

Future Generation Trust (A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2020

Company Registration Number: 09440033 (England and Wales)

Future Generation Trust
Annual Report and Financial Statements
Year Ended 31 August 2020

Contents	Page
Reference and Administrative Details	2
Trustees' Report	5
Governance Statement	15
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report to the Members	21
Independent Reporting Accountant's Assurance Report on Regularity	24
Statement of Financial Activities incorporating Income & Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29

Future Generation Trust

Reference and Administrative Details

Year Ended 31 August 2020

Members	F Dale R Grinsted P Bishop G Clegg S Davenport
Directors	S Ayres – Chief Executive and Accounting Officer N Boyes (appointed 06/10/20) J Burns (appointed 17/09/20 CFO from 17/09/20) F Dale - Chair of Directors D Dalton (resigned 10/10/2019) P Farrow J Macey - Chief Financial Officer (to 17/09/20) C Martin (appointed 02/10/2019) H Southern C Steel (appointed 23/10/2019) M Whitehouse P Woodhead – Vice Chair of Directors
Principal and Registered Office	St John's Primary Academy Hobnock Road Essington Wolverhampton United Kingdom WV112RF
Company Registration Number	09440033 (England and Wales)
Senior Leadership Team	
• Chief Executive Officer	S Ayres
• Chief Financial Officer	J Macey (to 17/09/20) J Burns (from 17/09/20)
• Headteacher (St John's Primary Academy)	S Price (appointed 01/09/2019)
• Headteacher (Gentleshaw Primary Academy)	G Parsons
• Headteacher (St Peter's CE Primary Academy)	W Stevens (appointed 01/09/2019)
• Headteacher (Etching Hill CE Primary Academy)	M Smith (On Conversion - appointed 01/10/2019)

Future Generation Trust

Reference and Administrative Details

Year Ended 31 August 2020

Independent Auditor
Haines Watts Birmingham LLP
(appointed 10/07/20)
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Bank
Lloyds Bank PLC
Queen Street
Wolverhampton
BX1 1LT

Solicitors
Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Directory of academies

St John's Primary Academy

Address
Hobnock Road
Essington
Wolverhampton
WV11 2RF

Senior Leadership Team

• Headteacher
S Price (appointed 01/09/2019)

Gentleshaw Primary Academy

Address
Darlings Lane
Gentleshaw
Rugeley
WS15 4LY

Senior Leadership Team

• Headteacher
G Parsons

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates four primary academies for pupils aged 3 to 11 serving a catchment area in Essington, Gentleshaw, Hednesford and Etching Hill. Its academies have a combined pupil roll of 1,463 pupils in the Autumn 20 school census for Reception to year 6 children which exceeds net capacity on two of the sites. All academies also offer a popular funded nursery and pre-school service for 2 and 3 year old children which is in addition to the statutory provision.

Organisation overview and current position

During 2019/20 the structure of Future Generation Trust (FGT) has remained stable as a sponsored Academy with a structure of Members and Trustees above the Local Governing Body's. The Trust has a strong team of Directors/Trustees with a broad skill set. The Trust is in an excellent position to expand in a controlled and effective manner.

The Members are fully established and committed to the Trust. The five people have a wealth of experience to enable them to fulfil their responsibilities.

At Trustee level we are building a balanced team of people who have the necessary skill set and expertise to adequately support effective practice. At the time of the report there is one vacancy for an ICT lead, and recruitment is currently being undertaken. The addition of this specific skill will enhance the Trust Board and improve overall capacity.

Future Generation Trust is committed to a controlled journey of sustainable and effective growth towards establishing a team of six Good or Outstanding Primary Academies. The fourth school, Etching Hill CE primary Academy converted to academy status and joined the Trust on 1 October 2019. We believe the model the Trust is promoting is an attractive proposition to Staffordshire schools who are looking to convert.

Structure, Governance and Management

Constitution

Future Generation Trust (the 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 Members act as the Trustees for the charitable activities of Future Generation Trust with Directors who report to the Members of the charitable company for the purposes of company law. The charitable company is known as Future Generation Trust.

Details of the Members and Directors who served throughout the year are included in the reference and administrative details on page 2.

Members' Liability

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

Trustees' Indemnities

In accordance with the normal commercial practice the Trust has purchased insurance to protect its Members, Directors, academy representatives and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provider provides up to £2 million (2019: up to £2 million) in aggregate claims.

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

Principal Activities

The principal activities of the Trust are as set out in its Articles of Association namely:

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 Academies which shall offer a broad and balanced curriculum and which shall include:

- Academies other than those designated Church of England, whether with or without a designated religious character; and
- Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

Method of Recruitment and Appointment or Election of Trustees

The Directors of the Company comprise: (Article 12)

- (a) The signatories to the Memorandum;
- (b) CECET acting corporately by hand of its Director;
- (c) The Chair of the Directors;
- (d) The Vice Chair of the Directors; and
- (e) Any person appointed under any of Articles 16, 16A or 16B

The Members with the written consent of the Diocesan Board of Education may agree by passing a special resolution in writing to appoint such additional Members as they think fit. (Article 16).

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

The appointment of an Academy's Local Governing Body is detailed in the Terms of Reference of which the Trust Board elects the Chair. With regards to the appointment of parent governors, procedures are in place for their nomination, election and appointment.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees bring a variety of experience from a number of different backgrounds in education, industry and commerce. The training and induction provided for new Trustees will depend upon their existing experience. Those coming via a role with a local governing body will receive governor training. Where necessary additional training will be provided on charity, educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. Assistance and advice is always available from Trust staff or professional advisors. Regular training sessions are offered by the Trust, Local Authority and appropriate professional bodies.

Organisational Structure

Future Generation Trust has, as at 31 August 2020, four Academies within its Trust; St John's Primary Academy, Gentleshaw Primary Academy, St Peter's CE Primary Academy and Etching Hill CE Primary Academy.

The Directors of the Trust Board meet at least 6 times a year to discuss the strategic management and development of the Trust. The Directors approve all strategic decisions within the Trust and each Academy.

The Board of Directors establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

Board of Directors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two Committees of the Board of Directors as follows:

- Finance and Resources Committee
- Curriculum Committee

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

The Academy Governors of the Local Governing Body and the respective committees meet at least once a term to discuss the specific relevant and strategic matters of the Academy. Each committee has Terms of Reference detailing their roles and responsibilities.

As of 1 September 2019 Future Generation Trust has employed a fulltime CEO/Accounting Officer. The CEO leads a small administrative team composing a Head of Finance and Human Resources 0.75 FTE and a Head of Operations and Facilities 0.5 FTE. From 1 September 2020 a Clerk and Administrative Support Officer has been employed full time to support the Central Team. This team oversee all aspects of Trust's reporting and support staff within the individual academies. Each academy functions with a headteacher, an appropriately sized leadership team and administrative support on site. They are responsible for the day to day organisation of the academy and delivering Trust policies.

The CEO oversees individual academy improvement plans and supports initiatives within each academy. They also provide advice and guidance while holding individual headteachers to account. The CEO also co-ordinates all joint initiatives across the academies which include training events and the contributions of specialist teachers. They also chair the Headteacher Board which meets at least termly.

The objectives of the Schemes of Delegation are to ensure that:

- the exercise of delegated powers and functions occur at the correct level of the corporate governance structure;
- the process of delegating powers or functions is clear, open and transparent;
- the lines of accountability for the exercise of powers or functions are clearly understood by those it is delegated to.

Arrangements for setting pay and remuneration of key management personnel

The Directors of the Trust Board do not currently receive any remuneration for their services to the Trust. The pay and remuneration of key management personnel of each Academy is the responsibility of the Trust's Pay Committee, with annual performance appraisals being presented, and where applicable, feedback from the Local Governing Body's. The parameters and criteria used in setting the pay are the scales provided by the Local Authority for Teaching and Support Staff.

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
One	0.57

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	None
1%-50%	One
51%-99%	None
100%	None

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£140
Provide the total pay bill	£6,446k
Provide the percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	9 Hours during the academic year
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Related Parties and other Connected Charities and Organisations

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Trust.

Future Generation Trust was incorporated on 13 February 2015 as a multi Trust with one academy, St. John's Primary Academy, converting to academy status on 1 March 2015 from St John's CE (C) Primary School.

During the 2016/17 academic year the Trust applied for and successfully gained approval from the Regional School's Commissioner to become a Sponsored Trust of up to six academies. The relevant structural alterations were made at Member and Trustee level to accommodate this change in status and meet Department for Education requirements.

Objectives and Activities

Objects and Aims

The principal objective of Future Generation Trust as set out in its Articles of Association 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 schools offering a broad and balanced curriculum.

The profile of St. John's Primary Academy is as follows:

St John's provides education for 3 to 11 year-old pupils. The curriculum is broad and balanced with an emphasis on developing the basic core skills of Literacy and Numeracy. The Academy predominantly draws pupils from the village of Essington and the surrounding areas including Willenhall and Short Heath.

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

Objects and Aims (continued)

The profile of Gentleshaw Primary Academy is as follows:

Gentleshaw now provides education for 3 to 11 year-old pupils. The curriculum is broad and balanced with an emphasis on developing the basic core skills of Literacy and Numeracy. The Academy predominantly draws pupils from the villages of Cannock Wood and the surrounding areas including Burntwood.

The profile of St Peter's CE Primary Academy is as follows:

St Peter's provides education for 3 to 11 year-old pupils. The curriculum is broad and balanced with an emphasis on developing the basic core skills of Literacy and Numeracy. The Academy predominantly draws pupils from the town of Hednesford and the surrounding areas.

The profile of Etching Hill CE Primary Academy is as follows:

Etching Hill provides education for 3 to 11 year-old pupils. The curriculum is broad and balanced with an emphasis on developing the basic core skills of Literacy and Numeracy. The Academy predominantly draws pupils from the village of Etching Hill and Rugeley.

Objectives, Strategies and Activities

Future Generation Trust continually strives for excellence.

The strong positive culture creates a climate conducive to learning throughout the academies in the Trust.

This climate promotes the acquisition of valuable life skills while supportive teaching built on a foundation of caring relationships established between staff and pupils leads to high levels of attainment and achievement.

Working with our pupils we aim to:

- Develop confidence, high self-esteem and a love of teaming;
- Promote respect of others and help them understand diversity and value everyone;
- Foster tolerance, resilience, perseverance and independence.

Public Benefit

All Academies within the Trust will provide high quality, motivated staff that plan and deliver learning opportunities to meet the needs of all its pupils.

The Academies will provide a bright attractive stimulating environment which is safe, warm and dry. The success of the Trust is not only based on teaching and learning but also the environment that the children work in. The Trust will have an ongoing program of facility reviews to ensure that the standards in place are not only maintained but also enhanced.

It will strive to develop strong Christian values in pupils and prepare them for adult lives where they will operate as happy individuals making positive contributions to society.

The sustained high performance of pupils over time in terms of attainment is of significant public benefit.

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

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

Strategic Report

Achievements and Performance

Future Generation Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its 6th year of operation since conversion. The Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

Covid 19 Impact

The impact of Covid 19 has been significant. Every aspect of our provision has been effected in some way. The closure of schools that commenced in March and continued during lock down presented considerable logistical issues. Key considerations are outlined below with reference to their influence upon our performance as a Trust.

• Teaching and Learning

In the period from March 23rd through to June 1st pupils in our academies lost in excess of 30 days receiving traditional face to face learning. Online learning resources were provided for all pupils but even allowing for the high quality of these materials it is apparent that there was an inevitable reduction in pupil progress rates. Challenges with ensuring full engagement rates and the removal of the facility for teachers to monitor and adjust teaching strategies were instrumental in arriving at this position and clearly illustrated that remote learning, even when carefully prepared, could not match the quality of the skilful delivery of lessons in the classroom from high calibre staff.

This situation continued for the second half of the summer term for all year groups other than Reception, Year 1 and Year 6 who were offered the opportunity to attend their academy. Attendance of these groups was initially well below average levels but improved over the period and particularly in Year 6, approached normally expected rates of 95+%.

Some academies were able to be creative in offering all the pupils the opportunity to return to the academy for reduced periods, in an effort to support both their learning and their transition back into school.

The unique situation of whole school home learning presented a series of issues around safeguarding in maintaining contact with vulnerable families. As a result the Safeguarding Policy was amended to meet these new circumstances.

The national testing requirements were removed by the Government. Key Stage 2 SATS papers in Maths and English were cancelled along with Year 1 phonics test. Teacher assessments were unable to be completed for Year 2 or any EYFS Assessments given the disruption that the pupils had suffered. The academies have therefore not produced any performance data associated with pupil progress and attainment.

• Operations

School Meal services were maintained throughout the period. All FSM were provided and in some cases food parcels were distributed from school or delivered directly to the home where appropriate.

During the period from March through to the end of the summer term there was a huge demand to provide additional data to both the Local Authority and DfE. There was daily requirement for documentation or statistics which had to be collected and collated. All returns were met within the necessary timeframes.

It was necessary for excellent communication channels to be established with parents via the website and the text message systems that the academies normally employs.

With the exception of Gentleshaw Academy, who did not have any requests, holiday provision during Easter and half term was arranged and provided for the children of key workers.

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

• Finance

There has been notable impact on individual trust finances in terms of reduced income and increased expenditure. All normal income streams have been affected. Revenue from before and after school provision was lost completely during lockdown and negatively impacted during the partial opening.

The Trust Board agreed to access the Furlough facility for staff operating in this sector with the directive that the 20% shortfall in salaries would be found from academy budgets. These were the only staff that were furloughed across the Trust. Income from private nursery provision was affected in the same manner but staff were not furloughed in this case and were deployed where possible.

Income from Key Stage 2 paid meals was also lost during this period although the government maintained funding for Universal Free School Meals and For Ever 6, Pupil Premium pupils' meals.

Additional expenditure was incurred by all academies in their response to opening for the children of key workers and for the partial opening to certain year groups. These costs mainly focussed upon additional cleaning materials to ensure that the building was suitably sanitised. The requirement for hand gel also added to costs. As did protective equipment for staff.

Further funding was needed in relation to the opening of the academies in ensuring relevant signage was displayed that encourage social distances and keep the school community informed of particular protocols in place.

Some funding was accessed from a Covid grant, offered to academies who met specific criteria, to offset these costs. Details of the grants provided for our academies are as follows:

- St. Peter's £15k
- Etching Hill £2k
- St. John's £1k

Going Concern

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

Financial Review

Financial Performance

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

Key financial policies adopted or reviewed during the period cover Financial Regulations, Fixed Asset, Risk Management, Tendering, Whistle Blowing, Anti-Fraudulent and Corruption and Director Expenses Policy. The guidance and regulations laid out in the annual Financial Handbook is considered and implemented, as is the Company's Financial Scheme of Delegation.

The Statement of Financial Activities for the year shows that the Trust generated net income/(expenditure) of £142k (2019: £158k) during the period under unrestricted funds. Restricted General Funds generated net expenditure of £(1,253)k (2019: £(1,113)k) after fund transfers and actuarial gains/losses relating to the defined benefit pension scheme. Restricted fixed asset funds totalled £9,117k (2019: £8,783k).

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

The global pandemic, Covid19, that affected our academies had a significant impact on the finances of the Trust as detailed previously. The self-generated income received via childcare and catering was reduced considerably during the part closures of the education sector.

Reserves Policy

The Trust's policy on reserves is to maintain sufficient reserves to enable the Trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the on-going investment in the Academy estate, subject to satisfying terms and conditions of the grant funding.

Total funds at 31 August 2020 are £6,520k (2019: £7,297k) of which unrestricted reserves are £302k (2019: £160k) and general restricted funds are £(2,899)k (2019: (£1,646k)).

The Company will always ensure to stay within the ESFA guidelines on levels and appropriate use of reserves.

A minimum target level for reserves is not considered appropriate at this point in time, as the company is relatively new and therefore its main consideration is to up its reserves. The Trust Board monitors the cashflow to a very granular level and therefore when it is appropriate to consider reserves this will be implemented efficiently.

Investment Policy

The Board is committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risks and will develop an investment and Treasury Management Policy, when considered appropriate. At present an agreed level of surplus funds are held in a 32-day deposit account.

Principal Risks and Uncertainties

The Board of Directors has assessed the major risks to which the trust is exposed and these are summarised in the trust's Risk Register. The Board of Directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety and safeguarding) and in relation to the control of finance. They have introduced mitigating controls, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

The key risks identified in the Trust's Risk Register and mitigating controls are as follows:

Risk	Mitigating controls
<p>Pandemic Disruption – Covid 19</p> <p>Large numbers of teaching staff being tested positive or self-isolating.</p> <p>Other key staff being unable to attend.</p> <p>Enforced lock down with resulting reduction in income.</p> <p>Having suitable communication systems in place</p> <ul style="list-style-type: none"> • to facilitate high quality online learning • to maintain interaction with parents and keep them fully informed. • allow governors/trustees to meet and discharge their duties, having available accessible, adequate information. 	<p>Ensure that some additional funding is included in the budget to meet supply costs that may arise.</p> <p>Explore opportunities to deploy key personal across academies on a short term basis to cover any Covid absence.</p> <p>Explore cost saving measures for income streams that would be effected by closure due to lockdown.</p> <p>Evaluate communication systems employed by each academy and produce a best practice guide.</p> <p>Ensure appropriate software is available to collate, distribute and present meeting papers with remote conferencing capability.</p>
<p>Computer systems hit by virus / hacked / data corruption</p>	<p>Secure servers and adequate back up procedures are in place with regular testing.</p> <p>Update IT Disaster Recovery plan.</p> <p>Review Network and IT security policy.</p> <p>GDPR legislation adhered to.</p>
<p>Pension and other staff costs increase due to changes in legislation</p>	<p>Ensure awareness of Government changes in Employers National Insurance and Pension legislation. Actively seek information to allow planning for any changes in advance.</p>
<p>Fail to continuously recruit suitably trained staff and ensure ongoing development / succession plans across the individual academies in all operational departments and the Central Team.</p>	<p>Advertise positions using a variety of sources to attract a competitive field. Safer recruitment training.</p> <p>Robust recruitment procedures – shortlisting, interviewing, observations of teaching staff prior to appointment.</p> <p>Development of current staff within the trust using training, regular staff meetings, forums and focus on middle leader progression.</p> <p>Recruitment and reorganisation for succession planning within the Academies and Trust.</p>
<p>Mobile classrooms at Etching Hill failing to provide safe, warm and dry learning environments that match sufficiently the condition of other classrooms in the Trust.</p> <p>Classrooms on other sites, notably Gentleshaw, failing to meet the high expectations established across the Trust.</p>	<p>Continue to register the connection between of high quality learning environments and pupil attainment with Governors and Trustees.</p> <p>Explore funding opportunities, including grants and loans, to replace/refurbish the classrooms at Etching Hill.</p> <p>Design plans for the replacement of Etching Hill mobiles ready for approval when funding is found and so reducing any potential delays in building work.</p> <p>Establish an Asset Management Plan across all academies.</p>

Future Generation Trust

Trustees' Report

Year Ended 31 August 2020

Fundraising

The Trust raises money for nationally recognised charities including Children in Need, Sport Relief and Comic Relief as and when they arise in the calendar, in addition to supporting the local churches and communities.

Plans for Future Periods

The future plans for the Trust include:

- The priority for 2020-21 is to cope with the changing educational environment resulting from Covid 19 and the challenges that it creates for the pupils, staff and communities of our academies; in the best way possible to keep our individuals safe, healthy and engaged.
- Development of a Strategy Wheel to focus on all areas of Governance.
- Recruit a fifth academy. The Trust will look to increase our number of academies to 5 during the current or following academic year.
- Complete initial research regarding Free School Proposal in preparation for the submission of a future application being made.
- As the Trust expands, it will be necessary to ensure that the senior staffing structures, beneath the Trust Board, are fit for purpose with robust succession planning in place for all senior roles as well as consideration as to whether additional roles are required to operate across the Trust as opposed to within individual Academies.
- Further embed the fulltime CEO role to provide strategic leadership to meet the increasing demands of the organisation and drive the continuation of high performance levels.
- The Trust will continue to exploit opportunities for collaborative working, recruitment and procurement so that individual academies and the Trust itself continue to provide high quality education.
- Ensuring ongoing financial strength by effective use of funds, maximising economies of scale and proactively looking at what additional funding is available, from external sources to support the maintenance and ongoing development of the Trust's estate.
- Due Diligence procedures will be employed to ensure that any potential additions are recognised as suitable Future Generation Trust academies in terms of cultural alignment, low risk entities and potential contributions they can make to the overall Trust.
- The Trust plans to compile a Trust Wide Asset Management plan to guide building programmes and inform the allocation of appropriate funding from Trust reserves.

Funds Held as Custodian Trustee on Behalf of Others

The academy does not hold such funds and does not act as the custodian trustees of any other charity.

Auditor

In so far as the Trustees are aware:

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

The auditors, Haines Watts Birmingham LLP, were appointed for the year ended 31 August 2020 and, having indicated their willingness to continue in office and, being eligible, will be proposed for reappointment at the forthcoming AGM.

This report incorporating a strategic report was approved by order of the board of trustees on 10 December 2020 and signed on their behalf by:



F Dale
Chair of Trustees

Future Generation Trust

Governance Statement

Year Ended 31 August 2020

Scope of Responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Future Generation 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 Directors has delegated the day-to-day responsibility to the Chief Executive 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees and material weaknesses or breakdowns in internal control.

Governance

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

Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
F Dale	6	7
P Woodhead	5	7
J Macey	6	7
S Ayres	7	7
H Southern	3	7
M Whitehouse	6	7
P Farrow	6	7
C Martin (Appointed 2 October 2019)	5	7
C Steel (Appointed 23 October 2019)	5	6
D Dalton (Resigned 10 October 2019)	0	1

The Board of Directors reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Governance Reviews

All levels of Governance complete the skills matrix showing any areas of development or lack of expertise for both Board of Directors and at Academy Local Governing Bodies. The summary outcomes of such reviews are discussed at Board and Academy level and appropriate actions put in place to address any shortfalls. For example, areas highlighted for further development for procurement training are discussed and the most appropriate ways to address such gaps considered. It has been identified that additional Governor training is to be offered across the Trust.

Future Generation Trust

Governance Statement

Year Ended 31 August 2020

The Finance and Resources Committee is a sub-committee of the main board of directors. Its purpose is to:

- Consider the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity;
- Receive reports from members of Academy staff about matters relating to any of the issues listed in their terms of reference;
- Scrutinise the Trust and Academy budgets and finance, health and safety, staffing and estates arrangements;
- Oversee the financial risk, internal controls and management of the Trust and Academy.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
J Macey	4	4
M Whitehouse	2	4
P Farrow	3	4
C Martin (Appointed 2 October 2019)	4	4
C Steel (Appointed 23 October 2019)	3	4

Review of Value for Money

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

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

Extension to existing modular build that houses before and after school clubs and 'pre-school' nursery provision at St. John's (Eagles Building).

The scheme was delivered during the period. It was project managed by Trust staff and not outsourced to external specialists and therefore did not generate excessive property management fees. The project management involved driving the design and tendering process and liaison concerning site leases with the Local Authority and Diocese.

The lowest tender was selected and the contractor appointed. The project management by Trust staff continued with addressed areas such as all health and safety considerations and groundworks. The project was delivered on time and within budget.

Future Generation Trust

Governance Statement

Year Ended 31 August 2020

Continuing Professional Development

The Trust Central Team delivered two significant training events during the period. It was recognised that a theme of pupil wellbeing and approaches to dealing with issues of mental health featured prominently on the academies development plans. This presented an opportunity to organise a single event that all teaching and classroom support staff could attend and was relevant to all academies. Securing a booking with a nationally acclaimed company to deliver training on one occasion rather than four individual days released funds to book a suitable venue that could accommodate all staff. Detailed scrutiny of available locations and comparison of prices allowed the Central Team to acquire a competitive price.

A Leadership Conference was also organised for all academies Leadership Staff to attend. A thorough process for the selection of the most suitable venue was undertaken and the most competitively priced option chosen. In order to reduce costs places on the conference were offered to none Trust schools. Funds received from these places allowed the Central Team and one member of each Trust academy Leadership to attend without incurring costs.

Insurance Policy

The Chief Financial Officer carried out a full review of available insurance options. Policies provided by a number of Insurance Companies were considered and compared with each other and the RPA alternative offered by the ESFA. As a result of the review the most cost effective policy was adopted, supported by an independent broker.

The value of this policy was demonstrated in the successful recovery of fees paid to a travel company for a pupil visit to France that was subsequently cancelled. This allowed the Trust to fully reimburse parents without incurring any additional expenditure.

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 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 Future Generation Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board 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 Directors 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

Future Generation Trust

Governance Statement

Year Ended 31 August 2020

The Risk and Control Framework

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

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

The Board of Directors considered the need for a specific internal audit function and MLG Education Services Limited have carried out this role throughout the reporting period.

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

- testing on the payroll systems;
- purchase systems including credit cards;
- testing of income and control accounts.

On a temly basis, the internal auditor reports to the Board of Directors, through the Finance and Resources committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The internal auditor has delivered their schedule of works.

As the Trust's growth plans for 2020/21 will potentially see a further school join the Trust, the Board has a Director with specific skills aligned to Risk and Audit to ensure that this area has internal expertise to oversee the framework and to take an active role in the ongoing development.

Review of Effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 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 the 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 members of the board of Directors on 10 December 2020 and signed on its behalf by:


F Dale
Chair of Trustees


S Ayres
Accounting Officer

Future Generation Trust

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2020

As Accounting Officer of the Future Generation Trust I have considered my responsibility to notify the Trust's Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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.



S Ayres
Accounting Officer

10 December 2020

Future Generation Trust

Statement of Trustees' Responsibilities

Year Ended 31 August 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the ESFA and the 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 Board of Trustees on 10 December 2020 and signed on its behalf by:



F Dale
Chair of Trustees

Future Generation Trust

Independent Auditor's Report to the Members of Future Generation Trust

Year Ended 31 August 2020

Opinion

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

In our opinion the financial statements:

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the Trust's activities, funding, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Trustees' Report and in the notes to the financial statements.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the Strategic report and the Directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Future Generation Trust

Independent Auditor's Report to the Members of Future Generation Trust

Year Ended 31 August 2020

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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.

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

This description forms part of our auditor's report.

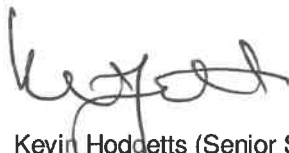
Future Generation Trust

Independent Auditor's Report to the Members of Future Generation Trust

Year Ended 31 August 2020

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

21 December 2020

Future Generation Trust

Independent Auditor's Report to the Members of Future Generation Trust

Year Ended 31 August 2020

In accordance with the terms of our engagement letter dated 10 July 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Future Generation Trust during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Future Generation Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Future Generation Trust's funding agreement with the Secretary of State for Education dated 1 March 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to raw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the academy trust's activities;
- A review of governance procedures;
- A review of financial budgeting and monitoring procedures;
- A review of related/ connected party transactions in accordance with internal processes and the Academies Financial Handbook;
- A review and sample testing of internal financial controls; and
- A review and sample testing of procurement procedures.

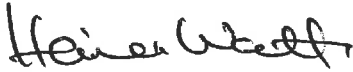
Future Generation Trust

Independent Auditor's Report to the Members of Future Generation Trust

Year Ended 31 August 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

21 December 2020

Future Generation Trust

Statement of Financial Activities (including Income and Expenditure Account)

Year Ended 31 August 2020

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	2	20	39	247	306	99
Transfer from local authority on conversion	26	208	(518)	57	(253)	3,511
Charitable activities:						
Funding for the Trust's educational operations	3	95	6,578	-	6,673	4,886
Other trading activities	4	104	288	-	392	353
Investments	5	4	-	-	4	6
Total		431	6,387	304	7,122	8,855
Expenditure on:						
Raising funds	6	-	172	-	172	99
Charitable activities:						
Trust's educational operations	7	289	7,023	151	7,463	5,188
Total		289	7,195	151	7,635	5,287
Net income/(expenditure)		142	(808)	153	(513)	3,568
Transfers between funds	16	-	(181)	181	-	-
Other recognised gains / (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	16, 24	-	(264)	-	(264)	(740)
Net movement in funds		142	(1,253)	334	(777)	2,828
Reconciliation of funds:						
Total funds brought forward	16	160	(1,646)	8,783	7,297	4,469
Total funds carried forward	16	302	(2,899)	9,117	6,520	7,297

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Future Generation Trust

Balance Sheet

Year Ended 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	12		9,117		8,783
Current assets					
Stocks	13	15		16	
Debtors	14	527		205	
Cash at bank and in hand		1,373		1,407	
		<u>1,915</u>		<u>1,628</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(864)</u>		<u>(690)</u>	
Net current assets			<u>1,051</u>		<u>938</u>
Net Assets			<u>10,168</u>		<u>9,721</u>
Defined benefit pension scheme liability	24		(3,648)		(2,424)
Total Assets			<u>6,520</u>		<u>7,297</u>
Funds of the Trust:					
Restricted funds					
Fixed asset fund	16	9,117		8,783	
Restricted income fund	16	749		778	
Pension reserve	16	<u>(3,648)</u>		<u>(2,424)</u>	
Total restricted funds			6,218		7,137
Unrestricted income funds	16		302		160
Total funds			<u>6,520</u>		<u>7,297</u>

The financial statements on pages 26 to 52 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf by:


F Dale
Chair of Trustees

Company Limited by Guarantee
Registration Number: 09440033

Future Generation Trust
Statement of Cash Flows
Year Ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	150	747
Cash flows from investing activities			
	20	(176)	(129)
Change in cash and cash equivalents in the reporting period		<u>(34)</u>	<u>618</u>
Cash and cash equivalents at 1 September 2019		1,407	789
Cash and cash equivalents at 31 August 2020	21	<u>1,373</u>	<u>1,407</u>

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

1 Accounting policies

General information and basis of preparation

Future Generation Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements. The nature of the Trusts operations and principal activities are set out in the Trustees' Report on page 5.

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102) 2019), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees make this assessment in respect of a period of 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.

Income

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

- **Grants receivable**

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

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

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

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

1 Accounting policies (continued)

Income (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".
- **Transfer on conversion**
Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer on conversion within Donations and capital grant income to the net assets received.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

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

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

1 Accounting policies (continued)

Expenditure (continued)

- **Expenditure on raising funds**
This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	2% per year (50 years)
Furniture and equipment	10% per year (10 years)
Computer equipment	33% per year (3 years)
Motor vehicles	25% per year (4 years)

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

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

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

1 Accounting policies (continued)

Conversion to an Academy

The conversion from a state maintained school to an Academy 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 assets and liabilities transferred on conversion from Etching Hill CE Primary School to an Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds and restricted general funds. The pension liability has been transferred as appropriate. Further details of the transaction are set out in note 26.

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Financial instruments

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

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

1 Accounting policies (continued)

Financial instruments (continued)

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stocks

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

Taxation

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

Pensions Benefits

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

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

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

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

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

1 Accounting policies (continued)

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	247	247	72
Other donations	20	39	59	27
	<u>20</u>	<u>286</u>	<u>306</u>	<u>99</u>

3 Funding for Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,806	4,806	3,622
Start-up grants	-	25	25	25
Other DfE Group grants	-	774	774	545
	<u>-</u>	<u>5,605</u>	<u>5,605</u>	<u>4,192</u>
Other Government grants				
Local authority grants	-	216	216	133
Special educational projects	-	699	699	451
	<u>-</u>	<u>915</u>	<u>915</u>	<u>584</u>
Other income from the Trust's educational operations	95	-	95	110
	<u>95</u>	<u>-</u>	<u>95</u>	<u>110</u>
Exceptional Government Funding				
Coronavirus Job Retention Scheme Grant	-	40	40	-
Coronavirus exceptional support	-	18	18	-
	<u>-</u>	<u>58</u>	<u>58</u>	<u>-</u>
	<u>95</u>	<u>6,578</u>	<u>6,673</u>	<u>4,886</u>

The 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 funding received for coronavirus exceptional support covers £18k of premises related costs. These costs are included in notes 6 and 7 below as appropriate.
- The four academies furloughed all of its wraparound childcare staff under the government's CJRS. The funding received of £40k relates to staff costs in respect of 22 staff which are included within note 8 below as appropriate.

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	4	-	4	4
School Trips	-	102	102	77
Other income	100	186	286	272
	<u>104</u>	<u>288</u>	<u>392</u>	<u>355</u>

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	4	-	4	6
	<u>4</u>	<u>-</u>	<u>4</u>	<u>6</u>

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds	-	-	172	172	99
Trust's educational operations					
Direct costs	3,314	39	199	3,552	2,663
Allocated support costs	3,132	436	343	3,911	2,525
	<u>6,446</u>	<u>475</u>	<u>714</u>	<u>7,635</u>	<u>5,287</u>

Net income / expenditure for the period includes:

	2020 £000	2019 £000
Operating lease rentals	13	9
Depreciation	151	143
Fees payable to the auditor for:		
Audit	10	10
Other services	<u>1</u>	<u>1</u>

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

7 Charitable activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	3,552	2,663
Support costs – educational operations	3,911	2,525
	<u>7,463</u>	<u>5,188</u>

Analysis of support costs	Educational operations £000	Total 2020 £000	Total 2019 £000
Support staff costs	3,112	3,112	1,978
Depreciation	151	151	143
Technology costs	101	101	65
Premises costs	284	284	290
Other support costs	253	253	36
Governance costs	10	10	13
Total support costs	<u>3,911</u>	<u>3,911</u>	<u>2,525</u>

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

8 Staff

(a) Staff costs

	2020 £000	2019 £000
Staff costs during the period were:		
Wages and salaries	4,573	3,260
Social security costs	386	263
Pension costs	1,467	796
	<u>6,426</u>	<u>4,319</u>
Agency staff costs	20	21
	<u>6,446</u>	<u>4,340</u>

(b) Non-statutory / non-contractual staff severance payments

There were no restructuring costs during the period (2019: nil).

(c) Staff numbers

The average number of persons employed by the Trust during the year, and the full-time equivalents, was as follows:

	2020 Number	2019 Number
Teachers (FTE: 53; 2019: 45)	67	52
Admin and support (FTE: 95; 2019: 74)	159	116
Management (FTE:13; 2019: 5)	13	5
	<u>239</u>	<u>173</u>

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

8 Staff (continued)

(d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1

(e) Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £881,722 (2019: £382,099).

9 Central Services

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

- o Human resources
- o Financial services
- o Legal services
- o Educational support services
- o Other as arising

The Trust has charged a fee for these services for the period, on the following basis:

- o Flat percentage of 5% of GAG income
- o St John's Primary Academy also includes salary recharges relating to additional head office support.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
St John's Primary Academy	124	85
Gentleshaw Primary Academy	28	25
St Peter's CE Primary Academy	69	71
Etching Hill CE Primary Academy	61	-
	282	181

10 Related party transactions - Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have received other benefits from employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

Mr S Ayres (principal and Trustee):	
Remuneration	£80,000 - £90,000 (2019: £75,000 - £80,000)
Employers' pension contributions	£5,000 - £10,000 (2019: £10,000 - £15,000)

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

10 Related party transactions - Trustees' remuneration and expenses (continued)

Mrs J Macey (Chief Financial Officer):	
Remuneration	£nil. (2019: £nil)
Employers' pension contributions	£nil. (2019: £nil)

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to Trustees (2019: £nil).

Other related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2020 was £1,750 (2019: £1,750). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Assets Under Construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2019	8,886	112	28	102	9,128
Transfers on conversion	57	-	-	-	57
Additions	232	39	15	142	428
At 31 August 2020	9,175	151	43	244	9,613
Depreciation					
At 1 September 2019	316	23	6	-	345
Charged in year	134	13	4	-	151
At 31 August 2020	450	36	10	-	496
Net book values					
At 31 August 2019	8,570	89	22	102	8,783
At 31 August 2020	8,725	115	33	244	9,117

Land is included in the total leasehold land and buildings valuation at a value of £2,472,500 (2019: £2,415,000) and is not depreciated.

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

13 Stocks

	2020 £000	2019 £000
Stationery	11	11
Clothing	2	3
Catering	2	2
	<u>15</u>	<u>16</u>

14 Debtors

	2020 £000	2019 £000
Trade debtors	73	4
VAT recoverable	32	80
Other debtors	78	-
Prepayments and accrued income	344	121
	<u>527</u>	<u>205</u>

15 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	289	324
Other taxation and social security	92	63
Other creditors	190	71
Accruals and deferred income	293	232
	<u>864</u>	<u>690</u>

Deferred income

	2020 £000	2019 £000
Deferred income at 1 September 2019	99	86
Released from previous years	(99)	(86)
Resources deferred in the period	194	99
Deferred income at 31 August 2020	<u>194</u>	<u>99</u>

At the balance sheet date the Trust was holding funds received in advance for childcare (£18,039), universal free school meals (£134,735) and growth funding (£41,260).

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

16 Funds

	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)	151	4,619	(4,755)	(181)	(166)
Start Up Grant	-	25	(25)	-	-
Pupil Premium	-	207	(207)	-	-
Other grants and restricted income	-	1,727	(1,727)	-	-
Trading activities	627	288	-	-	915
Other restricted income	-	39	(39)	-	-
Pension reserve	(2,424)	(518)	(442)	(264)	(3,648)
	(1,646)	6,387	(7,195)	(445)	(2,899)
Restricted fixed asset funds					
Transfer on conversion	8,113	57	(42)	-	8,128
DfE/ESFA capital grants	489	247	-	-	736
Capital expenditure from GAG	181	-	(109)	181	253
	8,783	304	(151)	181	9,117
Total restricted funds	7,137	6,691	(7,346)	(264)	6,218
Total unrestricted funds	160	431	(289)	-	302
Total funds	7,297	7,122	(7,635)	(264)	6,520

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

Pupil Premium income is included within restricted funds and relates to the funding provided by the Education and Skills Funding Agency for the relevant schools to provide additional support from low income families.

The balance on the Restricted GAG funds will be used for educational purposes in accordance with the restrictions attached with the funding.

The pension reserve of £3,648k (overdrawn) represents Future Generation Trust's share of the deficit in the Staffordshire pension funds.

The unrestricted funds represent the surplus generated by Future Generation Trust on activities for generating funds.

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

16 Funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	201	3,412	(3,327)	(135)	151
Start Up Grant	-	25	(25)	-	-
Pupil Premium	-	175	(175)	-	-
Other grants and restricted income	-	1,164	(1,164)	-	-
Trading activities	340	287	-	-	627
Pension reserve	(1,074)	(399)	(211)	(740)	(2,424)
	(533)	4,664	(4,902)	(875)	(1,646)
Restricted fixed asset funds					
Transfer on conversion	4,437	3,719	(43)	-	8,113
DfE/ESFA capital grants	417	72	-	-	489
Capital expenditure from GAG	146	-	(100)	135	181
	5,000	3,791	(143)	135	8,783
Total restricted funds	4,467	8,455	(5,045)	(740)	7,137
Total unrestricted funds	2	400	(242)	-	160
Total funds	4,469	8,855	(5,287)	(740)	7,297

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Central services	179	282
St John's Primary Academy	488	467
Gentleshaw Primary Academy	62	56
St Peter's CE Primary Academy	84	133
Etching Hill CE Primary Academy	238	-
Total before fixed assets and pension reserve	1,051	938
Restricted fixed asset fund	9,117	8,783
Pension reserve	(3,648)	(2,424)
Total	6,520	7,297

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

16 Funds (continued)

Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	9,117	9,117
Current assets	302	1,567	46	1,915
Current liabilities	-	(818)	(46)	(864)
Pension scheme liability	-	(3,648)	-	(3,648)
Total net assets	<u>302</u>	<u>(2,899)</u>	<u>9,117</u>	<u>6,520</u>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	8,783	8,783
Current assets	160	1,468	-	1,628
Current liabilities	-	(690)	-	(690)
Pension scheme liability	-	(2,424)	-	(2,424)
Total net assets	<u>160</u>	<u>(1,646)</u>	<u>8,783</u>	<u>7,297</u>

17 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	<u>167</u>	<u>-</u>

18 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	13	5
Amounts due between one and five years	54	-
Amounts due after five years	-	-
	<u>67</u>	<u>5</u>

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

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

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(513)	3,568
Adjusted for:		
Depreciation charges (note 12)	151	143
Capital grants from DfE and other capital income	(247)	(72)
Interest receivable (note 5)	(4)	(6)
Defined benefit pension scheme obligation inherited	518	399
Defined benefit pension scheme cost less contributions payable (note 24)	383	167
Defined benefit pension scheme finance cost (note 24)	59	44
(Increase)/decrease in stocks	1	-
(Increase)/decrease in debtors	(278)	(109)
Increase/(decrease) in creditors	137	332
Donated tangible fixed assets	(57)	(3,719)
Net cash provided by / (used in) Operating Activities	150	747

20 Cash Flows from Investing Activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	4	6
Purchase of tangible fixed assets	(427)	(207)
Capital grants from DfE/ESFA	247	72
Net cash provided by / (used in) investing activities	(176)	(129)

21 Analysis cash and cash equivalents

	At 31 August 2020	At 31 August 2019
	£000	£000
Cash in hand and at bank	1,373	1,407
Total cash and cash equivalents	1,373	1,407

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

22 Analysis of changes in net debt

	At 1 September 2019	Cash flows	Acquisition / disposal of subsidiaries	Finance leases	Other non- cash changes	At 31 August 2020
Cash	1,407	(34)	-	-	-	1,373
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	<u>1,407</u>	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373</u>
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,407</u>	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373</u>

23 Members' Liability

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

24 Pension and similar obligations

The 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 Staffordshire County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the period. Contributions amounting to £64,587 (2019: £68,842) were payable to the schemes at 31 August 2020 and are included within creditors.

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

24 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at April 2023, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £567,319 (2019: £297,616).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

24 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £560,000 (2019: £171,000), of which employer's contributions totalled £454,000 (2019: £136,000), and employees' contributions totalled £106,000 (2019: £35,000). The agreed contribution rates for future years are 24.2% 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 an 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.

As described in note 1 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	1.9%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	22.1	22.2
Females	25.0	24.8

Sensitivity analysis

	At 31 August 2020	At 31 August 2019
Discount rate -0.5%	1,007	695
CPI rate +0.5%	866	566

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

24 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2020 £000	2019 £000
Present value of defined benefit obligations	(7,472)	(4,759)
Fair value of academy's share of scheme assets	3,824	2,335
Deficit	(3,648)	(2,424)

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

	Fair value at 31 August 2020	Fair value at 31 August 2019
Equities	2,600	1,588
Gilts	842	514
Property	306	187
Cash and other liquid assets	76	47
Total market value of assets	3,824	2,335

The actual return on scheme assets was £ 32,000 (2019: £112,000).

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	383	167
Net interest cost	59	44
Total operating charge	442	211

Amounts recognised in other recognised gains and losses are as follows:

	2020 £000	2019 £000
Actuarial losses on obligations	(296)	(812)
Actuarial gains on assets	32	72
Total	(264)	(740)

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

24 Pension and similar obligations (continued)

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

	2020	2019
	£'000	£'000
At 1 September 2019	4,759	2,345
Transferred at conversion	1,380	995
Current service cost	838	450
Interest cost	123	100
Employee contributions	106	69
Actuarial (gain)/loss	296	812
Benefits paid	(30)	(12)
At 31 August 2020	7,472	4,759

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

	2020	2019
	£'000	£'000
At 1 September 2019	2,335	1,271
Transferred at conversion	862	596
Interest income	64	56
Actuarial gain/(loss)	32	72
Employer contributions	455	283
Employee contributions	106	69
Benefits paid	(30)	(12)
At 31 August 2020	3,824	2,335

25 Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

Future Generation Trust

Notes to the Financial Statements

Year Ended 31 August 2020

26 Conversion to an academy school

On 1 October 2019, Etching Hill CE Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Future Generation Trust from the South Staffordshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Leasehold Land			57	57
Budget surplus on LA funds	208	-	-	208
LGPS pension surplus / (deficit)	-	(518)	-	(518)
Net assets / (liabilities)	208	(518)	57	(253)

The buildings occupied by Etching Hill CE Primary School have not been transferred to the Academy Trust on conversion as they are owned and controlled by Lichfield Diocese and remain on their balance sheet. Instead a notional donation and rental expense has been recognised, representing the amount the Academy Trust would have otherwise had to pay to secure premises sufficient for its operations for the period. A future notional donation, and a corresponding future notional rental expense for the rolling notice period of 2 years have been recognised in debtors and creditors respectively.

27. Events after the balance sheet date

At the time of approval of these financial statements, the COVID-19 viral pandemic is one of the most significant economic events for the UK and globally. Under UK GAAP, the consequences of a condition present at the balance sheet date are considered to be an adjusting post balance sheet event and therefore potentially have implications for the year-end balance sheet.

Having reviewed the operating conditions in the post balance sheet period, and in particular having considered the balance sheet carrying values of fixed assets and the recoverability of debtors, the Trustees are satisfied there are currently no indications of any material impairment.

Further details on the Trustees' assessment of the impact of COVID-19 during the year, in the period since the year end, and on the future development and performance of the Trust, is detailed in the Trustees' Report.