 - £120,042) 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.

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

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £567,739 (2020 - £525,464).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £596,000 (2020 - £542,000), of which employer's contributions totalled £469,000 (2020 - £422,000) and employees' contributions totalled £127,000 (2020 - £120,000). The agreed contribution rates for future years are 20.3% for Strathmore School, 23.2% for Clarendon School and 19% for Capella House School for employers and between 5.5% and 12.5% for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.87	3.23
Rate of increase for pensions in payment/inflation	2.87	2.23
Discount rate for scheme liabilities	1.67	1.63
Inflation assumption (CPI)	2.87	2.23
RPI increase	3.15	3.03

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

	2021	2020
	Years	Years
Retiring today		
Males	21.6	21.8
Females	24.3	24.4
Retiring in 20 years		
Males	22.9	23.2
Females	25.7	25.9

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	11,395	8,751
Discount rate -0.1%	12,020	9,229
Mortality assumption - 1 year increase	12,198	9,313
Mortality assumption - 1 year decrease	11,229	8,673
CPI rate +0.1%	11,999	9,213
CPI rate -0.1%	11,415	8,767

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

23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	4,343,000	3,280,000
Gilts	148,000	118,000
Bonds	953,000	760,000
Property	684,000	459,000
Cash and other liquid assets	272,000	282,000
Alternative assets	663,000	497,000
Total market value of assets	7,063,000	5,396,000

The actual return on scheme assets was £1,120,000 (2020 - £192,000).

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

	2021 £	2020 £
Current service cost	(1,138,000)	(960,000)
Interest cost	(55,000)	(37,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	(1,195,000)	(999,000)

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

	2021 £	2020 £
Opening defined benefit obligation	8,987,000	6,228,000
Current service cost	1,138,000	960,000
Interest cost	147,000	120,000
Employee contributions	127,000	120,000
Actuarial losses	1,351,000	1,553,000
Benefits paid	(47,000)	6,000
Closing defined benefit obligation	11,703,000	8,987,000

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

23. Pension commitments (continued)

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

	2021 £	2020 £
Opening fair value of scheme assets	5,396,000	4,102,000
Interest income	92,000	83,000
Actuarial gains	1,028,000	665,000
Employer contributions	469,000	422,000
Employee contributions	127,000	120,000
Benefits paid	(47,000)	6,000
Administration expenses	(2,000)	(2,000)
Closing fair value of scheme assets	7,063,000	5,396,000

	2021 £	2020 £
The amount shown in the Statement of Financial Activities is:		
Changes in financial assumptions	(1,351,000)	(1,553,000)
Return on assets excluding amounts included in net interest	1,028,000	665,000
Actuarial gains/(losses) on defined benefit pension schemes	(323,000)	(888,000)

	2021 £	2020 £
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(11,703,000)	(8,987,000)
Fair value of scheme assets	7,063,000	5,396,000
Defined benefit pension scheme liability	(4,640,000)	(3,591,000)

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

24. Operating lease commitments

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

	2021	2020
	£	£
Not later than 1 year	2,256	6,781
Later than 1 year and not later than 5 years	501	2,261
	<hr/> 2,757 <hr/>	<hr/> 9,042 <hr/>

25. Members' liability

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

26. 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.