

Company Registration No. 08678162 (England and Wales)

THE FUTURES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE FUTURES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs C Assheton
Mrs K Ireland
Rev A Randle-Bissell
Dr D Wood
Mr N Coupland

Trustees

Mr P Crisp
Mr A Fitzpatrick (Vice Chair of the Board of Trustees from 21 October 2020)
Mr M Moseley
Mr P Thomas (Chief Executive Officer)
Mr F Weston (Resigned 21 February 2021)
Ms K Morris
Mrs P Heer
Mrs C Blair
Mr D Loudon
Ms E Tomlinson
Mrs C Assheton (Chair of the Board of Trustees)
Mrs H Quinn (Appointed 25 May 2021)

Senior management team

- Trust HR Director	Miss C Bayliss
- Trust Finance Director	Ms E Hart (from 31 August 2021)
- Trust Finance Director	Mr M Baker (until 31 August 2021)
- Chief Executive Officer	Mr P Thomas
- Deputy Chief Executive Officer	Mr S Toor

Company secretary

Miss T Galland (Appointed 15 June 2021)

Company registration number

08678162 (England and Wales)

Registered office

President Kennedy School
Rookery Lane
Coventry
West Midlands
CV6 4GL

Academies operated

Keresley Newland Primary Academy
President Kennedy School
Barr's Hill School
Parkgate Primary School
Keresley Grange Primary Academy
Stoke Park School
Hinckley Academy and John Cleveland
Sixth Form Centre

Location

Keresley, Coventry, CV7 8JZ
Rookery Lane, Coventry, CV6 4GL
Radford Road, Coventry, CV1 4BU
Parkgate Road, Coventry, CV6 4GF
Keresley, Coventry, CV6 2EM
Dane Road, Coventry, CV2 4JW
Butt Lane, Hinckley, Leicestershire, LE10
1LE

Principal

Mrs N Penlington
Mr N Clayton
Mr C Jupp
Mrs Z Richards
Mrs N Penlington
Ms N Rock
Ms L Hickman

THE FUTURES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	Lloyds Bank plc 30 High Street Coventry CV1 5RE
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ



Learners First | It's About Learning | No Barriers

Dear Colleagues,

We are delighted to introduce our Annual Report and Financial Statements for the year ended 31st August, 2021. As stated in the report, The Futures Trust continues to have a strong cash and net asset position enabling us to meet our liabilities as they fall due. There are no material uncertainties about the Trust's ability to continue as a going concern.

Despite the many challenges our schools have faced over the last 18 months the Trust has continued to pursue strategic goals whilst ensuring that it seeks to spend its operating income on activities that enable our pupils, students and staff to be the best they can be. This has included spending additional catch-up and Covid funding grants on either addressing learning gaps or ensuring strict health and safety mitigations are in place to address the immediate to medium-term effects of the pandemic.

At the same time the Trust has been substantially improving its estate through the successful deployment of a range of grant funding. This has included government school capital allocation to complete works at our primary schools resulting in over £330,000 of investment in roofing at Parkgate Primary School and windows at Keresley Grange. Further investment has seen the development of an interactive 4D sensory room at Parkgate Primary School and a STEM classroom at Keresley Newland Primary School.

Due to their popularity President Kennedy School and Barr's Hill have had to considerably expand their admission number and this has led to expansion in facilities to accommodate increased numbers. This has included a new Post 16 block at President Kennedy School and a new year 7 base (The Bridge) at Barr's Hill. In partnership with the Football Foundation, Coventry Sky Blues in the Community and Coventry LA, President Kennedy School has also added a 3G full-size football pitch, changing rooms and a community area. With such significant improvements in both schools additional funding of £535,000 of revenue reserve has been invested in these projects to ensure new furnishings and technology equipment are in place to enable state-of-the art facilities. Stoke Park School has used school capital allocation to improve the quality of student toilets.

During the course of the year we have considerably enhanced our facilities. Our commitment to investing and improving our facilities for our schools and the communities they serve is part of our fundamental approach to provide a powerful link between local families and our schools. This is a stated objective in our Strategic Plan: 2017-2022. We aim to continue this approach both to ensure that community facilities are maintained to a high standard and are enhanced to provide local families with the opportunity to participate in sport and other recreational activities.

Yours sincerely,

Christine Assheton
Chair, Board of Trustees
For and on behalf of The Futures Trust

Kim Morris
Chair, Finance, Resources, Audit & Risk Committee

THE FUTURES TRUST

TRUSTEES' REPORT

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditors' report of The Futures Trust (the trust) for the period 1 September 2020 – 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report and a strategic report under company law. The trustees confirm that the annual report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

THE FUTURES TRUST BACKGROUND

The MAT was established by the Governing Body of President Kennedy School, an outstanding academy school, serving a catchment area in north west Coventry. The rationale for the conversion of President Kennedy School into a MAT was to work collaboratively with other local schools in order to improve the educational outcomes for young people. President Kennedy School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. President Kennedy School has a capacity of 1,600 and a roll of 1,770 in the school census in 2021 (2 of whom are Dual-Registered).

Barr's Hill School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 October 2015. Barr's Hill School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. Barr's Hill School has a capacity of 805 and a roll of 850 in the school census in 2021.

Parkgate Primary School and Keresley Grange Primary Academy, two nearby primary schools serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 February 2017. Both Parkgate Primary School and Keresley Grange Academy cater for learners aged from 3 to 11 and serve adjacent catchment areas in Coventry. Parkgate Primary School has a capacity of 630 and a roll of 647 in the school census in 2021. Keresley Grange Academy has a capacity of 311 and a roll of 285 in the school census in 2021.

Stoke Park School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust as a sponsored school on 1 October 2017. Stoke Park School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. Stoke Park School has a capacity of 1,116 and a roll of 1,022 in the school census in 2021.

Keresley Newland Primary Academy, a small primary school located in Keresley Village, close to President Kennedy School and Keresley Grange Primary School, transferred from NET Academies Trust and joined The Futures Trust as a sponsored school on 1 December 2018. Keresley Newland Primary Academy caters for learners aged 3 to 11 serving adjacent catchment areas in Coventry. Keresley Newland Primary Academy has a capacity of 210 and a roll of 131 in the school census in 2021.

Hinckley Academy and John Cleveland Sixth Form College, an academy serving students aged 11-19, joined The Futures Trust as a sponsored school on 1 December 2020. Hinckley Academy has a capacity of 1,450 and a roll of 1,121 in the school census 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Futures 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 act as directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of The Futures Trust. The charitable company is known as The Futures Trust. Details of the trustees 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.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Trustees' indemnities

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees, governors and Officers from claims arising from negligent actions, errors or omissions occurring whilst on trust business. The insurance provides cover up to £10,000,000 for any single claim.

Method of recruitment and appointment or election of Trustees

The trustees are responsible for:

- The strategic management of The Futures Trust
- Agreeing the strategic plans for The Futures Trust including the Development Plans of schools within the trust and monitoring educational standards
- Setting and agreeing trust policy
- Reviewing the trust's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the trust's budget and financial health
- Appointing the Chief Executive Officer and holding him or her to account

The Board of Trustees have established procedures that enable regular reviews of mix of skills and experience that should be available to the board. New trustees with the appropriate skills and experience are sought either as replacements for trustees who retire from the board, or as additional trustees. The majority of Local Governing Body governors are drawn from the community served by the school and are often parents or careers of students who attend the school. Trustees and governors are recruited by advertising in school newsletters, by direct approaches or where specific skills are sought, via Inspiring Governance and Academy Ambassadors.

The method of appointment, election and removal of trustees and governors is set out in The Futures Trust's Articles of Association.

Policies and procedures adopted for the induction and training of Trustees

Induction and training provided for new trustees is adapted according to their skills and experience. Upon appointment, all trustees receive an induction pack, the content of which has been approved by the Members. The pack outlines the roles and responsibilities of a Company Director and Charity Trustee and includes key documents such as the Governors' Handbook and Competency Framework for Governance (published by the Department of Education (DfE)) and the most recent Academies Financial Handbook (issued by the Education and Skills Funding Agency (ESFA)). New trustees meet with key personnel from the Central Team to gain an understanding of training opportunities are provided throughout the year at Board meetings and, where appropriate, include education, charity, legal and financial training.

All trustees and governors receive an Induction Pack relevant to the individual school and updates from RSM, legal firm Stone King, the National Governance Association and The Key for School Governors. A thorough Induction and Training Programme for governors and trustees was delivered during the academic year. Training sessions included Governor Induction, Changes to the Ofsted Framework, Financial and Budget management and Safeguarding.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

The Futures Trust Governance Framework

The Futures Trust is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the trust and its schools.

The Futures Trust is the only legal entity accountable for all the schools within the trust. The Futures Trust has entered into a master funding agreement with the Secretary of State which govern all schools in the trust.

The trustees are accountable to external government agencies including the Charity Commission and the Department for Education for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety, probity and good practice. In order to discharge these responsibilities, the trustees appoint individuals to serve on committees which focus on specific matters such as Education and Standards, Finance, Resources, Risk and Audit.

A Local Governing Body oversees each school in the trust. The Local Governing Body is focused on the day to day running of each school specifically the educational outcomes for the pupils it serves.

A Scheme of Delegation outlines the ways in which the trustees fulfil their responsibilities for the leadership and management of The Futures Trust, the respective roles and responsibilities of the Board of Trustees, their Committees, the Chief Executive Officer, Head teacher and the Local Governing Body of each school and the commitments to each other to ensure the success of The Futures Trust.

Local Governing Bodies are responsible for:

- The day to day oversight of the school
- Formulating the school's Development Plan and monitoring educational standards
- Ensuring the school complies with statutory requirements and trust policy
- Reviewing the school's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the school's budget and financial health
- Appointing the school's head teacher in consultation with the trust and holding him or her to account

The CEO is the appointed Accounting Officer of The Futures Trust and has the overall responsibility for the day to day financial management of the schools. The CEO has delegated responsibility to specific budget holders for expenditure within strictly controlled limits. These limits are monitored by the trust's Finance Director and items of expenditure with a total BACS payment above £5,000 must be authorised by the CEO.

The head teacher manages the day to day running of the school supported by a leadership team. The leadership team meets regularly to review the school's progress and consider issues, risks and trends which affect the school. The leadership team assist the head teacher to develop and implement school plans. Individual members of the leadership team are allocated specific management responsibility by the head teacher.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Risk Management

The trustees are responsible for the management of risks to which The Futures Trust is exposed. The trust has formulated its own Risk Management Policy and put in place sound systems of internal governance and control.

The controls used by the trust include:

- Formal agendas for trust and committee meetings
- A detailed Scheme of Delegation
- Detailed terms of reference for all committees
- School Development Plans for each school within the trust identifying key strategic planning objectives and the resources required to achieve them
- Budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- A risk based programme of audits throughout the year

The trustees, together with the MAT Central team and the leaders of the trust's schools have identified and assessed material financial, operational and strategic risks which, if unmanaged, could impact educational standards, the trust's reputation and/or financial well-being. These are regularly monitored and updated.

A comprehensive list of these risks has been compiled within the trust's 'Risk Register'. Mitigating actions have been identified and policies have been put in place and are reviewed regularly. Risk factors which are beyond the Academy Trust's control such as a rising staff costs and the national funding formula, are monitored and planned for.

A disclosure of the trust's material risks are made within the Strategic Report later in this document.

The Futures Trust recognises potential threats which could lead to business interruption and has created a Business Continuity Plan to ensure that its critical activities can be maintained within agreed recovery time objectives.

The Futures Trust has comprehensive insurance cover through the Risk Protection Arrangement (RPA) to ensure that if risks materialise, the impact is limited within quantifiable limits.

The Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees makes decisions regarding the setting of pay and remuneration for key management personnel working across the trust. The Board directly considers the pay of the CEO and all Head teachers on an annual basis, and delegates the performance management of the trust's Central Team to the CEO who makes recommendations to the Board regarding pay. When considering senior pay, the Board takes account of the need to secure the knowledge, experience, skills and personal capabilities required to enable the trust to achieve its educational objectives, the price of such skills in the labour market and the need to ensure equality and the effective use of public money. To that effect, the Board commissions external independent advisors where it deems necessary.

Section 172 Statement

In accordance with Section 172 of the Companies Act 2006, the duty to promote the success of The Futures Trust was complied with by the Directors, who form our Board of Trustees.

The Board of Trustees is committed to building brighter futures for the trust's learners, staff, communities and all its stakeholders. In order to deliver its aims, the board approves the trust's strategic plan and reviews performance against this regularly. All decisions are consistent with The Futures Trust's strategic plan and the best long term interests of the charity and its stakeholders in mind.

Part of the trust's plan is focused on the importance of its employees and staff well-being strategy and initiatives are in train. The issue of staff workload is regularly reviewed and appropriate actions are taken to address any concerns. The trust enjoys productive working relationships with the trade unions.

Trustees understand the importance of maintaining productive relationships with stakeholders, underlined by a strong sense of purpose. The CEO and his staff proactively collaborate with a variety of stakeholders across the education sector and share knowledge and best practice.

High standards of business conduct are always maintained. The Trust holds regular meetings with suppliers and engages with them through different procurement processes to ensure good working relationships are developed and sustained.

The Futures Trust's impact on the community and environment is a priority for Trustees. The trust is engaged in raising educational standards across all its schools which raise the aspirations and life chances of all its learners, which in turn, has a profound impact on those around them. Environmental concerns are addressed through capital investment in more efficient buildings and estates facilities and engaging with environmentally friendly schemes, such as Salix loans for energy saving lighting.

As a trust with charitable status, we are committed to 'learners first' in everything we do, both within and beyond the classroom. Our learners take priority in all things and their progress is monitored in detail and senior leaders are held to account.

The Futures Trust's reputation and business conduct are paramount to its future success and ability to deliver value to its various stakeholders. The Board of Trustees comprises a wealth of experience including a National Leader of Governance. Trustees understand their role in ensuring corporate governance best practice is followed and are supported in their work by the Finance, Resources, Audit and Risk Committee and the Education, Standards and Performance Committee

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	8
Full-time equivalent employee number	8.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	8
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	23
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties, connected charities and co-operation with other organisations

All members, trustees and governors complete a business and pecuniary interests declaration form annually which sets out the relationship with The Futures Trust that is not directly related to their duties as trustees. The entries on the Register are checked, confirmed or updated at every meeting. Trustees are required to declare any potential conflicts of interest as they arise and take no further part in any decision relating to the matter declared.

The Register of Business & Pecuniary Interests for members, trustees and governors is available on The Futures Trust's website. The Register of Business & Pecuniary Interests for Local Governing Bodies can also be found on the respective school's websites.

Engagement with employees

The Trust consults employees and their recognised representatives regarding matters of concern to them, and employees are kept informed and given the opportunity to provide feedback on specific matters directly by management. The Trust has a range of policies in place in relation to personnel matters which are made available to staff in each of the trust schools, and the Trust encourages and values employee voice and participation. Forums for communication include staff briefings, school portals, meetings with representatives, website postings, training and professional development activities, exit interviews and direct mail and hard copy communications.

The Trust is committed to equality of opportunity and values diversity and the different contributions that the people who become members of our staffing community are able to make. All staff are selected on the basis of their knowledge, experience, skills, abilities and potential, and are chosen because they will successfully and positively add value, raise standards and bring the Trust's values to life. The Trust's recruitment, selection, retention and professional development activities are implemented with due regard to the Equality Act 2010, the Equality Duty, and the duty to make reasonable adjustments, and no person will be discriminated against on the basis of age, sex or sexual orientation. The Trust recognised that people's needs will change throughout their working lives and is committed to developing and delivering working practices and policies that are responsive to this.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

The charitable objectives ('the Object') for which the trust was formed are set out in its Articles of Association. The MAT's ('the Academy Trust') is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The Futures Trust is committed to building brighter futures for everybody within its community. The trust is passionate about seeking to raise the horizons and ambitions of our students in order that they move beyond their existing environment. The trust endeavours to make a difference to their lives, and in the most profound sense, through their own ability to make a difference to themselves and others.

The trust's decision-making and actions focus upon three clear values:

1. Learners First – teachers and leaders totally focused upon the educational benefit of our learners
2. It's about learning – learners, teachers and leaders focused upon developing and improving their learning
3. No Barriers – no excuses, only support to ensure learners, teachers and leaders maximise their performance

The trust's Strategic Plan, Building Brighter Futures, has four key fundamentals. They are:

1. Exceptional educational experience
2. Leading, Teaching, Learning and Assessment
3. Investment and Sustainability
4. Leadership and Governance

The four fundamentals are supported by a series of challenging milestones and KPIs to ensure that outcomes are achieved. The Board of Trustees and its Committees regularly monitor progress against the KPIs. This strategic plan is coming towards its end and during the next academic year, the trust is embarking upon developing a new five year plan that will run from September 2022 – 2027.

The Futures Trust is committed to the principle of excellence through collaboration and partnership. Our community is committed to a common desire to learn from each other, share experiences and be mutually supportive in order that outstanding learning outcomes and exceptional educational experiences are provided for all our students. From this shared commitment and belief in mutual support, we gain our sense of belonging. The trust's ambition is to achieve the following:

- Improve upon all school OFSTED ratings and ensure all students go to Outstanding schools
- Students make outstanding progress and achieve targets that place their schools in at least the top 10% in the country
- Students are confident, well rounded and have a clear and strong purpose in life
- Teaching and leadership are outstanding and sustainable
- Staff are clear about their responsibilities and are motivated, recognised and rewarded appropriately
- Current and prospective parents engage effectively with schools via a well thought through marketing plan
- Develop an extensive and successful enrichment programme
- Invest in buildings and facilities to provide outstanding learning environments

The trust's approach to school improvement is based upon developing and sharing practical strategies that work in the classroom as well as support all students to achieve their potential. The trust is constantly seeking ways to improve the following:

1. Learner Outcomes
2. Teaching and Learning – Quality in the Classroom
3. Communication Skills
4. Support – Systematic Monitoring and Intervention
5. Experience – Curriculum Design
6. Leadership of learning
7. Professional Development

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's objectives and aims and in planning future activities for the year. In accordance with its charitable objectives, the primary purpose of The Futures Trust is to ensure that students who attend the trust's schools achieve the best possible educational outcomes and life chances beyond school. The students are therefore the beneficiaries of the trust and benefits to students are provided by ensuring the highest standard of teaching and learning in all the trust's schools.

STRATEGIC REPORT

Achievements and performance

Educational Achievements and Key Performance Indicators

For the accounting year ending 31 August 2021, The Futures Trust controlled seven schools:

In the academic year 2020-21, due to the cancellation of public examinations, schools were required to submit teacher assessed grades for GCSE and P16 students in their examination year. These grades were based on teachers' professional judgement and informed by a range of evidence. Rigorous quality assurance ensured that all decisions were evidence based and compliant with published Ofqual and JCQ guidance.

Academic performance across the trust in 2020-21, therefore, is very close to the outcomes expected had public examinations gone ahead. All national comparisons below are based on 2018-19, the last year public examinations took place at GCSE and A level.

President Kennedy School

In 2021, President Kennedy School produced another strong set of Key Stage 4 results with students on average performing over one half of a GCSE grade better in each of their subjects compared to an average school. Pupil Premium students outperformed all students nationally and significantly better than other Pupil Premium students in terms of progress.

Standards at GCSE are well above the city average across headline attainment measures. The standard pass in English and maths was achieved by 74% of students; 12% achieved strong EBACC (5+ in English, Maths, and at least a good pass in two sciences, humanities and MFL) and Attainment 8 score of 4.8 (average grade across the best eight qualifying subjects).

At Level 3, students achieved a 99% pass rate. The proportion of students achieving A*/A in academic A levels was 35% with the school having an intake amongst the most inclusive in the city.

Attendance in 2020/21 was 89.3%. This is above the 2020/21 national average 84%.

Barr's Hill School was judged Good by Ofsted in September 2018.

In 2021, students made good progress at KS4 from their starting points with the school achieving close to national thresholds across the headline measures. Pupil Premium students performed well; their performance being close to that of all students nationally and significantly above other Pupil Premium students.

At Level 3, standards in the small number of academic subjects and the vocational subjects further improved upon last year. Students achieved a 96% pass rate. The proportion of students achieving A*/A in academic A levels was 32% with the school having a very inclusive intake.

Attendance in 2020/21 was 91.4%. This is above the 2020/21 national average 84%.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Stoke Park School was judged Special Measures by Ofsted in February 2017 and joined The Futures Trust as a Sponsored School on 1 October 2017.

Standards at GCSE have continued their upwards trajectory with the school now close to national average in the headline attainment measures: 41% achieved strong pass (grade 5+) in English and maths and 4.6 at Attainment 8 (average grade across best eight qualifying subjects). Progress made by students was above the national average. Pupil Premium students made strong progress from their starting points.

At Level 3, students achieved a 100% pass rate. The proportion of students achieving A*/A in academic A levels was 35%. The majority of students studying Level 3 Vocational courses achieved very well with a large number of students having been accepted onto competitive Degree Courses and apprenticeships.

The quality of teaching continued to improve and by the end of the year was consistently high across the vast majority of subjects.

Attendance in 2020/21 was 90.6%. This is above the 2020/21 national average 84%.

Parkgate Primary School was judged Good by Ofsted in January 2020.

At KS1 the school increased the proportion of pupils working at the expected standard (19% increase in Year 1 and 12% increase in Year 2).

At KS2 pupils performed broadly in line to 2021 national in the proportional achieving the expected standard at 55%. They performed below national in Writing.

The quality of teaching was consistently high across the Key Stages.

Attendance in 2020/21 was 92.3% with the school having faced significant disruption due to the pandemic. The 2020/21 national attendance was 95.1%.

Keresley Grange Primary School was judged Good by Ofsted in January 2020.

At KS1 pupils 41% achieved the expected standard in reading, writing and maths which is broadly in line with 2021 national (54%) with pupil having far lower starting points.

At KS2, 60% of pupils achieved the expected standard which is in line with 2021 national. 11% of pupil achieved the higher standard which is above the 2021 national.

The quality of teaching was consistently high across the Key Stages.

Attendance in 2020/21 was in line with the national average at 95.0%.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Keresley Newland Primary Academy was judged Special Measures by Ofsted in January 2018 and transferred to The Futures Trust as a Sponsored School on 1 December 2018.

At KS1 14% of pupils achieved the expected standard which is significantly below national.

At KS2, 47% of pupils achieved the expected standard. Though lower than the 2021 national standard, progress made by pupils placed the school in the top 4% nationally due to their significantly lower starting points.

The quality of teaching and leadership capacity have improved significantly across the Key Stages but legacy issues has meant that standards are only now starting to rise.

Attendance in 2020/21 was 93.6%. The 2020/21 national attendance was 95.1%.

Hinckley Academy and John Cleveland Sixth Form Centre was judged Special Measures by Ofsted in May 2018 and transferred to The Futures Trust as a sponsored school in December 2020.

Standards at GCSE have an upwards trajectory with the school now close to national average in the headline attainment measures: 44% achieved strong pass (grade 5+) in English and maths and 4.8 at Attainment 8 (average grade across best eight qualifying subjects). Progress made by students was above the national average when judged against 2019 figures. Pupil Premium students' progress improved but remains significantly below the cohort average.

At Level 3, students achieved a 99% pass rate. The proportion of students achieving A*/A in academic A levels was 35%. The majority of students studying Level 3 Vocational courses achieved very well with a large number of students having been accepted onto competitive Degree Courses.

Attendance in 2020/21 was 90.1%. This is above the 2020/21 national average 84%.

Key Performance Indicators

The key performance indicators monitored by the Central Team and Board of Trustees on a regular basis are as follows:

- Employee costs as a percentage of income
- Pupil numbers versus capacity and opportunity cost
- Quarterly management accounts versus budget
- Forecast management accounts up to period end versus budget
- GAG income versus expenditure
- Days lost due to employee absence and percentage of funding spent on supply staff
- Employee and other costs per student benchmarked against national medians
- Average teacher cost benchmarked against national medians
- Average support staff cost benchmarked against national medians
- Monthly cash flow forecasts for each school and for the trust

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Most of the trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

Unrestricted income includes sports centre, other lettings and departmental sales, which have fallen during the year as a result of the closure of school sites due to the Covid outbreak.

During the year ended 31 August 2021, the trust's total expenditure was £37,527k compared to £51,351k total incoming resources including grant funding from the DfE together with other incoming resources. Excluding the impact of schools converted, pension scheme movements and capital movements, expenditure was £34,406k compared to incoming resources of £34,243k.

Total staff costs represent approximately 80% (2020: 83%) of available income. The increases in staff costs have been driven by nationally agreed pay rises, and by progression within pay scales.

Educational funding received from DfE/ESFA grants during the year was £33,036k (2020: £26,363k), (2020: increase of 25.3% in comparison to the previous year). From the pupil number censuses, total pupil numbers in the relevant years have increased by 29.3% (2020: 2%).

During the year ended 31 August 2021, there was an increase in cash of £1,724k (2020: decrease of £499k). The net movement in cash included a £324k inflow in respect of operating cash flows (2020: £705k outflow) after adjusting for cash transferred in for converting schools), plus inflows of £1,400k (2020: £206k) in respect of investing activities.

In accordance with correct disclosure requirements, the financial information which is presented in the statement of financial activities includes assets and liabilities transferred from local authorities upon conversion and transactions in the restricted fixed asset fund. Such presentation can obscure an overview of the operating performance of the trust. Under the accounting standards, it is necessary to charge projected deficits on the Local Government Pension Scheme (LPGS), provided to support staff, to the restricted fund. This resulted in reducing the reserves in the restricted fund. It should be noted that this does not present the trust with any current liquidity problems.

The trustees consider that the financial position is appropriate in light of the need to balance the immediate expenditure of the trust with their longer term commitments and current cash reserves.

Reserves policy

The trusts' policy is to generate reserves in order to fund future projects which will improve the educational experiences and outcomes for students. The level and use of reserves are reviewed at least annually by the Board of Trustees.

At 31 August 2021, the trust's reserves totalled £30,315k the majority of which are held as fixed assets and therefore not available to be spent by the Trust.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

The Trustees' powers to invest cash reserves are set out in the trust's Memorandum and Articles of Association, which permit the investment of funds that, are not immediately required for educational purposes subject to any restrictions which may from time to time be imposed by law.

Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees consider the investment of surplus funds not as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Trustees' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

The trust's current policy is to invest in low risk, short term cash deposits. Cash reserves are currently deposited within Lloyds Bank plc.

Plans for future periods

The trust remains committed to building brighter futures for everybody within our community and improving the educational outcomes, destinations and life chances for those students that attend its schools.

The trustees are committed to a policy of measured strategic expansion of the number of primary and secondary schools which are welcomed into the trust. Particular priority will be given to new schools in Coventry and adjacent counties.

At a time of heightened regulation and increasingly constrained resources, it is essential that schools work together to share business best practice and benefit from economies of scale in areas such as H.R., ICT, facilities, finance and procurement. The Futures Trust will continue to develop effective and efficient professional business services that are fit for purpose, compliant with standards required from academy schools and add real value to the educational outcomes for the young people served by each and every school.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The period ending 31 August 2021 saw the continuation of the national pandemic (Covid 19) which changed the risk profile of the Trust and its schools from March 2020. From March 2020, the Trust immediately recognised that the national pandemic increased both safeguarding risks for its learners whilst adversely impacting their learning.

Trustees, the Trust's Central Team and school leaders worked closely with the Local Authority to ensure that all national guidance was understood and implemented.

Virtual learning strategies were quickly put in place to ensure that teaching and learning continued remotely. Laptops and devices were provided to learners where needed.

During the national 'lockdowns', Trust schools remained open for vulnerable learners and the children of key workers. Free School Meals were provided via vouchers provided to families.

Following periods of national lockdown, and as schools prepared to reopen in September 2020, detailed Risk Assessments were undertaken at each school and validated by the Trust's external Health and Safety consultants. Risk assessments are updated regularly and published on schools' websites. Trust employees and their Trade Union representatives were consulted regarding the preparations made for reopening schools. Individual wellbeing risk assessments were undertaken for all staff. Extensive site modifications and operating practices were undertaken to ensure schools reopened safely and where appropriate specialised equipment including PPE was procured.

In addition to managing the specific risks presented by the national pandemic, the following significant financial and business risks have been identified and continue to be managed by the trustees:

- Safeguarding students continues to be the trust's number one priority.
- Securing outstanding educational outcomes for all students given changes to national curriculum and measures of success.
- Recruitment and retention of outstanding teachers and support staff.
- Maintaining the growing reputation of the trust.
- Securing 'Outstanding' Ofsted judgements for all schools.
- Undersubscribed schools and a reduction in funding per learner.
- Increase in teacher salary costs.
- Health and Safety.
- ICT.
- Failure to comply with statutory requirements of the Academies Trust Handbook.
- Brexit related interruption to teaching and learning.
- Large capital projects underway simultaneously across multiple schools.

Trust and individual school Risk Registers are in place and, where appropriate, systems or processes have been established to mitigate the risks each school faces. Internal control risks are reduced by the implementation of procedures for authorisation of all transactions and projects. The Board of Trustees has assessed the major risks to which the Trust is exposed, in particular those relating to quality teaching, the provision of facilities and other operational areas including the control of finances. Procedures are in place to ensure compliance with health and safety of staff, visitors and pupils.

The Trust has an effective system of internal financial controls which is explained in detail in the Governance Statement.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies within the Trust, and its finances. The trustees have implemented a number of systems to assess these risks as well as operational procedures and internal controls to manage these risks. Where significant financial risk remains they have ensured they have adequate insurance cover.

The Trust is party to a PFI agreement in respect of the school buildings at President Kennedy School. This agreement runs to a period of 25 years under terms agreed between the department of education and Coventry City Council.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation at the time of approving the financial statements, that the Trust has adequate resources to continue in operational existence for the foreseeable future. Following the uncertainty presented by Covid-19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Fundraising

Fundraising has been undertaken through a salaried member of the Trust's team. No professional fund-raisers or commercial participators have been engaged.

The Trust abides by the Code of Fundraising practice. Fundraising activity in this financial year consisted of applications to grant making trusts and National Lottery funded organisations. No appeals to members of the public have been made.

The fundraising function of the Trust is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received.

Streamlined energy and carbon reporting

The Futures Trust as determined by sections 465 and 466 of the Companies Act 2006 and because it consumes more than 40,000 kWh of energy in a reporting period must include within the Trustee report the following information.

UK Greenhouse gas emissions and energy use data for the accounting period 1 September 2020 to 31 August 2021.

	2021	2020
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	9,463,551	6,224,201

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

	2021	2020
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	5,334.00	3,122.92
- Fuel consumed for owned transport	-	-
	-----	-----
	5,334.00	3,122.92
Scope 2 - indirect emissions		
- Electricity purchased	586.45	449.88
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust	-	-
	-----	-----
Total gross emissions	5,920.45	3,572.80
	=====	=====
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	1.02	0.77
	=====	=====

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The entire lighting has been replaced with LED at Parkgate, Stoke Park and Keresley Newland. Single glazing windows have been replaced with double glazing across one third of Keresley Grange. Phase 3 roofing works at Parkgate School include insulation of 6 more flat roofs. Roof replacement including insulation has or is in process of being installed across all buildings that will be retained at Hinckley Academy. Repairs are being undertaken to the school Building Management System (BMS) hardware at Hinckley Academy. A programme of window replacement is underway at Hinckley Academy, windows and skylights have been replaced on flat roofs and in the 'Bridge' area with further areas ongoing.

AUDITOR

RSM UK Audit LLP were re-appointed as the Trust's external auditors.

Statement as to disclosure of information to auditor

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

The Trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 15 December 2021 and signed on its behalf by:



Mrs C Assheton

Chair of the Board of Trustees

THE FUTURES TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Futures 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.

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 Futures Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Governors' Responsibilities. There were six Board meetings during 2020/21 and one Extra Ordinary Board meeting which required only required 5 Board members to attend. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp	6	6
Mr A Fitzpatrick (Vice Chair of the Board of Trustees from 21 October 2020)	7	7
Mr M Moseley	5	6
Mr P Thomas (Chief Executive Officer)	7	7
Mr F Weston (Resigned 21 February 2021)	2	3
Ms K Morris	5	7
Mrs P Heer	4	6
Mrs C Blair	6	6
Mr D Loudon	6	7
Ms E Tomlinson	5	6
Mrs C Assheton (Chair of the Board of Trustees)	7	7
Mrs H Quinn (Appointed 25 May 2021)	1	1

In order to discharge their responsibilities effectively, the Board of Trustees appoint individuals to serve on Committees which focus on specific matters such as education, standards, academic performance, finance and resources, risk and audit.

The Board of Trustees has two Committees:

- Finance, Resources, Audit & Risk Committee
- Education, Standards & Performance Committee

The purpose of the Finance, Resources, Audit & Risk Committee is to exercise responsibility for, and oversight of, the finances, assets and staff within the Trust and its academies. In addition, the Committee shall oversee all systems of governance and internal control and ensure risk management processes and audit functions are in place and fit for purpose across the Trust and its academies.

Governance reviews

The quality of Governance is kept under constant review and where appropriate changes to the membership of the Members, Board of Trustees, its sub committees and Local Governing Bodies are implemented. Several changes have been made during 2020/21. The company secretary ensures that governance knowledge and training is closely tracked and takes action to address any areas for development.

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Trustees	Meetings attended	Out of possible
Mr A Fitzpatrick (Vice Chair of the Board of Trustees from 21 October 2020)	5	5
Mr M Moseley	4	5
Mr P Thomas (Chief Executive Officer)	5	5
Ms K Morris	4	5
Mrs P Heer	5	5
Mr D Loudon	5	5
Ms E Tomlinson	1	5
Mrs C Assheton (Chair of the Board of Trustees)	2	3

The purpose of the Education, Standards & Performance Committee is to ensure all schools secure a Good or better Ofsted judgement in accordance with the overarching criteria in the Ofsted Inspection Framework for the quality of education, behaviour and attitudes, personal development and leadership and management.

Attendance at meetings in the 2020/21 academic year was as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp	3	3
Mr P Thomas (Chief Executive Officer)	3	3
Mr F Weston (Resigned 21 February 2021)	1	1
Mrs C Assheton (Chair of the Board of Trustees)	3	3

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the 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 available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Enhancing staffing capacity and expertise both within the Central Team and at school level to ensure that it is well placed to deliver the best possible outcomes for students and deliver sustainable growth and leadership quality for the trust as a whole.
- Providing Exceptional Learning Experiences for our learners
- Sharing best practice with schools in our trust, the local community and beyond.
- Continuous professional development and learning to develop current and future leaders across the trust.
- Reviewing best value procurement of services across the trust to achieve economies of scale and consistent outcomes.
- A programme of enhanced efficiency and effectiveness which has generated significant contract savings in excess of £96,000 per annum across the Trust to August 2021 with a further possible £77,000 per annum savings identified.
- Securing of funding at three schools to install LED energy efficient lighting and reduce electricity bills. By carrying out building insulation works to replace single glazing windows and by insulation of building roofs as part of refurbishment works has reduced energy use and bills.
- An unplanned and unprecedented response to a national pandemic, which required that the Trust's resources and expertise were geared towards ensuring the continuity and quality of teaching and learning whilst addressing safeguarding and health and safety risks.
- Improving the quality of the estate; the trust has been involved in managing estate projects in region of £38m.

An unplanned and unprecedented response to a national pandemic, which required that the Trust's resources and expertise were geared towards ensuring the continuity and quality of teaching and learning whilst addressing safeguarding and health and safety risks.

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 trust for the period 1 September 2020 – 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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– 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Futures 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 trustees 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;
- benchmarking performance against national standard metrics;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has previously considered the need for a specific internal audit function and decided to appoint MLG internal audit specialists to perform additional checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the MAT's financial systems. On an annual basis, the internal auditor reports to the trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor conducts an appraisal of the trust's system of internal controls focusing on financial management. There were no material control issues and thus no remedial action was required to be taken.

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;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 15 December 2021 and signed on its behalf by:



Mr P Thomas
Chief Executive Officer



Mrs C Assheton
Chair of the Board of Trustees

THE FUTURES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Futures 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 terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



Mr P Thomas
Accounting Officer

15 December 2021

THE FUTURES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15 December 2021 and signed on its behalf by:



Mrs C Assheton

Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees' are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST (CONTINUED)

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

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

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

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

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

Use of our report

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

Paul Oxtoby

Paul Oxtoby (Senior Statutory Auditor)

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

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date 16 December 2021

THE FUTURES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	3	-	27	3,890	3,917	913
Donations - transfer of existing academy into the trust	28	-	(9,545)	22,763	13,218	-
Charitable activities:						
- Funding for educational operations	4	-	33,814	-	33,814	26,548
Other trading activities	5	402	-	-	402	389
Investments	6	-	-	-	-	1
Total		<u>402</u>	<u>24,296</u>	<u>26,653</u>	<u>51,351</u>	<u>27,851</u>
Expenditure on:						
Raising funds	7	183	-	-	183	199
Charitable activities:						
- Educational operations	8	493	35,517	1,334	37,344	28,502
Total	7	<u>676</u>	<u>35,517</u>	<u>1,334</u>	<u>37,527</u>	<u>28,701</u>
Net income/(expenditure)		(274)	(11,221)	25,319	13,824	(850)
Transfers between funds	18	(318)	-	318	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit obligations	25	-	(1,767)	-	(1,767)	(3,257)
Net movement in funds		(592)	(12,988)	25,637	12,057	(4,107)
Reconciliation of funds						
Total funds brought forward		<u>2,328</u>	<u>(17,891)</u>	<u>33,821</u>	<u>18,258</u>	<u>22,365</u>
Total funds carried forward		<u>1,736</u>	<u>(30,879)</u>	<u>59,458</u>	<u>30,315</u>	<u>18,258</u>

THE FUTURES TRUST

Company Number 08678162

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Fixed assets					
Tangible assets	13		57,550		33,291
Current assets					
Debtors	14	4,027		2,816	
Cash at bank and in hand		3,049		1,325	
		<u>7,076</u>		<u>4,141</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(3,232)		(1,283)	
Net current assets			3,844		2,858
Total assets less current liabilities			61,394		36,149
Creditors: amounts falling due after more than one year	16		(200)		-
Provisions for liabilities	17		(1,732)		-
Net assets before defined benefit pension scheme liability			59,462		36,149
Defined benefit pension scheme liability	25		(29,147)		(17,891)
Total net assets			30,315		18,258
Funds of the Academy Trust:					
Restricted funds	18				
- Restricted fixed asset funds			59,458		33,821
- Pension provision reserve			(1,732)		-
- Pension reserve			(29,147)		(17,891)
Total restricted funds			28,579		15,930
Unrestricted income funds	18		1,736		2,328
Total funds			30,315		18,258

The financial statements on pages 28 to 55 were approved by the board of trustees and authorised for issue on **15 December 2021** and are signed on their behalf by:



Mrs C Assheton

Chair of the Board of Trustees

THE FUTURES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	22		526		(705)
Cash funds transferred on existing academy joining	28		138		-
			<u>664</u>		<u>(705)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		-		1	
Capital grants from DfE Group		3,890		891	
Purchase of tangible fixed assets		(2,830)		(686)	
Net cash provided by investing activities			<u>1,060</u>		<u>206</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			1,724		(499)
Cash and cash equivalents at beginning of the year			<u>1,325</u>		<u>1,824</u>
Cash and cash equivalents at end of the year			<u><u>3,049</u></u>		<u><u>1,325</u></u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL

STATEMENTS FOR THE YEAR ENDED 31

AUGUST 2021

1 Accounting policies

General information

The Futures Trust is a charitable company (the 'Academy Trust'). The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

Basis of preparation

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

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.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

Management has reassessed the going concern assumption, including the impact of new schools joining the Trust post year end, and confirm that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the, including a review of sensitised forecasts to 31 August 2023, foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Transfers of existing academies in

The transfer of Hinckley Academy and John Cleveland Sixth Form Centre into the Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred from Hinckley Academy and John Cleveland Sixth Form Centre to the Academy Trust have been valued at their fair values. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer in to trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

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.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

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 are allocated on the portion of the asset's use.

Expenditure on raising funds

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

Charitable activities

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

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	50 years
Long leasehold property	50 years
Computer equipment	3 years
Fixtures, fittings and equipment	10 years
Motor vehicles	5 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.

With respect to the buildings from which the Trust operates which are subject to a PFI agreement, these are legally owned by the Council of the City of Coventry and the relevant academies are able to use the buildings under the terms of a licence to occupy. The licence to occupy gives the right to use these buildings and the substance of the licence is that this will be on an ongoing basis reflecting the historic arrangements in place therefore substantially all the risks and rewards of ownership have not been transferred to the academies and the assets not have been recognised within tangible fixed assets.

Liabilities

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

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the period it arises in the Statement of Financial Activities and is allocated to the appropriate expenditure heading.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

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

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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

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

Derecognition of financial assets and liabilities

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Fund accounting

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

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

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

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 27.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trust has included an enhanced pension provision in the financial statements in the current year. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the Statement of Financial Activities in the year that the provision is created. In subsequent years, a charge is made to the provision in the balance sheet. The provision is determined using a variety of assumptions. Any changes in these assumptions would impact on the carrying value of this provision.

Critical areas of judgement

The Trustees have reviewed the financial statements and consider that there are no critical judgements applied in these financial statements other than the assumptions detailed above, and the use of the going concern basis of accounting.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	3,890	3,890	891
Other donations	-	27	27	22
	<hr/>	<hr/>	<hr/>	<hr/>
	-	3,917	3,917	913
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The income from donations and capital grants was £3,917,000 (2020: £913,000) of which £27,000 was restricted (2020: £22,000) and £3,890,000 was restricted fixed assets (2020: £891,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	27,979	27,979	22,645
Other DfE / ESFA grants:				
- Pupil premium	-	1,643	1,643	1,396
- Teachers pay grant	-	331	331	-
- Teachers pension employer contribution grant	-	998	998	-
- Universal infant free school meals	-	113	113	-
- Others	-	1,972	1,972	2,322
	-	33,036	33,036	26,363
Other government grants				
Local authority grants	-	328	328	185
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium		380	380	-
Other DfE / ESFA COVID-19 funding	-	70	70	-
	-	450	450	-
	-	33,814	33,814	26,548

The income from funding for educational operations was £33,814,000 (2020: £26,548,000) of which £33,814,000 was restricted (2020: £26,548,000).

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

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

The Academy Trust received £380,000 of funding for catch up premium and costs incurred in respect of this funding totalled £380,000.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Lettings income	10	-	10	27
Event income	105	-	105	111
Other income	287	-	287	251
	<u>402</u>	<u>-</u>	<u>402</u>	<u>389</u>

The income from other trading activities was £402,000 (2020: £389,000) of which £402,000 was unrestricted (2020: £389,000).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Other investment income	-	-	-	1

The income from funding for investment income was £nil (2020: £1,000) of which £nil was unrestricted (2020: £1,000).

7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2021 £'000	Total 2020 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	183	183	199
Academy's educational operations					
- Direct costs	23,672	-	1,992	25,664	20,271
- Allocated support costs	6,221	2,733	2,726	11,680	8,231
	<u>29,893</u>	<u>2,733</u>	<u>4,901</u>	<u>37,527</u>	<u>28,701</u>

The expenditure on raising funds was £183,000 (2020: £199,000) of which £183,000 was unrestricted (2020: £133,000) and £nil was restricted (2020: £66,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2021 £'000	2020 £'000
Operating lease rentals	299	196
PFI schemes	135	135
Depreciation of tangible fixed assets	1,334	814
Net interest on defined benefit pension liability	365	250
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	33	28
- Other services	14	17
- Taxation compliance	2	-

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs				
Educational operations	493	25,171	25,664	20,271
Support costs				
Educational operations	-	11,680	11,680	8,231
	493	36,851	37,344	28,502

The expenditure on charitable activities was £37,344,000 (2020: £28,502,000) of which £493,000 was unrestricted (2020: £358,000), £35,517,000 was restricted (2020: £27,330,000) and £1,334,000 was restricted fixed assets (2020: £814,000).

	2021 £'000	2020 £'000
Analysis of support costs		
Support staff costs	6,221	4,470
Depreciation	1,334	814
Technology costs	487	381
Premises costs	1,399	986
Governance costs	38	71
Other support costs	2,201	1,509
	11,680	8,231

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021	2020
	£'000	£'000
Wages and salaries	20,946	16,900
Social security costs	2,047	1,620
Pension costs	6,488	4,558
	<hr/>	<hr/>
Staff costs - employees	29,481	23,078
Agency staff costs	367	368
Staff restructuring costs	45	24
	<hr/>	<hr/>
Total staff expenditure	29,893	23,470
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	12	-
Severance payments	33	24
	<hr/>	<hr/>
	45	24
	<hr/> <hr/>	<hr/> <hr/>

Included in staff restructuring costs are non-contractual severance payments totalling £33,683. Individually, the payments were: £16,500 made on 30/04/2021, £10,500 made on 30/04/2021, £3,603 made on 31/05/2021 and £3,080 made on 31/05/2021.

Staff numbers

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

	2021	as restated
	Number	2020
		Number
Teachers	339	284
Administration and support	395	361
Management	18	17
	<hr/>	<hr/>
	752	662
	<hr/> <hr/>	<hr/> <hr/>

The prior year staff numbers have been restated

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff (Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	313	274
Administration and support	214	221
Management	18	17
	<u>545</u>	<u>512</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	14	10
£70,001 - £80,000	2	3
£80,001 - £90,000	2	2
£90,001 - £100,000	4	3
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

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) received by key management personnel for their services to the Academy Trust was £1,287,483 (2020: £1,000,000).

10 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

The Academy Trust charges for these services based on 3.5% of the GAG income received by the Academy.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Central services (Continued)

The amounts charged during the year were as follows:	2021 £'000	2020 £'000
Keresley Newland Primary Academy	21	25
President Kennedy School	286	296
Barr's Hill School	145	149
Parkgate Primary School	90	88
Keresley Grange Primary Academy	41	43
Stoke Park School	183	191
Hinckley Academy and John Cleveland Sixth Form Centre	148	-
	<u>914</u>	<u>792</u>

11 Trustees' remuneration and expenses

During the year one Trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal only receives remuneration in respect of services they provide undertaking the role of principal under their contract of employment, and not in respect of their services as trustee. Other trustees were not paid any remuneration.

The value of Trustees' remuneration and other benefits was as follows:

The CEO received remuneration of £150,000 in 2021 (2020: £140,000) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £29,600 (2020: £29,600).

No Governors were reimbursed expenses during the period (2020: none).

12 Trustees and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust 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.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Freehold buildings	Long leasehold property	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2020	18,520	16,854	-	991	42	36,407
Transfer of school joining	-	22,747	6	10	-	22,763
Additions	644	2,018	-	162	6	2,830
At 31 August 2021	19,164	41,619	6	1,163	48	62,000
Depreciation						
At 1 September 2020	1,300	1,501	-	299	16	3,116
Charge for the year	379	830	-	115	10	1,334
At 31 August 2021	1,679	2,331	-	414	26	4,450
Net book value						
At 31 August 2021	17,485	39,288	6	749	22	57,550
At 31 August 2020	17,220	15,353	-	692	26	33,291

The long leasehold properties are leased from The Council of the City of Coventry, relating to the land and buildings at the President Kennedy School, Parkgate Primary School, Keresley Grange Academy, Keresley Newland Primary Academy, and Hinckley Academy and John Cleveland Sixth Form Centre are leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2020: £nil).

The long leasehold properties are leased from The Leicestershire County Council, relating to the land and buildings at Hinckley Academy and John Cleveland Sixth Form Centre are leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year.

14 Debtors

	2021 £'000	2020 £'000
Trade debtors	67	8
Other debtors	379	49
Prepayments and accrued income	3,581	2,759
	4,027	2,816

THE FUTURES TRUST

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

15 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	851	535
Other taxation and social security	534	286
Other creditors	588	426
Accruals	1,259	36
	<u>3,232</u>	<u>1,283</u>

16 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Government loans	200	-
	<u>200</u>	<u>-</u>

Analysis of loans	2021 £'000	2020 £'000
Not wholly repayable within five years by instalments	200	-
Less: included in current liabilities	-	-
	<u>200</u>	<u>-</u>
Amounts included above	<u>200</u>	<u>-</u>

Loan maturity

Due in more than one year but not more than two years	20	-
Due in more than two years but not more than five years	60	-
Due in more than five years	120	-
	<u>200</u>	<u>-</u>

At the year end, the Academy Trust has a DfE loan amounting to £200,000 (2020: £nil). The loan terms are 10 years at an interest rate of 0%.

17 Provision

On 1 December 2020, the operations and certain assets and liabilities of Hinckley Academy and John Cleveland Sixth Form Centre transferred to the Futures Trust for £nil consideration.

Included within this transfer was an enhanced pension provision of £1,800k relating to the cost of staff who have already left the Trust's employment. The provision has been recalculated at 31 August 2021 as £1,732k in accordance with guidance issued by the funding bodies.

The principal assumption for this calculation is using a discount rate of 1.60%, and price inflation of 2.60%.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	-	27,936	(27,936)	-	-
Other DfE / ESFA grants:					
- Pupil premium	-	1,643	(1,643)	-	-
- Teachers pay grant	-	331	(331)	-	-
- Teachers pension employer contribution grant	-	998	(998)	-	-
- Universal infant free school meals	-	113	(113)	-	-
- Others	-	1,972	(1,972)	-	-
Catch-up premium	-	380	(380)	-	-
Other DfE / ESFA COVID-19 funding	-	70	(70)	-	-
Other government grants	-	328	(328)	-	-
Other restricted funds	-	27	(27)	-	-
Pension provision reserve	-	(1,800)	68	-	(1,732)
Pension reserve	(17,891)	(7,702)	(1,787)	(1,767)	(29,147)
	<u>(17,891)</u>	<u>24,296</u>	<u>(35,517)</u>	<u>(1,767)</u>	<u>(30,879)</u>
Restricted fixed asset funds					
Inherited on conversion	30,311	22,763	-	-	53,074
DfE group capital grants	3,510	3,890	(1,334)	318	6,384
	<u>33,821</u>	<u>26,653</u>	<u>(1,334)</u>	<u>318</u>	<u>59,458</u>
Total restricted funds	<u>15,930</u>	<u>50,949</u>	<u>(36,851)</u>	<u>(1,449)</u>	<u>28,579</u>
Unrestricted funds					
General funds	2,328	402	(676)	(318)	1,736
	<u>2,328</u>	<u>402</u>	<u>(676)</u>	<u>(318)</u>	<u>1,736</u>
Total funds	<u>18,258</u>	<u>51,351</u>	<u>(37,527)</u>	<u>(1,767)</u>	<u>30,315</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds (Continued)

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

Restricted general funds

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

Restricted fixed asset funds

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

Unrestricted funds

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

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

Funds prior year

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	31	22,645	(22,676)	-	-
Other DfE / ESFA grants:					
- Pupil premium	-	1,396	(1,396)	-	-
- Others	20	2,322	(2,342)	-	-
Other government grants	-	185	(185)	-	-
Other restricted funds	-	22	(22)	-	-
Pension reserve	(13,859)	-	(775)	(3,257)	(17,891)
	<u>(13,808)</u>	<u>26,570</u>	<u>(27,396)</u>	<u>(3,257)</u>	<u>(17,891)</u>
Restricted fixed asset funds					
Transfer on conversion	30,311	-	-	-	30,311
DfE group capital grants	3,292	891	(814)	141	3,510
	<u>33,603</u>	<u>891</u>	<u>(814)</u>	<u>141</u>	<u>33,821</u>
Total restricted funds	<u>19,795</u>	<u>27,461</u>	<u>(28,210)</u>	<u>(3,116)</u>	<u>15,930</u>
Unrestricted funds					
General funds	2,570	390	(491)	(141)	2,328
	<u>2,570</u>	<u>390</u>	<u>(491)</u>	<u>(141)</u>	<u>2,328</u>
Total funds	<u>22,365</u>	<u>27,851</u>	<u>(28,701)</u>	<u>(3,257)</u>	<u>18,258</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds (Continued)

Total funds analysis by academy

	2021	2020
	£'000	£'000
Fund balances at 31 August 2021 were allocated as follows:		
Keresley Newland Primary Academy	(6)	77
President Kennedy School	1,497	1,784
Barr's Hill School	381	417
Parkgate Primary School	464	637
Keresley Grange Primary Academy	(238)	(158)
Stoke Park School	847	546
Hinckley Academy and John Cleveland Sixth Form Centre	-	-
Central services	(1,209)	(975)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,736	2,328
	<hr/>	<hr/>
Restricted fixed asset fund	59,458	33,821
Pension reserve	(29,147)	(17,891)
Pension provision reserve	(1,732)	-
	<hr/>	<hr/>
Total funds	30,315	18,258
	<hr/> <hr/>	<hr/> <hr/>

The deficit in funds for Central services, Keresley Newland Primary Academy and Keresley Grange Academy is planned to be removed in future years.

Under the agreement to transfer the assets and operations of Hinckley Academy into the Academy Trust, the Department of Education have agreed to provide revenue and capital funding for the academy subject to the Academy Trust meeting certain criteria. As these criteria are based on future events and actions which cannot be quantified at this point, none of this future income has been recognised in these accounts.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000	Total 2020 £'000
Keresley Newland Primary Academy	583	107	8	190	888	905
President Kennedy School	7,149	2,098	142	1,478	10,867	9,867
Barr's Hill School	3,272	1,025	109	706	5,112	4,641
Parkgate Primary School	2,431	642	16	452	3,541	3,461
Keresley Grange Primary Academy	1,001	255	25	286	1,567	1,612
Stoke Park School	4,216	965	83	973	6,237	6,097
Hinckley Academy and John Cleveland Sixth Form Centre	3,684	862	70	1,105	5,721	-
Central services	443	777	6	156	1,382	1,315
	<u>22,779</u>	<u>6,731</u>	<u>459</u>	<u>5,346</u>	<u>35,315</u>	<u>27,898</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	57,550	57,550
Current assets	1,736	3,432	1,908	7,076
Creditors falling due within one year	-	(3,232)	-	(3,232)
Creditors falling due after one year	-	(200)	-	(200)
Provisions for liabilities	-	(1,732)	-	(1,732)
Defined benefit pension liability	-	(29,147)	-	(29,147)
Total net assets	<u>1,736</u>	<u>(30,879)</u>	<u>59,458</u>	<u>30,315</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	33,291	33,291
Current assets	3,611	-	530	4,141
Creditors falling due within one year	(1,283)	-	-	(1,283)
Defined benefit pension liability	-	(17,891)	-	(17,891)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	2,328	(17,891)	33,821	18,258
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the financial statements	1,123	-
	<u> </u>	<u> </u>

21 Long-term commitments, including operating leases

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

	2021 £'000	2020 £'000
Amounts due within one year	222	145
Amounts due between one and five years	605	556
Amounts due after five years	2,150	2,285
	<u> </u>	<u> </u>
	2,977	2,986
	<u> </u>	<u> </u>

There is a PFI contract in place for a school building at the President Kennedy site, which is subject to a supplementary agreement with the Secretary of State for Education. Total commitments under the contracts are £135,000 (2020: £135,000) within 1 year and £540,000 (2020: £540,000) between 1 and 5 years, and £2.15m (2020: £2.285m) in over 5 years.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021 £'000	2020 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	13,824	(850)
Adjusted for:		
Net surplus on transfer of academy into the trust	(13,218)	-
Capital grants from DfE and other capital income	(3,890)	(891)
Interest receivable	-	(1)
Pension costs less contributions payable	1,422	525
Pension scheme finance costs	365	250
Depreciation of tangible fixed assets	1,334	814
Increase in provisions	1,732	-
Movements in working capital:		
(Increase) in debtors	(1,211)	(137)
Increase/(decrease) in creditors	1,949	(415)
Stocks, debtors and creditors transferred on existing academy joining	(1,781)	-
Net cash provided by/(used in) operating activities	<u>526</u>	<u>(705)</u>

23 Analysis of changes in net funds	1 September 2020 £'000	Cash flows £'000	Acquisition - Transfers in/ out £'000	31 August 2021 £'000
Cash	1,325	1,586	138	3,049
Loans falling due after more than one year	-	(200)	-	(200)
	<u>1,325</u>	<u>1,386</u>	<u>138</u>	<u>2,849</u>

24 Members' liability

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

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Pension and similar obligations

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

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

Contributions amounting to £565,948 (2020: £167,392) were payable to the schemes at 31 August 2021 and are included within creditors.

During the year, the Hinckley Academy and John Cleveland Sixth Form Centre transferred in to the Academy Trust. The obligation in respect of employees who transferred with the Hinckley Academy and John Cleveland Sixth Form Centre to the Academy Trust representing their cumulative service to the predecessor employer was recognised in the SoFA as part of the gain on transfer as set out in note 27.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out below the information available on the scheme.

Valuation of the Teachers' Pension Scheme

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

The key results of the valuation and subsequent consultation are:

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

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £3,265,000 (2020: £2,507,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Pension and similar obligations (Continued)

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.7% - 22% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2021	2020
	£'000	£'000
Employer's contributions	1,766	1,395
Employees' contributions	373	295
	<u> </u>	<u> </u>
Total contributions	2,139	1,690
	<u> </u>	<u> </u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

	2021	2020
	%	%
Rate of increase in salaries	3.40 - 3.90	3.00 - 3.25
Rate of increase for pensions in payment/inflation	2.90	2.20 - 2.25
Discount rate for scheme liabilities	1.65	1.60 - 1.70
	<u> </u>	<u> </u>

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.60 - 21.80	21.60 - 21.90
- Females	24.00 - 24.20	23.80 - 24.10
Retiring in 20 years		
- Males	22.60 - 23.40	22.50 - 23.80
- Females	25.80 - 26.10	25.40 - 26.00
	<u> </u>	<u> </u>

THE FUTURES TRUST

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

25 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2021 Fair value £'000	2020 Fair value £'000
Equities	12,703	5,864
Government bonds	1,062	1,045
Other bonds	3,155	563
Cash/liquidity	943	654
Property	1,527	824
Other assets	1,799	1,438
Total fair value of assets	21,189	10,388

The actual return on scheme assets was £3,048,000 (2020: £652,000).

Amount recognised in the Statement of Financial Activities	2021 £'000	2020 £'000
Current service cost	3,188	1,916
Net interest cost	365	250
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	4
Total operating charge	3,553	2,170

Changes in the present value of defined benefit obligations	2021 £'000
At 1 September 2020	28,279
Transferred in on schools joining the Academy Trust	13,749
Current service cost	3,188
Interest cost	611
Employee contributions	373
Actuarial loss	4,569
Benefits paid	(433)
At 31 August 2021	50,336

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2021 £'000
At 1 September 2020	10,388
Assets acquired on conversion	6,047
Interest income	246
Return on plan assets (excluding net interest on the net defined pension liability)	2,802
Employer contributions	1,766
Employee contributions	373
Benefits paid	(433)
	<hr/>
At 31 August 2021	21,189
	<hr/> <hr/>

26 Related party transactions

Key management personnel remuneration is disclosed in note 9.

Weston Education became a related party from 22 February 2017 when a trustee was appointed to the Board. Services at cost during the year amounted to £nil (2020: £1,400). At the year end £nil (2020: £nil) was outstanding.

M Thomas, a spouse of P Thomas, the Chief Executive Officer, is employed by the Academy Trust as a teacher. The appointment was made in open competition and the Chief Executive Officer was not involved in the decision making process regarding appointment. The post is paid within the normal pay scale for the role and the individual receives no special treatment as a result of their relationship to the Chief Executive Officer.

J Toor, a spouse of S Toor, the Deputy Chief Executive Officer, is employed by the Academy Trust as a teacher. The appointment was made before Stoke Park joined the trust, in open competition and the Deputy Chief Executive Officer was not involved in the decision making process regarding appointment. The post is paid within the normal pay scale for the role and the individual receives no special treatment as a result of their relationship to the Deputy Chief Executive Officer.

27 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £63,388 (2020: £52,874) and disbursed £36,347 (2020: £54,923). An amount of £84,976 (2020: £57,935) is included in other creditors relating to undistributed funds that is repayable to ESFA.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

28 Transfer of existing academies into the Academy Trust

On 1 December 2020, the operations and certain assets and liabilities of Hinckley Academy and John Cleveland Sixth Form Centre transferred to The Futures Trust for £nil consideration.

The substance of the transfer is that of a gift and it has been accounted for on that basis. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SoFA.

Net assets acquired	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2021
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	22,747	22,747
Computer equipment	-	-	6	6
Fixture and fittings	-	-	10	10
Other creditors	-	(6)	-	(6)
Other debtors	-	25	-	25
Cash and cash equivalents	-	138	-	138
DfE Loan	-	(200)	-	(200)
Pension provision	-	(1,800)	-	(1,800)
Pension scheme	-	(7,702)	-	(7,702)
Total net assets	-	(9,545)	22,763	13,218

The total income and endowments and net income/expenditure comprise total income of £5,764,000 and net expenditure of £nil contributed by Hinckley Academy and John Cleveland Sixth Form Centre between the date of the transfer and the 31 August 2021.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 9 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by The Futures Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2020 to 2021 Annex B: Regularity Reporting. We are independent of The Futures Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of The Futures Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of The Futures Trust's funding agreement with the Secretary of State for Education dated 1 March 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Futures Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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

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

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

Use of our report

This report is made solely to The Futures Trust and the ESFA in accordance with the terms of our engagement letter dated 9 August 2021. Our work has been undertaken so that we might state to the The Futures Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Futures Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Chartered accountants
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Dated: 16 December 2021
