

Company Registration Number: 09440033 (England and Wales)

Future Generation Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2021

Future Generation Trust
Annual Report and Financial Statements
Year Ended 31 August 2021

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Future Generation Trust

Reference and Administrative Details
Year Ended 31 August 2021

Members	F Dale R Grinsted P Bishop G Clegg S Davenport
Trustees/Directors	S Ayres N Boys (appointed 06/10/20) J Burns (appointed 17/09/20, resigned 27/08/21) F Dale (Chair) P Farrow J Macey C Martin H Southern C Steel M Whitehouse P Woodhead (Vice Chair)
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
• Headteacher (Gentleshaw Primary Academy)	G Saunders (previously Parsons)
• Headteacher (St Peter's CE Primary Academy)	W Stevens
• Headteacher (Etching Hill CE Primary Academy)	M Smith

Future Generation Trust

Reference and Administrative Details
Year Ended 31 August 2021

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	Hobnock Road Essington Wolverhampton WV11 2RF
Gentleshaw Primary Academy	Darlings Lane Gentleshaw Rugeley WS15 4LY
St Peter's CE Primary Academy	Reservoir Road Hednesford Cannock WS12 1BE
Etching Hill CE Primary Academy	Penk Drive North Etching Hill Rugeley WS15 2XY

Future Generation Trust

Trustees' Report Year Ended 31 August 2021

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

The Trust operates 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 1,489 pupils in the Autumn 21 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 2020/21 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 Bodies. The Trust has a strong team of Trustees/Directors 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. In September 2021, Gentleshaw Primary Academy achieved a Good outcome from the Ofsted visit. 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, Trustees/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 (2020: up to £2 million) in aggregate claims.

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.

Future Generation Trust

Trustees' Report Year Ended 31 August 2021

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, the Local Authority and appropriate professional bodies.

Organisational Structure

Future Generation Trust has, as at 31 August 2021, 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 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 Trustees have approved the addition of a Risk and Audit Committee to be created from January 2022.

The Academy Governors of the Local Governing Body and the respective committees meet at least once each 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 2020, Future Generation Trust has a full-time CEO/Accounting Officer that leads a small administrative team composing a Head of Finance and Human Resources 0.75FTE (increased to full-time November 2020); a Head of Operations and Facilities 0.5 FTE (increased to 0.75FTE January 2021); and from that date a Clerk and Administrative Support Officer 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.

Future Generation Trust

Trustees' Report Year Ended 31 August 2021

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 in their capacity as Trustees/Directors. 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.

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 – no time requested in academic year
1%-50%	None
51%-99%	None
100%	None

Percentage of pay bill spent on facility time

Provide the total cost of facility time	None
Provide the total pay bill	£6,417k
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:	No 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-Academy 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.

Future Generation Trust

Trustees' Report Year Ended 31 August 2021

Objectives and Activities

Objects and Aims

The principal object 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.

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 2021

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 7th 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.

Key Performance Indicators (KPIs)

The monthly management accounts and information include KPIs that are both financial and non-financial. These include average teacher cost per pupil, average teacher cost per 1FTE teacher, staff cost percentages of income/expenditure and pupil numbers. All KPIs are shared regularly with Trustees with variances explored, reported and explained.

Covid 19 Impact

The impact of Covid 19 has been significant. Every aspect of our provision has been affected in some way. The closure of schools in the second lockdown, January and February 2021, 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 between September 2020 and August 2021 we again witnessed significant disruption to teaching and learning across all academies. High levels of Covid-related absence for staff and pupils, partial and full closures of academies and ambiguous directives in an ever-changing national picture all significantly contributed to the turbulence that academies had to deal with. Against this back-drop leaders had to navigate a path that focussed upon maintaining a basic level of provision, leaving little scope for manoeuvre. In this context dynamic teaching and learning initiatives were difficult to deliver.

The national testing requirements were again 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.

All academies continued to encourage achievement through a consistent focus upon standards, high levels of presentation and the promotion of a positive work ethic. A variety of approaches to the 'Catch-Up' agenda were considered and academies responded in ways that best fitted their own position.

During the period there is evidence of curriculum development across the trust through collaboration and joint training initiatives that academies engaged with that have a direct influence upon teaching and learning.

These included:

- **Relationships and Sex Education Policy.**

Co-ordinators from each academy were involved in the designing of a policy to meet new statutory requirements. This working party liaised directly with the Central Team in this process and produced a coherent framework that supported the delivery of this subject across all academies. As a result, a uniform approach was adopted, and academies were fully supported through the consultation process with parents. The new curriculum, including elements of contentious content was subsequently successfully delivered. Parent challenges were addressed in a professional manner and the unified position adopted by the trust both supported and reassured staff.

- **Coaching**

Opportunities for academy leaders to receive high quality coaching training was provided. Staff involved were able to develop coaching skills which they could use in their own setting and directly influence teacher performance. The additional capacity of available coaching enabled an increased number of issues to be addressed. Evidence of improved teacher performance was evident and deployment of this enhanced reservoir of coaching talent within the trust will be on going in the future.

- **Support Groups and Training**

A trust network for NQT's was established with staff involved able to visit each other's settings, contact each other informally for support and receive training. Training focussed upon key headings of Learning Environment, Parent Partnerships, Inclusion, Reading, Differentiation and Learning Styles. An end of year celebration event was held, attended by trustees. All participants successfully completed their NQT year.

Future Generation Trust

Trustees' Report Year Ended 31 August 2021

• **Writing Project**

A whole trust Writing Project for Year 6 pupils was introduced. This focussed upon creativity and was also designed to motivate and engage pupils. The joint initiative further supported moderation and all staff involved found the experience hugely beneficial. A celebration event was held and pupils were introduced to a successful children's writer to further inspire them. A focus upon writing standards will continue.

Operations

School Meal services were maintained throughout the period. All FSM were provided, or food vouchers distributed, during the lockdown period.

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

During the summer term the Trust office building was completed and the Central Team moved into the dedicated accommodation on the St John's Primary Academy's site. This allows for the focus of the Central Team's work for all academies within the Trust and a conference room available for meetings and trainings.

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 shortfall in salaries would be found from academy budgets.

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. Therefore unlike the previous lockdown the partial furlough facility was accessed for these employees within the Trust too.

Additional expenditure was incurred by all academies in their response to opening for the children of key workers and when all pupils returned to school. 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 along with 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.

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 2021 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.

General funds (revenue funds)

Setting aside the pension fund and the fixed asset fund, the underlying position of the Trust's general revenue funds was a surplus of £76K for the year.

At the start of the year, the opening position on the accumulated general funds was a surplus of £1.05M and at the year end the Trust is now carrying forward a cumulative surplus of £1.13M. This is represented by a cumulative surplus on unrestricted general funds of £224K and a cumulative surplus on restricted general funds of £903K.

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Trustees' Report
Year Ended 31 August 2021

Financial Performance (continued)

The Covid-19 global pandemic that affected our academies had a significant impact on the finances of the Trust as detailed previously in this report. The self-generated income received via childcare and catering was reduced considerably during the part closures of the education sector.

Further details are shown within the notes to the accounts.

Pension deficit fund

The pension deficit reserve relates to the non-teaching staff pension scheme, where, unlike the teachers' pension scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to the scheme benefits.

The movement on the pension deficit valuation for the year, as notified by the scheme actuary, was a further increase in the deficit of £1.53M, from £3.65M at the beginning of the year to £5.18M at the end of the year. The movement in the year is principally due to actuarial losses of some £1.05M. Further details are shown in the notes to the accounts.

Fixed assets fund

Capital grant of £485K was received from the DfE group in the year. Overall, the shortfall on the capital grant obtained versus the total capital expenditure incurred in the year was met by a transfer of £322K from General Funds.

After charging depreciation for the year of £171K, the fixed asset fund balance increased overall by £0.6M, from £9.1M at the beginning of the year to £9.7M at the end of the year.

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.

The Trust 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 Trust is relatively new and therefore its main consideration is to build 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 2021

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. 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. Update IT Disaster Recovery plan. Review Network and IT security policy. 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. 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>

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.

Future Generation Trust

Trustees' Report Year Ended 31 August 2021

Plans for Future Periods

The Trust will focus upon the following areas in the immediate future:

- **Expansion**

The Trust is currently involved with delivering system leader support to a vulnerable, local authority school. A funded partnership with the school has been agreed by the DfE and has the potential to lead to them joining our trust. Negotiations and discussions with other academies remain on-going.

- **Free School Proposal**

The Trust remains committed to the submission of an application for a Free School Presumption. A suitable opportunity for the Deanslade Farm site in Lichfield has been identified and an application will be made in 2022.

- **Financial Management**

The Trust will consider opportunities to centralise financial management as they emerge in both the accounting systems and the parent methods of payment. Uniform ways of working and cloud-based systems will support these moves and allow staff in locations away from the relevant academies to control operations.

- **Trading**

Following the successful introduction of school based in service training for non-trust staff, Future Generation Trust will explore other opportunities to develop and deliver a range of courses. These will include middle leadership courses and leadership conferences.

- **Lead Teachers**

The Trust will further develop curriculum support and collaborative working through the introduction of lead teaching roles in English and Maths. The roles will be appointed through a competitive process to attract high calibre staff to strengthen these subjects across all academies.

- **Trust Based Training**

The Trust will supplement the new Early Careers Framework with internal support programmes for the ECT's and mentors. Other training opportunities will be introduced for aspiring middle leaders, specific subject areas and SEN.

- **Classroom Provision**

Capacity issues at St. John's Primary Academy and Etching Hill CE Primary Academy will be addressed by the appropriate building programmes.

Funds Held as Custodian Trustee on Behalf of Others

The Trust 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, 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 9 December 2021 and signed on their behalf by:



F Dale
Chair of Trustees

Future Generation Trust

Governance Statement Year Ended 31 August 2021

Scope of Responsibility

As Trustees/Directors, we acknowledge we have overall responsibility for ensuring that Future Generation Trust has an effective and appropriate system of control, financial and otherwise. Such a system is, however, 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:

Trustee/Director	Meetings attended	Out of a possible
F Dale	6	6
P Woodhead	5	6
J Macey	5	6
S Ayres	6	6
H Southern	6	6
M Whitehouse	5	6
P Farrow	4	6
C Martin	6	6
C Steel	6	6
J Burns (appointed 17.09.20, resigned 27.08.21)	6	6
N Boys (appointed 06.10.20)	4	5

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.

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:

Trustee/Director	Meetings attended	Out of a possible
J Macey	4	4
M Whitehouse	2	4
P Farrow	3	4
C Martin	4	4
C Steel	3	4

Future Generation Trust

Governance Statement Year Ended 31 August 2021

Review of Value for Money

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

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

- **Central Office**

The natural evolution of the Trust in establishing itself as a separate entity to St. John's Primary Academy, the founder academy, and development of the Central Team roles and responsibilities presented a strong argument for the creation of a modest central office. A variety of options were available which included an office extension on the main St. John's Academy building, a rental agreement with a private company for office accommodation and a general feasibility study across other academy sites to identify opportunities to exploit.

Outline costs for all these aspects were considered and dismissed on the basis of value for money. A rental agreement offered little long-term security and did not invest in our own trust estate, the extension costs at St. John's were prohibitive based on the need for substantial, initial groundworks and structural work while it was deemed unlikely that a study of other academy sites was unlikely to prove fruitful given the local knowledge at our disposal, significantly around parking issues.

A further option to convert and enhance an existing separate build on the St. John's site offered a stronger value for money option. It provided the required floor space without high building costs and allowed the trust to have an identity detached from that of St. John's. Provision of services was supported by the original build and building time was not disrupted by working around pupil timetables and avoided costly delays. The project was eventually delivered on budget.

- **Rationalisation of Academy Administrative Software**

The CEO, CFO and academy headteachers carried out a full review of the market leaders in both Management Information Systems and online income management. The aim of this process was to select a 'best of breed' system that all academies would adopt. Rationalising our approach in this way provided the opportunity to obtain a discounted price based upon the number of academies who were going to buy-in and the ability to share training costs. There were also further opportunities for cross academy support, which potentially negated the need for additional cover costs in the event of staff absence. Once in place the uniform products could provide greater consistency and allow for comparative studies to be undertaken. This could in turn highlight best practice and share expertise within the trust.

Key administrative staff within the academies were also tasked with evaluating these commercial products and provide leaders with a 'shop-floor' view of their user friendliness and overall effectiveness. Representatives from the relevant companies were invited to 'pitch' their product and provide competitive tenders.

Initial training and system set up proved to be highly efficient once the products had been selected at the end of this robust process.

Future Generation Trust

Governance Statement Year Ended 31 August 2021

• **Lease Line Provision**

The new Central Office required investment in ICT Infrastructure to provide suitable business, broadband support. A leased line solution involving the rental of a dedicated connection that ensures that bandwidth remains fixed was considered the most appropriate solution.

This offered value for money in several ways. Firstly, it allowed remote IT systems employed by the trust to be reliable, avoiding unnecessary time wasting with low download speeds. It also presented FGT as professional and contemporary which in turn contributed to the overall image the trust wishes to promote of an effective, efficient and cutting-edge business.

A further financial advantage was the potential to incorporate a web-based phone system, offering low -cost multiple lines, with desktop and smartphone connectivity. This reduced call charges and provided a fully integrated system providing user friendly reports on call logs, instant messaging, and call recording. All these features contribute to allowing the Central Team to monitor and minimise costs.

The final advantage was that it offered the potential for the main academy site to 'piggy-back' the lease line when their broadband contract expired. This will allow monthly charges to be shared. The installation of the lease line incorporated future proofing measures to allow this option should the academy choose.

Once the lease line solution was decided upon a full and rigorous tendering exercise was undertaken with 4 main providers invited to submit project prices. The most competitive price was chosen from the received tenders and the work was completed on budget.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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.

Future Generation Trust

Governance Statement
Year Ended 31 August 2021

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

- Transaction testing (at each academy) in the following areas to ensure controls are in place and that transactions comply with the academy's financial regulations:
 - Payroll
 - Purchasing including credit cards
 - Expenses Income
- Review the "Must" areas of the Academies Financial Handbook.
- Accounting
 - Monthly reconciliations (including bank)
 - Financial reporting
 - ESFA financial returns

On a regular 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 2021/22 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. The addition of the separate Risk and Audit Committee in January 2022 will reinforce the focus in this area.

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 9 December 2021 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 2021

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 2020.

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 2020.

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



S Ayres
Accounting Officer

9 December 2021

Future Generation Trust

Statement of Trustees' Responsibilities

Year Ended 31 August 2021

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:

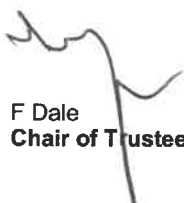
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 9 December 2021 and signed on its behalf by:



F Dale
Chair of Trustees

**Report of the Independent Auditors to the Members of
Future Generation Trust**

Opinion

We have audited the financial statements of Future Generation Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Report of the Independent Auditors to the Members of
Future Generation Trust**

Responsibilities of Trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011, the Charities SORP (FRS102) and the Accounts Direction and Academies Financial Handbook issued by the ESFA.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

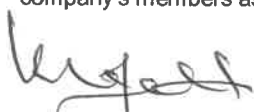
- making enquires of management and Trustees as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Use of our report

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



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

16 December 2021

**Independent Reporting Accountant's Assurance Report on Regularity to
Future Generation Trust and the Education and Skills Funding Agency**

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

This report is made solely to Future Generation Trust and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Future Generation Trust and the 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 26 February 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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


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

The work undertaken to draw 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.

Conclusion

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



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

16 December 2021

Future Generation Trust

**Statement of Financial Activities
For the year ended 31 August 2021**

	Note	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020/21 Total funds £'000	2019/20 Total funds £'000
Income and endowments from						
Donations and capital grants	2	59	-	411	470	306
Transfer from local authority on conversion		-	-	-	-	(253)
Charitable activities						
- Funding for the Trust's educational operations	3	109	7,259	-	7,368	6,673
Other trading activities	4	57	255	-	312	392
Investment income		-	-	-	-	4
Total income		225	7,514	411	8,150	7,122
Expenditure on						
Raising funds	5	-	-	-	-	172
Charitable activities						
- Educational operations	5	303	7,517	171	7,991	7,463
Other expenditure		-	-	-	-	-
Total expenditure		303	7,517	171	7,991	7,635
Net income/(expenditure)		(78)	(3)	240	159	(513)
Transfers between funds		-	(322)	322	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes		-	(1,050)	-	(1,050)	(264)
Net movement in funds		(78)	(1,375)	562	(891)	(777)
Reconciliation of funds						
Total funds brought forward		302	(2,899)	9,117	6,520	7,297
Total funds carried forward		224	(4,274)	9,679	5,629	6,520


The notes form part of these financial statements.

Future Generation Trust

Balance Sheet
For the year ended 31 August 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible fixed assets	12	9,303	9,117
Current assets			
Stock	13	22	15
Debtors	14	867	527
Cash at bank		1,638	1,373
		<hr/>	<hr/>
		2,527	1,915
Creditors			
Amounts falling due within one year	15	(890)	(864)
		<hr/>	<hr/>
Net current assets		1,637	1,051
		<hr/>	<hr/>
Total assets less current liabilities		10,940	10,168
Creditors: amounts falling due after more than one year	16	(134)	-
		<hr/>	<hr/>
Net assets excluding pension liability		10,806	10,168
Pension liability	20	(5,177)	(3,648)
		<hr/>	<hr/>
Total Net assets		5,629	6,520
		<hr/>	<hr/>
Funds			
Unrestricted funds:			
General fund	19	224	302
Restricted funds:			
General restricted funds	19	903	749
Restricted fixed asset funds	19	9,679	9,117
Pension reserve	19	(5,177)	(3,648)
		<hr/>	<hr/>
Total funds carried forward		5,629	6,520
		<hr/>	<hr/>

The financial statements were approved by the Board of Trustees on 9 December 2021 and were signed on its behalf:



F Dale
Chair of Trustees

Company Registration Number - 09440033

The notes form part of these financial statements.

Future Generation Trust

Statement of Cash Flows
For the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	23	4	142
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		4	142
		<hr/> <hr/>	<hr/> <hr/>
Cash flows from investing activities			
Interest received		-	4
Purchase of tangible fixed assets		(357)	(427)
Capital grants from DfE/ESFA		485	247
		<hr/>	<hr/>
Net cash provided by (used in) Investing activities		128	(176)
		<hr/> <hr/>	<hr/> <hr/>
Cash flows from financing activities			
New loans		151	-
Repayments of borrowing		(18)	-
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		133	-
		<hr/> <hr/>	<hr/> <hr/>
Change in cash and cash equivalents in the reporting period		265	(34)
Cash and cash equivalents at the beginning of the reporting period		1,373	1,407
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	23	1,638	1,373
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements.

Future Generation Trust

Notes to the Financial Statements For the year ended 31 August 2021

1 Accounting policies

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

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

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.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities are incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Future Generation Trust

Notes to the Financial Statements For the year ended 31 August 2021

1 Accounting policies

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, 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.

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

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial instruments

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

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

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

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

Fund accounting

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

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

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Future Generation Trust

Notes to the Financial Statements For the year ended 31 August 2021

1 Accounting policies

Pension benefits

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

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

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact upon the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted	Restricted	2021	2020
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Capital grants		485	485	247
Other donations	59	-	59	59
Transfer on conversion	-	(74)	(74)	-
	<u>59</u>	<u>411</u>	<u>470</u>	<u>306</u>

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

3 Funding for the academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
DfE/ ESFA grants				
General annual grant	-	5,332	5,332	4,806
Other DfE/ESFA grants				
Pupil Premium	-	254	254	231
UIFSM	-	247	247	192
Teachers pay grant	-	71	71	59
Teachers pension grant	-	188	188	158
Others	-	103	103	159
	-	6,195	6,195	5,605
Other Government grants				
Local authority grants	-	743	743	699
Special educational projects	-	184	184	216
	-	927	927	915
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	117	117	18
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme Grant	-	20	20	40
Other income from the academy trust's educational operations	109	-	109	95
	109	7,259	7,368	6,673

The academy received £117k of funding for catch-up premium and costs incurred in respect of this funding totalled £117k.

The Trust furloughed all of its wraparound childcare staff under the government's CJRS. The Funding received of £20k relates to staff costs in respect of 29 staff which are included within note 8 as appropriate.

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

4 Income from trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Hire of facilities	3	-	3	4
Other income	54	255	309	388
	57	255	312	392

5 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2021 Total £'000	2020 Total £'000
Raising funds	-	-	-	-	172
Academy's educational operations:					
Direct costs	5,342	-	145	5,487	5,217
Allocated support costs	1,576	325	603	2,504	2,246
	6,918	325	748	7,991	7,635

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

5 Expenditure - continued

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Auditors' remuneration	11	10
Auditors' remuneration for non audit work	4	1
Depreciation - owned assets	171	151
Operating lease rentals	13	13
	<u> </u>	<u> </u>

6 Charitable activities - academy's educational operations

	Unrestricted	Restricted	2021	2020
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Direct costs	-	5,487	5,487	5,217
Support costs	303	2,201	2,504	2,246
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	303	7,688	7,991	7,463
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	2021	2020
	£'000	£'000
Analysis of support costs		
Support staff costs	1,576	1,447
Depreciation	171	151
Technology costs	119	101
Premises costs	325	284
Other support costs	167	253
Governance costs	21	10
	<u> </u>	<u> </u>
	2,379	2,246
	<u> </u>	<u> </u>

7 Trustees' remuneration and benefits

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

		2021	2020
		£'000	£'000
Mr S Ayres (principal and trustee)	Remuneration	80-85	80-85
	Employer's pension	-	5-10
Mrs J Burns (Chief Financial Officer) (Trustee 17/09/20 to 27/08/21)	Remuneration	40-45	-
	Employer's pension	10-15	-

During the year ended 31 August 2021 no Trustee expenses have been incurred (2020: £Nil)

Future Generation Trust

Notes to the Financial Statements
For the year ended 31 August 2021

8 Staff costs

	2021	2020
	£'000	£'000
Wages and salaries	4,864	4,573
Social security costs	419	386
Operating costs of defined benefit pension schemes	1,595	1,467
	<hr/>	<hr/>
Agency staff costs	6,878	6,426
Staff restructuring costs	40	20
	<hr/>	<hr/>
	6,918	6,446
	<hr/> <hr/>	<hr/> <hr/>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2021	2021	2020	2020
	Average	FTE	Average	FTE
Teachers	65	58	67	53
Admin and support	164	89	159	95
Management	13	13	13	13
	<hr/>	<hr/>	<hr/>	<hr/>
	242	160	239	161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	2021	2020
	No.	No.
£60-001 - £70,000	-	2
£70-001 - £80,000	2	1
£80-001 - £90,000	1	-
	<hr/>	<hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was received by key management personnel for their services to the academy trust was £955,061 (2020: £881,722).

9 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2021 was £1,750 (2020: £1,750). The cost of this insurance is included in the total insurance cost.

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

10 Comparatives for the statement of financial activities 31 August 2020

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Income and endowments from				
Donations and capital grants	20	39	247	306
Transfer from local authority on conversion	208	(518)	57	(253)
Charitable activities				
Funding for the academy trust's educational operations	95	6,578	-	6,673
Other trading activities	104	288	-	392
Investment income	4	-	-	4
Total income	<u>431</u>	<u>6,387</u>	<u>304</u>	<u>7,122</u>
Expenditure on				
Raising funds	-	172	-	172
Charitable activities				
Academy trust educational operations	289	7,023	151	7,463
Other expenditure				
Total expenditure	<u>289</u>	<u>7,195</u>	<u>151</u>	<u>7,635</u>
Net income/(expenditure)	142	(808)	153	(513)
Transfers between funds	-	(181)	181	-
Other recognised gains (losses)/ gains:				
Actuarial (losses) / gains on defined benefit pension schemes	-	(264)	-	(264)
Net movement in funds	142	(1,253)	334	(777)
Reconciliation of funds				
Total funds brought forward	<u>160</u>	<u>(1,646)</u>	<u>8,783</u>	<u>7,297</u>
Total funds carried forward	<u>302</u>	<u>(2,899)</u>	<u>9,117</u>	<u>6,520</u>

Future Generation Trust

Notes to the Financial Statements
For the year ended 31 August 2021

11 Central services

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

- * Human Resources
- * Financial services
- * Legal services
- * Education support services
- * Other as arising

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

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

The actual amounts charged during the year were as follows:

	2021	2020
	£'000	£'000
St John's Primary Academy	117	124
Gentleshaw Primary Academy	34	28
St Peter's CE Primary Academy	76	69
Etching Hill CE Primary Academy	70	61
	297	282
	297	282

12 Tangible fixed assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At the 1 September 2020	9,175	151	43	244	9,613
Additions	326	9	18	4	357
Transfer	244	-	-	(244)	-
	9,745	160	61	4	9,970
Depreciation					
At the 1 September 2020	450	36	10	-	496
Charge for the year	140	15	16	-	171
	590	51	26	-	667
NBV					
At 31 August 2021	9,155	109	35	4	9,303
At 31 August 2020	8,725	115	33	244	9,117

Land is included in the total leasehold land and buildings valuation at £2,472,500 (2020: £2,472,500)

13 Stock

	2021	2020
	£'000	£'000
Stationery	12	11
Clothing	5	2
Catering	5	2
	22	15
	22	15

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

14 Debtors

	2021	2020
	£'000	£'000
Trade debtors	75	73
Prepayments and accrued income	678	344
VAT recoverable	36	32
Other debtors	78	78
	<u>867</u>	<u>527</u>

15 Creditors: falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	271	289
Other taxation and social security	99	92
Other creditors	203	190
Loans (see note 16)	17	-
Accruals and deferred income	300	293
	<u>890</u>	<u>864</u>

	2021	2020
	£'000	£'000
Deferred income		
At 1 September	194	99
Resources deferred	178	194
Amounts released from previous periods	(194)	(99)
	<u>178</u>	<u>194</u>

At the balance sheet date the academy trust was holding funds of £178,000 received in advance for UIFSM, rates relief, childcare and trip income.

16 Creditors: falling due after more than one year

	2021	2020
	£'000	£'000
Loans (see note 17)	134	-
	<u>134</u>	<u>-</u>

Included within creditors is a CIF loan of £35,918 from the Education and Skills Funding Agency which is provided to Gentleshaw Primary Academy on the following terms:

Loan duration (years):	3	Annual loan repayment:	£12,450
Interest rate (p.a.):	1.98%	Total loan repayment:	£37,350

Included within creditors is a CIF loan of £76,381 from the Education and Skills Funding Agency which is provided to St Peter's Primary Academy on the following terms:

Loan duration (years):	5	Annual loan repayment:	£16,200
Interest rate (p.a.):	1.99%	Total loan repayment:	£81,001

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

16 Creditors: falling due after more than one year (continued)

Included within creditors is a capital loan inherited on conversion which was provided to Etching Hill C of E Primary from Staffordshire County Council on the following terms:

Loan duration (years):	4	Annual loan repayment:	£12,500
Interest rate (p.a):	0.00%	Total loan repayment:	£50,000

Included within creditors is a salix loan inherited on conversion which was provided to Etching Hill C of E Primary from Salix Finance Limited on the following terms:

Loan duration (years):	8	Annual loan repayment:	£2,405
Interest rate (p.a):	0.00%	Total loan repayment:	£38,477

18 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£'000	£'000
Within one year	14	13
Between one and five years	36	54
	<hr/>	<hr/>
	50	67
	<hr/> <hr/>	<hr/> <hr/>

19 Analysis of net assets between funds

	Unrestricted fund	Restricted fund	Restricted fixed assets fund	Total funds 2021
	£'000	£'000	£'000	£'000
Fixed assets	-	-	9,303	9,303
Current assets	224	1,738	565	2,527
Current liabilities	-	(835)	(55)	(890)
Long term liabilities	-	-	(134)	(134)
Pension liability	-	(5,177)	-	(5,177)
	<hr/>	<hr/>	<hr/>	<hr/>
	224	(4,274)	9,679	5,629
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Unrestricted fund	Restricted fund	Restricted fixed assets fund	Total funds 2020
	£'000	£'000	£'000	£'000
Fixed assets	-	-	9,117	9,117
Current assets	302	1,567	46	1,915
Current liabilities	-	(818)	(46)	(864)
Pension liability	-	(3,648)	-	(3,648)
	<hr/>	<hr/>	<hr/>	<hr/>
	302	(2,899)	9,117	6,520
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

19 Movement in funds

	Balance at 1 September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and Transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	(166)	5,332	(3,941)	(322)	903
Other DfE/EFA grants					
Pupil premium	-	254	(254)	-	-
UIFSM	-	247	(247)	-	-
Teachers pay	-	71	(71)	-	-
Teachers pension	-	188	(188)	-	-
COVID Catch up	-	117	(117)	-	-
COVID JRS	-	20	(20)	-	-
Others	-	103	(103)	-	-
Local authority	-	927	(927)	-	-
Trading activities	915	255	(1,170)	-	-
	<u>749</u>	<u>7,514</u>	<u>(7,038)</u>	<u>(322)</u>	<u>903</u>
Restricted pension fund	<u>(3,648)</u>	-	<u>(479)</u>	<u>(1,050)</u>	<u>(5,177)</u>
	<u>(2,899)</u>	<u>7,514</u>	<u>(7,517)</u>	<u>(1,372)</u>	<u>(4,274)</u>
Restricted fixed asset funds					
Transfer on conversion	8,128	(74)	(42)	-	8,012
DfE/Capital grants	736	485	-	-	1,221
Capital expenditure from GAG	253	-	(129)	322	446
	<u>9,117</u>	<u>411</u>	<u>(171)</u>	<u>322</u>	<u>9,679</u>
Total restricted funds	<u>6,218</u>	<u>7,925</u>	<u>(7,688)</u>	<u>(1,050)</u>	<u>5,405</u>
Unrestricted funds	<u>302</u>	<u>225</u>	<u>(303)</u>		<u>224</u>
Total funds	<u>6,520</u>	<u>8,150</u>	<u>(7,991)</u>	<u>(1,050)</u>	<u>5,629</u>

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

General Annual Grant (GAG): must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.

Other Restricted General Funds: include payments made towards Academy trips.

The Pension Fund: is the (deficit)/ surplus in the Local Government Pension Scheme.

Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.

Unrestricted Funds: are all those income and expenses for general use in the Academy.

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

19 Movement in funds - continued

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'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)	-	-
	<u>778</u>	<u>6,905</u>	<u>(6,753)</u>	<u>(181)</u>	<u>749</u>
Restricted pension fund					
	<u>(2,424)</u>	<u>(518)</u>	<u>(442)</u>	<u>(264)</u>	<u>(3,648)</u>
	<u>(1,646)</u>	<u>6,387</u>	<u>(7,195)</u>	<u>(445)</u>	<u>(2,899)</u>
Restricted fixed asset funds					
Transfer on conversion	8,113	57	(42)	-	8,128
DfE/Capital grants	489	247	-	-	736
Capital expenditure from GAG	181	-	(109)	181	253
	<u>8,783</u>	<u>304</u>	<u>(151)</u>	<u>181</u>	<u>9,117</u>
Total restricted funds	<u>7,137</u>	<u>6,691</u>	<u>(7,346)</u>	<u>(264)</u>	<u>6,218</u>
Unrestricted funds	<u>160</u>	<u>431</u>	<u>(289)</u>	<u>-</u>	<u>302</u>
Total funds	<u>7,297</u>	<u>7,122</u>	<u>(7,635)</u>	<u>(264)</u>	<u>6,520</u>

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

19 Movement in funds - continued

Analysis by Fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£'000	£'000
St John's Primary Academy	473	488
Gentleshaw Primary Academy	23	62
St Peter's CE Primary Academy	208	84
Etching Hill CE Primary Academy	318	238
MAT central services	105	179
	<hr/>	<hr/>
Total before fixed assets and pension reserve	1,127	1,051
Restricted fixed asset fund	9,679	9,117
Pension reserve	(5,177)	(3,648)
	<hr/>	<hr/>
Total	5,629	6,520
	<hr/> <hr/>	<hr/> <hr/>

Analysis of academies by cost

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total 2021
	£'000	£'000	£'000	£'000	£'000
St John's Primary Academy	1,815	330	93	192	2,430
Gentleshaw Primary Academy	593	83	46	62	784
St Peter's CE Primary Academy	1,466	232	47	162	1,907
Etching Hill CE Primary Academy	1,465	215	82	181	1,943
MAT central services	-	720	-	36	756
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,339	1,580	268	633	7,820
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Future Generation Trust

Notes to the Financial Statements For the year ended 31 August 2021

20 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 Pension Schemes.

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

Contributions amounting to £122,459 were payable to the schemes at 31 August 2021 (2020: £64,587) and are included within creditors.

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

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

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 are:

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

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

The pension costs paid to TPS in the period amounted to £614,167 (2020: £567,319).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2021 was £615,000 (2020: £560,000), of which employer's contributions totalled £503,000 (2020: £454,000), and employees' contributions totalled £112,000 (2020: £106,000). The agreed contribution rates for future years are 25.2% for employers and a range of 5.5% to 9.9% for employees.

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

Future Generation Trust

Notes to the Financial Statements
For the year ended 31 August 2021

20 Pension and similar obligations - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Present value of obligations	(10,422)	(7,472)
Fair value of plan assets	5,245	3,824
	<hr/> (5,177)	<hr/> (3,648)
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Current service costs	917	383
Net interest from net defined benefit asset/liability	65	59
	<hr/> 982	<hr/> 442
	<hr/> <hr/>	<hr/> <hr/>
Actual return on plan assets	<hr/> 771	<hr/> 63
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Defined benefit obligation - brought forward	7,472	4,759
Conversion of academy trusts	-	1,380
Current service cost	917	838
Contributions by scheme participants	113	106
Interest cost	135	123
Actuarial losses(gains)	1,821	296
Benefits paid	(36)	(30)
	<hr/> 10,422	<hr/> 7,472
	<hr/> <hr/>	<hr/> <hr/>

Future Generation Trust

Notes to the Financial Statements
For the year ended 31 August 2021

20 Pension and similar obligations - continued

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

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Fair value of scheme assets - brought forward	3,824	2,335
Business combinations	-	862
Interest income	70	64
Actuarial gains	771	32
Employer contributions	503	455
Employee contributions	113	106
Benefits paid	(36)	(30)
	<hr/>	<hr/>
	5,245	3,824
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Actuarial (losses)/ gains	(1,050)	(264)
	<hr/>	<hr/>
	(1,050)	(264)
	<hr/> <hr/>	<hr/> <hr/>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
Equities	71%	68%
Government bonds	19%	20%
Property	7%	8%
Cash/liquidity	3%	4%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate	1.65%	1.70%
Future salary increases	3.30%	2.60%
Future pension increases (CPI)	2.90%	2.20%

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

	At 31 August	At 31 August
	2021	2020
Retiring today		
Males	21.4	21.2
Females	24.0	23.6
Retiring in 20 years		
Males	22.5	22.1
Females	25.7	25.0

Future Generation Trust

**Notes to the Financial Statements
For the year ended 31 August 2021**

20 Pension and similar obligations - continued

Sensitivity analysis as at 31 August 2021

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows:

	2021	2020
	£'000	£'000
Discount rate -0.1% (2020:0.5% decrease)	271	1,007
1 year increase in member life expectancy	417	-
Salary increase rate +0.1% (2020: 0.5% increase)	30	119
Pension increase rate +0.1% (2020: 0.5% increase)	237	866

21 Related party disclosures

Owing to the nature of the academy 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.

There were no other related party transactions for the year ended 31 August 2021 other than certain Trustees' remuneration and expenses already disclosed in note 7.

22 Capital commitments

	2021	2020
	£'000	£'000
Contracted for, but not provided in the financial statements	561	167

23 Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£'000	£'000
Net income for the reporting period (as per the Statement of Financial Activities):	159	(513)
Adjustments for:		
Depreciation charge	171	151
Capital grants from DfE/ESFA	(485)	(247)
Interest receivable	-	(4)
Donated tangible fixed assets	-	(57)
(Increase)/ decrease in stock	(7)	1
Decrease/(increase) in debtors	(340)	(278)
Increase/(decrease) in creditors	27	129
Defined pension scheme obligation inherited	-	518
Defined benefit pension scheme cost less contributions payable	414	383
Defined benefit pension scheme finance cost	65	59
Net cash (used in)/provided by operations	4	142

Future Generation Trust

Notes to the Financial Statements
For the year ended 31 August 2021

24 Analysis of changes in net funds

	At 1/9/20	Cash flow	Non cash	At 31/8/21
	£'000	£'000	changes	£'000
			£'000	
Cash and cash equivalents	1,373	265	-	1,638
	<u>1,373</u>	<u>265</u>	<u>-</u>	<u>1,638</u>
Loans falling due within one year	-	(18)	35	17
Loans falling due after more than one year	-	-	134	134
	<u>1,373</u>	<u>247</u>	<u>169</u>	<u>1,789</u>

25 Members' liability

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