

Frontier Learning Trust

Consolidated Annual Report and Financial Statements

Period to 31 August 2021

Company Limited by Guarantee
Registration Number
12935907 (England and Wales)

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Reference and administrative information

Members	Mr T Attwood Prof M Dallman (Chair) Mr P Green Mr I Phillips Ms I Rubasingham MBE
Trustees	Ms S Alibhai (appointed 12 April 2021) Prof R Craster Mrs D Goldring (until 31 August 2021) Mr P Green (Chair) Ms L Harrison Mr R Henrywood (from 1 September 2021) Mrs L Horbye Mr A Marrocco Mr J Marshall Mrs H Pettifor OBE Mr J Rubinstein (until 30 April 2021) Mr J Ruff Mr Z Shaikh Ms E Smith Mr A Tebbutt
Clerk to the Trustees and Company Secretary	Mrs B Yap
Leadership Team	Ms S Alibhai (Principal and CEO) Mr I Hooper (Vice Principal) Ms L Hussain (Assistant Principal, Student Services) Ms C Mugridge (Assistant Principal, Finance) Mr P Thompson (Assistant Principal, Curriculum) Mr J Rubinstein (Principal) (until 30 April 2021)
Registered address	Woodhouse College Woodhouse Road North Finchley London N12 9EY
Company registration number	12935907
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers National Westminster Bank plc
768 High Road
London
N12 9NZ

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Solicitors Eversheds Sutherland (International) LLP
Eversheds House,
70 Great Bridgewater Street
Manchester
M1 5ES

Trustees Report

The Trustees present their annual report together with the financial statements and auditor's report of Frontier Learning Trust (the Academy Trust) and the Group for the period from incorporation, 7 October 2020, to 31 August 2021. The Group currently consists of Frontier Learning Trust (which includes Woodhouse College) and Woodhouse College Trading Limited. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law. On 1 January 2021, the activities and assets of Woodhouse College were transferred to Frontier Learning Trust and a new governance structure was established.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 35 of the attached financial statements and comply with the Academy's Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

Chair's Introduction

These accounts mark the start of a new life for Woodhouse College, as part of Frontier Learning Trust (FLT), the multi academy trust that will include the Imperial College London Mathematics School (ICLMS), which is expected to open in September 2023. The Trust was incorporated on 7 October 2020; Woodhouse College academised and transferred its activities and assets into Frontier Learning Trust on 1 January 2021. This included the transfer of ownership of Woodhouse College Trading Limited to the Trust.

2021 has proven to be a challenging year for all schools and colleges, given the ongoing pandemic and related issues around testing, isolating, online teaching & learning, Teacher Assessed Grades, etc. Despite these challenges, the staff and students coped incredibly well, adapting when necessary, often at short notice of new government instruction regarding Covid management and risk mitigation. A level results were amongst the best the College has produced, after rigorous testing, robust assessments, cautious quality assurance and careful consideration for every single student. The appeal process was managed professionally and diligently. Communication with staff, students, parents and carers was excellent throughout.

During this period of change and challenge, FLT also saw a new Chief Executive Officer and Woodhouse Principal. Sugra Alibhai succeeded John Rubinstein. Sugra has settled quickly into the new role, ably assisted by the Senior Leadership Team and other support staff.

Despite the difficulties of the pandemic, the Trust's finances are in a healthier position than we have seen for some years. Loss of letting income and other Covid-related costs (testing, cleaning, providing IT support) were offset by some emergency grants and savings from cancelling external exams. The net result in relation to these areas was fairly neutral. However, income was higher due to the increase in base rate per student, combined with extra grant money for STEM A level students. The ability to reclaim more VAT on expenditure and council taxes added to the surplus.

Trustees' report Period to 31 August 2021

The academisation process created a new governance structure. FLT is now made up of a Members Board, a Trustee Board and Local Governing Body Boards for both Woodhouse College and ICLMS. As we move into the first full academic year for FLT, the Trustee Board will create a sub-committee: Finance & Operations, to scrutinise management accounts and the budget process in more detail than is possible at Trustee level. The other sub-committees include Audit & Compliance; Remuneration; and Search & Governance. The quality and standard of teaching & learning is reviewed and scrutinised at Local Governing Body level.

The Trustee Board is satisfied that FLT is managed effectively by its senior leaders and that it is financially viable, with healthy cash reserves. Careful monitoring of the ICLMS budget will be essential as the new maths school requires financial support during pre-open. The ESFA provides a Project Development Grant and an Outreach Grant to assist with the set-up costs.

I would like to thank the staff and students of Woodhouse College and Frontier Learning Trust for their indefatigable perseverance and effort during the most difficult of years. I would also like to thank the Trustees of FLT, the Governors of Woodhouse College, and my colleagues at Imperial College London for their constant support and commitment

A handwritten signature in black ink, appearing to read 'Peter Green', with a long horizontal stroke underneath.

Peter Green - Chair of Trustees

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Frontier Learning 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 Academy Trust. The Trustees of Frontier Learning Trust are also directors of the charitable company for the purposes of company law. The charitable company operates as Frontier Learning Trust and Woodhouse College.

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

Responsibilities of Members, Trustees and local governing bodies

The Members are the guardians of the constitution and charitable object of the Trust. The key roles of the Members are to:

- Appoint and remove Members and Trustees
- Approve any changes to the Articles of Association
- Meet annually and hold Trustees to account and receive the annual report from the CEO and CFO of the Trust.

The Trust is governed by the Board of Trustees who have overall responsibility for the academic, financial, and operational performance of the Trust.

In order to support the effective operation of the Trust and the individual academies, the Board has established a number of committees to which it has delegated certain of its powers and functions. These terms of reference set out the constitution, membership and proceedings of the committees the Board has established. In summary, the Board has established two different types of committee:

- Trust Board Committees:
 - Audit & Compliance: to maintain an oversight of the Trust's compliance with statutory and contractual obligations and to maintain an oversight of the governance, risk management, internal control and value for money frameworks.
 - Search & Governance: to ensure that the governance structures are effective and that individuals with appropriate skillsets are recruited and developed.
 - Remuneration: responsible for determining the remuneration of the CEO/Principal, Deputy CEO/Vice-Principal and Clerk.
 - Finance & Operations: (from 1 September 2021) to scrutinise the management accounts, budgets, cashflow reports and balance sheet, before making recommendations to the Trust Board.

Trustees' report Period to 31 August 2021

- Local Governing Bodies (LGB) will focus upon safeguarding and student wellbeing, educational provision and performance, quality and standards, operational management, and community engagement at the school(s) that it oversees. A LGB is collectively accountable to the Trustees for effective oversight of its academy school, and is accountable for decisions that it makes under delegated authority from the Trustees.

The Trust is operated on a day-to-day basis by the Trust's Senior Leadership Team which consists of:

- Principal of Woodhouse College / CEO of Frontier Learning Trust
- Vice Principal of Woodhouse College / Deputy CEO of Frontier Learning Trust
- Assistant Principal, Curriculum Assistant Principal, Student Services
- Assistant Principal, Finance

The Principal is also the Accounting Officer, and the Assistant Principal, Finance is the CFO.

Members' liability

Every member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust, provided that such insurance shall not extend to any claims arising from any act or omission which the Trustees knew to be a breach of trust breach of duty or not, and provided also that such insurance should not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

Principal activities

Frontier Learning Trust is a multi-academy trust, which currently operates one 16-19 Academy, Woodhouse College. Woodhouse College is a sixth form providing A' Level education and serving students across North London and south Hertfordshire.

Frontier Learning Trust will also operate the Imperial College London Mathematics School (ICLMS), when it opens in September 2023.

Trustees' report Period to 31 August 2021

Trustees

The following Trustees were in office at the date of approval of these financial statements and served throughout the period except where shown.

Trustee	Appointed/Resigned	Appointing body
Ms S Alibhai	12 April 2021	Ex Officio
Prof R Craster	7 October 2020	Imperial College London
Mrs D Goldring	1 January 2021 / 31 August 2021	Member Appointed
Mr P Green (Chair)	1 January 2021	Member Appointed
Ms L Harrison	1 January 2021	Member Appointed
Mrs R Henrywood	1 September 2021	Member Appointed
Mrs L Horbye	1 January 2021	Member Appointed
Mr A Marrocco	1 January 2021	Member Appointed
Mr J Marshall	1 January 2021	Member Appointed
Mrs H Pettifor OBE	7 October 2021	Member Appointed
Mr J Rubinstein	1 January 2021 / 30 April 2021	Ex Officio
Mr J Ruff	1 January 2021	Member Appointed
Mr Z Shaikh	1 January 2021	Member Appointed
Ms E Smith	7 October 2021	Imperial College London
Mr A Tebbutt	1 January 2021	Imperial College London

Method of recruitment and appointment or election of Trustees

Article 46 of the Articles of Association states that the Trust shall have up to 10 Trustees appointed by ordinary resolution of the Members, up to 3 Trustees appointed by Imperial College London and the Chief Executive Officer as ex-officio. In addition to this, the Trust may also appoint Co-opted Trustees as set out in Article 58.

Policies and procedures adopted for the induction and training of Trustees

Trustees are issued with a number of key documents and policies on appointment, which includes the Scheme of Delegation, Conflict of Interest Policy and Trustee Code of Conduct. Trustees are required to undertake training on safeguarding and finance and attend the Trust's Annual Strategy & Training Event.

Arrangements for setting pay and remuneration of key management personnel

Decisions around the pay of Senior Post Holders (CEO/Principal, Deputy CEO/Deputy Principal and the Clerk/Company Secretary) are made by the Remuneration Committee. The Committee takes into account national pay awards and considers national and local benchmarking data provided by the SFCA.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Trust to publish information on facility time arrangements for trade union officials at the College. In the academic year beginning in September 2021 the College had 100 FTE staff and one relevant union representative who worked on behalf of NEU members. The work done by this representative is in addition to their salaried work for the College, therefore both the actual number of salaried hours and the percentage of the pay bill spent on facility time was zero.

Connected organisations, including related party relationships

The Trust has entered into an agreement with Imperial College London in connection with the opening of Imperial College London Mathematics School (ICLMS), which is due to open in September 2023. As part of that agreement, 3 trustees are appointed by Imperial College London (ICL). ICL does not exercise control or significant influence over the Trust's decisions and operations. The Trust ensures that all Related Party Transactions are carried out in accordance with the Academies Handbook.

Woodhouse College has a number of partner schools, one of these is The Archer Academy. The Headteacher of The Archer Academy serves as a Trustee.

OBJECTIVES AND ACTIVITIES

Objects and aims

Mission

Frontier Learning Trust is a sixth form academy trust that inspires and enable ambitious young people from all backgrounds to progress to top class destinations at universities and in their careers.

Objectives

Implementation of strategic plan

In July 2020, the College adopted a strategic plan for the period 1 August 2020 to 31 July 2021, being the accounting period of the Woodhouse College prior to academisation. This strategic plan included financial, educational and campus development plans. The Corporation monitored the performance of the College against these plans. The College's continuing strategic objectives were to:

1. Maintain and improve academic standards
2. Review and improve pastoral support systems
3. Pursue the maths school project with Imperial College London
4. Develop plans for financial viability beyond 2020
5. Attract and retain good staff
6. Maintain and extend reputation of Woodhouse College

The College's specific targets for 2020/21 and achievement of those targets are addressed below.

	2020-21 Targets	2020-21 Actual
1. Student Enrolments at census date	1,460	1,475
2. Retention (whole student)	97%	96%
3. A Level High Grade Rates	70%	79%
4. Student Attendance	95%	96.2%
5. Student satisfaction (would recommend)	95%	96%
6. Proportion of UCAS acceptances of firm or insurance offer	80%	80%
7. Progression Russell Group Universities	60%	64%
8. Level 3 VA Score/ALPS	0.10/3	N/A/2
9. Average AS/AL class size (exc. music)	20.0	19.8
10. Overall effectiveness	Outstanding	Outstanding
11. Financial Status (based on College calculations)	Outstanding	Outstanding

Public Benefit

In setting and reviewing the Trust's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Trust provides the following identifiable public benefits for the advancement of education:

- High-quality teaching
- Widening participation
- Strong student support systems
- Excellent record of employment for students
- Links with employers, industry and commerce

ACHIEVEMENTS AND PERFORMANCE

Key financial performance indicators

The financial aim of the Trust is to keep expenditure within the income received and to manage finances in general on a prudent basis. More specifically, the Trust's financial objectives are:

- To hold a minimum of 90 days' cash
- Payroll as a proportion of total income not to exceed 75%
- Capital expenditure (net of capital grants) as a % of operating surplus should not exceed 80% (using a three-year average)
- Operating Surplus to be at least 4% of total income
- To have no debt
- To have a current ratio of at least 1.6

Performance against these objectives are reported within the financial review below.

Student Numbers

In 2020/21 Woodhouse College had 1,475 students enrolled at the census date against a target of 1,460. In October 2021, 1,473 students were enrolled against a target of 1,480.

Covid-19

The Covid-19 pandemic has had a significant impact on the life of the College. The College operated under a revised timetable to limit the number of students and staff at any one time. Teaching had to be provided remotely as a result of government restrictions, during the period from January until March 2021. Public exams were cancelled and students were awarded Teacher Assessed Grades. Mass testing of students was organised in March 2021 and again in September.

Lettings income was significantly reduced as a result of lockdowns.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Group and Trust has adequate resources to continue in operational existence for the foreseeable future; in particular for a period of not less than one year from the date of approval of these financial statements. It has therefore adopted the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the principal accounting policies.

The continued provision of education is dependent on the ongoing funding by the Education and Skills Funding Agency (ESFA) of the Department for Education of which there is reasonable expectation of it continuing for the foreseeable future.

Financial review

Financial report for the period

These results are for the period from 7 October 2020, the date of incorporation, to 31 August 2021. The Company commenced trading on 1 January 2021 and generated a surplus before other gains and losses for the period of £10,945,000. Excluding the recognition of the assets and liabilities transferred from the former Woodhouse College Corporation to Frontier Learning Trust on conversion of £10,790,000, the operational surplus for the period was £125,000.

At the end of the period ended 31 August 2021 the Trust had met its financial objectives. The results were:

- Cash reserves of £3.1m, equivalent to 144 days of expenditure
- Payroll costs were 72% of total income
- Capital expenditure (net of capital grants) is 31% of operating surplus (before gains, depreciation and FRS 102 pension adjustments) (using a three-year average)
- Financial Health operating surplus before other gains and depreciation and FRS 102 pension adjustments of 11%
- No debt
- A current ratio of 4.2: 1

Reserves policy

The Trustees are aware of the requirement to balance current and future needs and has an approved Reserves Policy. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2.4m. This is mainly made up of balances transferred from Woodhouse College Corporation. The reserves policy stipulates a minimum level of free reserves of £500,000. This policy will be reviewed during the course of 2021/22.

The Trustees review a medium-term financial plan for the trust, and they will use these financial projections to develop the Reserves Policy during the course of the next academic year.

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Trust is recognising a significant pension fund deficit of £3.5m. This does not mean that an immediate liability for this amount crystallises. Such a deficit generally results in a cashflow effect in the form of increased employer contributions over a number of years.

Investment policy

The Trust monitors its cashflow so that funds not required in the short term for day-to-day operations can be identified and placed in longer term notice deposit accounts with the Trust's bankers. The notice periods on these accounts are typically between one and sixth months.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust had undertaken further work during the period to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the Group and the Trust's assets and reputation.

Based on the strategic plan, the College's Senior Leadership Team ('SLT') undertook a comprehensive review of the risks to which the Group and Trust were exposed. SLT identified systems and implements procedures, including specific actions which would mitigate any potential negative impact on the Group and Trust. In addition to the annual review, SLT also considered any risks which could arise as a result of a new area of work being undertaken by the Group and Trust.

A risk register was maintained at the Trust level and reviewed by the Audit Committee. The risk register identified the key risks, the likelihood of those risks occurring, their potential impact on the Group and the actions being taken to reduce and mitigate the risks. Risks were prioritised using a consistent scoring system. A report on risks, including any update, was considered at committee and Board meetings.

Outlined below is a description of the principal risk factors that could have affected the Group and Trust. Not all the factors were within the Group and Trust's control.

- Student enrolment significantly under target
- Student enrolment significantly over target in some courses
- Major safeguarding and/or radicalisation incident
- Premises disaster
- Failure of ICT services, InfoSec and other IT risks
- Fraud or failure of financial systems
- Reduction in Ofsted grade
- Poor achievement & progression
- Shortage in recruitment of high calibre staff/trustees
- Loss of morale of staff
- Data breach/GDPR infraction
- Pandemic causing disruption to staff, students and normal college operations

Government funding

The Group and Trust had considerable reliance on continued government funding through the ESFA. In 2020/21, 97% (Woodhouse College, year to 31 July 2020 – 95%) of the Group's revenue was publicly funded and this level of requirement is expected to continue.

The Trust is aware of several issues which may impact on future funding, including:

- The effect of increasing competition in the local sixth form landscape
- The impact of inflation and salary increases
- The constraints of accommodation on the ability to grow student numbers

The College has discussed in the 2019-22 strategic plan how it will mitigate against the risks of inadequate funding.

PLANS FOR FUTURE PERIODS

The Trust is due to open its second academy, Imperial College London Mathematics School (ICLMS) in September 2023. ICLMS will be a small specialist 16-19 Maths school. It will offer a specialist curriculum in maths, further maths, chemistry and physics for high attaining students from diverse backgrounds.

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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 Trustees' report, incorporating a strategic report, was approved by the Trustees on and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Peter Green', is written over a vertical yellow line. The signature is stylized and cursive.

Peter Green - Chair of Trustees

Date: 6th December 2021

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring that 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 Academy Trust and the Secretary of State for Education. The Academy Trust's Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal controls

Governance

The Board of Trustees has formally met five times during the period. Oversight of the Trust's finances was carried out at Board level but a Finance & Operations Committee will be introduced in 2021-22. As the Trust has only been in place since January, the number of meetings has varied from that of a full year with the Audit & Compliance Committee meeting twice and the Search & Governance Committee meeting once. The Remuneration of Senior Post Holders was agreed shortly before academisation, meaning that the Remuneration Committee did not meet during this period. Attendance during the period at meetings of the Board of Trustees and attendance at the other committees is listed below.

Trustee	Meetings attended	Out of a possible
Ms S Alibhai	2	2
Prof R Craster	5	5
Mrs D Goldring	5	5
Mr P Green (Chair)	5	5
Ms L Harrison	5	5
Mrs R Henrywood	-	-
Mrs L Horbye	5	5
Mr A Marrocco	5	5
Mr J Marshall	3	4*
Mrs H Pettifor OBE	5	5
Mr J Rubinstein	3	3
Mr J Ruff	4	4
Mr Z Shaikh	5	5
Ms E Smith	5	5
Mr A Tebbutt	5	5

**Leave of absence granted for paternity leave*

Audit & Compliance Committee

Trustee	Meetings attended	Out of a possible
Mrs L Horbye	1	2
Mr Z Shaikh	2	2
Ms E Smith	2	2
Mrs F Esuola (associate member)	1	2
Mr M Konneh (associate member)	2	2
Ms A Hille (associate member)	2	2
Ms H Dixon (associate member)	2	2

Search & Governance Committee

Trustee	Meetings attended	Out of a possible
Ms S Alibhai	1	1
Mrs D Goldring	1	1
Mr P Green (Chair)	1	1
Mr A Marrocco	1	1
Mrs H Pettifor OBE	1	1
Mr Z Shaikh	-	1
Mr A Tebbutt	1	1

Governance review

The Chair and Clerk conducted one-to-ones with all existing governors to identify areas for improvement. In addition, the Trust conducted self-assessments for both the Local Governing Body Governors and the FLT Trustees. The feedback from these assessments was considered by the Search & Governance Committee and also formed the basis of the Annual Strategy & Training Event. The Search & Governance Committee has discussed an external review of governance but will wait until the new governance structure has bedded in.

During the period the Trust's Internal auditors included a review of the governance as part of their Internal scrutiny work. The findings of this review showed that the Trust has appropriate procedures in place.

Review of Value for Money

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

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

Governance statement Period to 31 August 2021

The Trust sought Value for Money through the Covid-19 pandemic and worked with its Catering and Cleaning providers to agree appropriate contractual compromises and contractual decisions which represented the decisions of both parties and allowing the contractors to make the best decisions for their staff. At the same time as ensuring value for money for the Trust.

During the period the Trust moved from its previous insurance provider to the Risk Protection Assurance scheme which will reduce insurance costs in the coming year.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the period ended 31 August 2021 and up to the date of approval of the annual report and financial statements. In accordance with revised requirements to deliver internal scrutiny in the way most appropriate to its circumstances, the Trustees use an outsourced internal audit service. This complies with the Financial Reporting Council's revised Ethical Standard. The firm providing internal audit services is different from the firm providing external audit services.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- the feedback from the internal auditor visits (three times annually);
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;

Governance statement Period to 31 August 2021

- delegation of authority and segregation of duties;
- monthly account reporting to Trustees;
- benchmarking against other similar sixth forms; and
- identification and management of risks.

The Trustees considered the need for a specific internal audit function and appointed UHY Hacker Young to undertake this role in the financial period.

Review of effectiveness

As Accounting Officer, the Academy Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

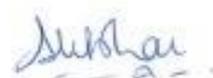
- the internal assurance work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources and Audit & Compliance Committee of the implications arising from reviews of the system of internal control. Following the internal reviews by UHY Hacker Young, no significant control issues were identified. All recommendations for improved practice have been acted upon and are now in place.

Approved by order of the Trustees on 6th December 2021 and signed on their behalf by:



Peter Green
Chair of Trustees



Sugra Alibhai
Accounting Officer

Statement of regularity, propriety and compliance 31 August 2021

As Accounting Officer of Frontier Learning Trust, I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency of any material irregularity, impropriety or non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy 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 Academy Trust board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of irregularity, impropriety or funding non-compliance were discovered.



Sugra Alibhai
Accounting Officer

Date: 6th December 2021

Statement of Trustees' responsibilities 31 August 2021

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

Company law requires the Trustees to prepare financial statements for each financial period. 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 Academy Trust 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 (FRS 102) and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 Academy Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust 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 Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended. The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 6th December 2021 and signed on their behalf by:



Peter Green -Chair of Trustees

Independent auditor's report to the members of Members of Frontier Learning Trust

Opinion

We have audited the financial statements of Frontier Learning Trust (the 'charitable parent company') and its subsidiary (the 'group') for the period ended 31 August 2021 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2021, and of the group's income and expenditure for the period 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group 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 group or charitable parent 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.

Conclusions relating to going concern(continued)

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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 group's and the charitable parent 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 Trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the Academy Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and the subsidiary company directors' meetings and papers provided to the Trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings and subsidiary company directors' meetings;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 14 December 2021

Independent reporting accountant's assurance report on regularity to Frontier Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 July 2021 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 Frontier Learning Trust during the period from 7 October 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 Frontier Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Frontier Learning 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 Frontier Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Frontier Learning Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Frontier Learning Trust's funding agreement with the Secretary of State for Education 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 from 7 October 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 7 October 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.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 14 December 2021

Consolidated statement of financial activities Period to 31 August 2021
(including income and expenditure account)

	Notes	Restricted funds			2021 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000	
Income from:					
Donations and capital grants					
. Other	1	15	—	162	177
. Transfer upon conversion	1	2,255	(3,666)	12,201	10,790
Charitable activities					
. Funding for the Academy Trust's educational operations	2	36	5,632	—	5,668
Other trading activities	3	81	—	—	81
Investments	4	3	—	—	3
Total income		2,390	1,966	12,363	16,719
Expenditure on:					
Raising funds	5	22	—	—	22
Academy Trust's educational operations	6	—	5,445	307	5,752
Total expenditure	5	22	5,445	307	5,774
Net income (expenditure)	5	2,368	(3,479)	12,056	10,945
Transfers between funds	14	—	(89)	89	—
Other recognised gains					
Actuarial gains on defined benefit pension scheme	18	—	472	—	472
Net movement in funds		2,368	(3,096)	12,145	11,417
Reconciliation of funds					
Total fund balances brought forward at 7 October 2020		—	—	—	—
Total fund balances carried forward at 31 August 2021		2,368	(3,096)	12,145	11,417

All of the Academy Trust's activities derived from operations which commenced during the above period.

All recognised gains and losses are included in the statement of financial activities.

Balance sheets 31 August 2021

	Notes	2021	
		Group £'000	Trust £'000
Fixed assets			
Tangible fixed assets	11	12,145	12,145
Investments	10	—	—
		<u>12,145</u>	<u>12,145</u>
Current assets			
Debtors	12	419	457
Cash at bank and in hand		3,110	3,048
		<u>3,529</u>	<u>3,505</u>
Liabilities			
Creditors: amounts falling due within one year	13	(748)	(724)
Net current assets		<u>2,781</u>	<u>2,781</u>
Net assets excluding pension scheme liability		<u>14,926</u>	<u>14,926</u>
Pension scheme liability	19	(3,509)	(3,509)
Total net assets		<u>11,417</u>	<u>11,417</u>
Funds of the Academy Trust			
Restricted funds			
. Fixed assets fund		12,145	12,145
. Restricted income funds		413	413
. Pension reserve		(3,509)	(3,509)
Total restricted funds	14	<u>9,049</u>	<u>9,049</u>
Unrestricted income funds			
General fund		2,368	2,368
Total funds	14	<u>11,417</u>	<u>11,417</u>

The financial statements on page 27 to 48 were approved by the Trustees, and authorised for issue on 6th December 2021 and are signed on their behalf by:



Peter Green
Chair of Trustees

Frontier Learning Trust
Company Limited by Guarantee
Registration Number: 12935907 (England and Wales)

Consolidated statement of cash flows Period to 31 August 2021

		2021 £'000	
Net cash inflow from operating activities			
Net cash provided by operating activities	A	3,229	
Cash flows from investing activities			
	B	(119)	
Change in cash and cash equivalents in the period		3,110	
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 7 October 2020		—	
Cash and cash equivalents at 31 August 2021		3,110	
A Reconciliation of net income to net cash flow from operating activities			
		2021 £'000	
Net income for the period (as per the statement of financial activities)		10,945	
Adjusted for:			
Depreciation charges (note 11)		307	
Capital grants from DfE and other capital income		(129)	
Interest receivable (note 4)		(3)	
Fixed assets inherited on conversion		(12,201)	
Defined benefit pension deficit inherited		3,666	
Defined benefit pension scheme cost less contributions payable (note 19)		282	
Defined benefit pension scheme finance cost (note 19)		33	
Increase in debtors		(419)	
Increase in creditors		748	
Net cash provided by operating activities		3,229	
B Cash flows from investing activities			
		2021 £'000	
Dividends, interest and rents from investments		3	
Purchase of tangible fixed assets		(251)	
Capital grants from DfE/ESFA		129	
Net cash used in investing activities		(119)	
C Analysis of cash and cash equivalents			
		2021 £'000	
Cash at bank and in hand		3,110	
Total cash and cash equivalents		3,110	
D Analysis of changes in net cash (debt)			
	At 7 October 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Total: cash	—	3,110	3,110

Statement of 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 preparation

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

Frontier Learning Trust meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The consolidated statement of financial activities and group balance sheets consolidate the financial statements of the company and those of its subsidiary, Woodhouse College Trading Limited, made up at the balance sheet date. No separate statement of financial activities has been prepared for the Academy Trust, as permitted by section 408 of the Companies Act 2006 and Charities SORP (FRS 102).

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 company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

Income (continued)

Grants (continued)

The General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

Assets inherited upon conversion

Where assets and liabilities are received on the transfer of an existing entity into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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.

Expenditure on raising funds

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

Charitable activities

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 Trust's depreciation policy.

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

◆ Freehold buildings	2% to 6.67% per annum
◆ Building improvements	5% to 20% per annum
◆ Fixtures, fittings and equipment	20% per annum
◆ IT equipment	20% per annum

The condition of freehold buildings inherited by the Academy Trust were assessed upon receipt. They have been depreciated over their assessed useful economic life, which ranges from 15 to 50 years based on the condition of the building. Other assets inherited upon conversion have been received part way through their useful economic life. These assets are being depreciated using the above rates of depreciation, however they have been assessed as having a shorter remaining useful economic life at the date of receipt.

A full year's depreciation is charged in the period of acquisition. None is charged in the period of disposal.

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.

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. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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 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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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.

Designated funds represent resources that have been set aside by Trustees for specific future purposes.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received whereby the donor has imposed restrictions on the use of funds.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

- ◆ The useful economic lives of tangible fixed assets have been estimated in accordance with the policy.
- ◆ 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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- ◆ The Academy Trust has estimated the impact of the Covid-19 pandemic on its future income and expenditure flows and on its short to medium term financial stability in assessing going concern.

Critical areas of judgement

There have been no judgements made in the preparation of these financial statements that are considered to have had a significant impact on the amounts recognised.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	—	129	129
Donated fixed assets	—	—	33	33
Other donations	15	—	—	15
Transfers on conversion (note 21)	2,255	(3,666)	12,201	10,790
	2,270	(3,666)	12,363	10,967

Donated fixed assets relates to laptops received from the ESFA. These have been capitalised by the Academy Trust based on their estimated value.

2 Funding for Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
DfE / ESFA grants			
General Annual Grant (GAG)	—	5,442	5,442
Start up funding – Maths School	—	30	30
Other DfE / ESFA	—	9	9
	—	5,481	5,481
COVID-19 additional funding			
DfE/ESFA COVID-19 funding	—	31	31
Other Coronavirus funding	—	36	36
	—	67	67
Other government grants			
Local Authority grants	—	84	84
Other income from the Academy Trust's educational operations	36	—	36
2021 Total funds	36	5,632	5,668

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Lettings income - trading subsidiary (note 10)	55	—	55
Trip income	13	—	13
Miscellaneous income	13	—	13
	81	—	81

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Interest receivable	3	—	3

5 Expenditure

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds:				
.. Direct costs	—	—	14	14
.. Allocated support costs	6	1	1	8
Charitable activities				
. Academy Trust's educational operations				
.. Direct costs	3,001	307	317	3,625
.. Allocated support costs	1,544	283	300	2,127
	4,551	591	632	5,774
Net income (expenditure) for the period includes:				2021 Total funds £'000
Operating lease rentals				6
Depreciation				307
Fees payable to auditor				
. Audit				16
. Other services				10

Included within expenditure are the following transactions

	Total £	Amount £	Individual items
			Reason/nature
Ex-gratia payments	23,108	14,721	Compensation to individual for loss of future income, inclusive of employer pension and NI contributions
		8,387	Compensation to individual for loss of future income, inclusive of employer pension and NI contributions

6 Charitable activities – Academy Trust's educational operations

	2021 Total funds £'000
Direct costs	3,625
Support costs	2,127
	5,752

	Raising funds £'000	Educational Operations £'000	2021 Total funds £'000
Analysis of support costs			
Support staff costs	—	1,544	1,544
Technology costs	—	71	71
Premises costs	—	283	283
Legal costs	—	5	5
Other support costs	8	197	205
Governance costs	—	27	27
Total support costs	8	2,127	2,135

7 Staff costs

(a) Staff costs

Staff costs during the period were:

	2021 Total funds £'000
Wages and salaries	3,138
Social security costs	343
Pension costs	1,022
	4,503
Supply staff costs	48
	4,551

(b) Staff severance payments

There were no non-statutory/non-contractual severance payments in the period to 31 August 2021.

(c) Staff numbers

The average number of persons (including the senior management team) employed by the Academy Trust during the period ended 31 August 2021 was as follows. The Academy Trust was dormant for the period from incorporation until 31 December 2020. The staff numbers below relate to the period of operations, being 1 January 2021 to 31 August 2021:

Charitable activities	2021 No.
Teachers	82
Administration and support	47
Management	5
	134

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands was as follows. The Academy Trust was dormant for the period from incorporation until 31 December 2020. The bandings below relate to the emoluments earned during the period of operations, being 1 January 2021 to 31 August 2021, prorated for a 12 month period:

	2021 No.
£60,001 - £70,000 p.a.	3
£70,001 - £80,000 p.a.	2
£80,001 - £90,000 p.a.	1

During the period ended 31 August 2021 employer's pension contributions for these staff amounted to £70,000.

7 Staff costs (continued)

(e) 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 employee pension and employers national insurance contributions) received by key management personnel for their services to the Academy Trust was £387,000.

8 Trustees' remuneration and expenses

Headteacher only receives remuneration in respect of services they provide undertaking the role of Headteacher, and not in respect of their services as Trustee. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2021 £'000
John Rubinstein, Headteacher and Trustee (until April 2021)	
.Remuneration	40 – 45
.Employer's pension contributions	5 – 10
Sugra Alibhai, Headteacher and Trustee (from April 2021)	
.Remuneration	40 – 45
.Employer's pension contributions	10 – 15

During the period ended 31 August 2021, no expenses were reimbursed to Trustees. Other related party transactions involving the Trustees are set out in note 20.

9 Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

10 Commercial trading operations

The Academy Trust had one wholly owned subsidiary, Woodhouse College Trading Limited (Company Number 10638738). It was incorporated on 24 February 2017. Investments comprise of the holding of the entire 100 ordinary £1 shares in Woodhouse College Trading Limited.

Its operations are to let certain facilities on the premises of Woodhouse College. A summary of the trading results, as included within these financial statements is shown below.

10 Commercial trading operations(continued)

	2021 £'000
Turnover	55
Cost of sales	(14)
Gross profit	41
Administrative expenses	—
Profit on ordinary activities	41
Retained profit at the beginning of the period	
Gift Aid to parent undertaking	(41)
Retained earnings at end of the period	—

The assets and liabilities of the trading subsidiary were:

	2021 £
Current assets	75
Creditors: amounts falling due within one year	(75)
Total assets less current liabilities	—

11 Tangible fixed assets

Group and Trust	Freehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	IT equipment £'000	Total funds £'000
Cost/valuation					
At 7 October 2020	—	—	—	—	—
Transfer on conversion	11,887	5	170	139	12,201
Additions	—	—	158	93	251
At 31 August 2021	11,887	5	328	232	12,452
Depreciation					
At 7 October 2020	—	—	—	—	—
Charge in period	241	—	26	40	307
At 31 August 2021	241	—	26	40	307
Net book value					
At 31 August 2021	11,646	5	326	168	12,145
At 7 October 2020	—	—	—	—	—

Freehold land and buildings includes building improvements with a net book value of £1,191,000.

Freehold Land and Buildings consists of the estate and grounds of Woodhouse College, including the floodlit 3G Football Turf Pitch. A charge has been registered by the Football Foundation over this pitch as part of the conditions of the funding provided to Woodhouse College for the project. The charge prevents the sale or leasing of the premises without prior consent. The net book value of the asset at 31 August 2021 was £102,000.

12 Debtors

	Group 2021 £'000	Trust 2021 £'000
Trade debtors	45	31
VAT recoverable	92	92
Amounts owed from subsidiary	—	52
Prepayments and accrued income	282	282
	419	457

13 Creditors: amounts falling due within one year

	Group 2021 £'000	Trust 2021 £'000
Trade creditors	228	225
Taxation and social security	128	128
Other creditors	144	144
Accruals and deferred income	248	227
	748	724
Deferred income		
Deferred income at 7 October 2020	—	—
Released during the period	—	—
Resources deferred in the period	131	131
Deferred income at 31 August 2021	131	131

Deferred income relates to the ESFA maintenance grant for 21-22, rates rebate from ESFA, and income received in advance from students relating to school trips and other events.

14 Funds

Group	Balance at 7 October 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	—	5,442	(4,970)	(89)	383
Start up funding – Maths School	—	30	—	—	30
Other DfE/ESFA grants	—	9	(9)	—	—
Other DfE/ESFA COVID-19 funding	—	31	(31)	—	—
Other COVID-19 funding	—	36	(36)	—	—
Other grants	—	84	(84)	—	—
Pension reserve	—	(3,666)	(315)	472	(3,509)
	—	1,966	(5,445)	383	(3,096)
Restricted fixed assets fund					
Transfer on conversion	—	12,201	(303)	—	11,898
DfE/ESFA capital grants	—	129	(3)	—	126
Capital expenditure from GAG	—	—	—	89	89
Other donated assets	—	33	(1)	—	32
	—	12,363	(307)	89	12,145
Total restricted funds	—	14,329	(5,752)	472	9,049
Unrestricted funds					
General funds	—	2,335	33	—	2,368
Trading subsidiary	—	55	(55)	—	—
Total unrestricted funds	—	2,390	(22)	—	2,368
Total funds	—	16,719	(5,774)	472	11,417

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

ESFA revenue grant fund and other restricted funds***General Annual Grant (GAG)***

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.

Fixed assets fund

These grants relate to capital funding to carry out works of a capital nature. The transfer between funds related to the purchase of capital items using ESFA restricted or unrestricted general funds. At 31 August 2021, the fund balance equated to the net book value of fixed assets held by the Trust.

Pension reserve

The pension reserve relates to the Academy Trust's share of the deficit of the Local Government Pension Scheme.

15 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	12,145	12,145
Current assets	2,368	1,161	—	3,529
Current liabilities	—	(748)	—	(748)
Pension scheme liability	—	(3,509)	—	(3,509)
Total net assets	2,368	(3,096)	12,145	11,417

Academy Trust	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	12,145	12,145
Current assets	2,368	1,137	—	3,505
Current liabilities	—	(724)	—	(724)
Pension scheme liability	—	(3,509)	—	(3,509)
Total net assets	2,368	(3,096)	12,145	11,417

16 Capital commitments

Group and Trust	2021 £'000
Contracted for, but not provided in the financial statements	142

17 Commitments under operating leases***Operating leases***

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

Group and Trust	2021 £'000
Amounts due within one year	3
Amounts due between one and five years	—
	3

18 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.

19 Pension and similar obligations

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

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

No contributions were payable to the schemes at 31 August 2021.

The Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ 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.

19 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £632,000 (2020 - £602,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme 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 (LGPS)

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 £324,000, of which employer's contributions totalled £249,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are 26.4% per cent for employers and between 5.5% and 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

Principal Actuarial Assumptions	At 31 August 2021
Rate of increase in salaries	3.60%
Rate of increase for pensions in payment / inflation	2.90%
Discount rate for scheme liabilities	1.65%

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 2021
<i>Retiring today</i>	
Males	21.9
Females	24.4
<i>Retiring in 20 years</i>	
Males	23.3
Females	26.4

19 Pension and similar obligations (continued)**Local Government Pension Scheme (LGPS)** (continued)

	At 31 August 2021 £'000
Discount rate +0.1%	189
Discount rate -0.1%	(189)
Mortality assumption – 1 year increase	354
Mortality assumption – 1 year decrease	(354)
Salary +0.1%	26
Salary -0.1%	(26)
Pension +0.1%	161
Pension -0.1%	(161)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000
Equities	3,476
Bonds	1,444
Property	214
Cash and other liquid assets	214
Total market value of assets	5,348
Present value of scheme	
Funded	(8,857)
Deficit in the scheme	(3,509)
	2021
Amounts recognised in statement of financial activities	£'000
Current service cost	531
Net interest cost	33
Total amount recognised in the SOFA	564
	2021
Changes in the present value of defined benefit obligations were as follows:	£'000
At 7 October 2020	—
Inherited on conversion	8,185
Current service cost	531
Interest cost	73
Employee contributions	75
Actuarial loss	60
Benefits paid	(67)
At 31 August 2021	8,857

19 Pension and similar obligations (continued)**Local Government Pension Scheme (LGPS)** (continued)**Changes in the fair value of the Academy Trust's share of scheme assets:**

	2021 £'000
At 7 October 2020	—
Inherited on conversion	4,519
Interest income	40
Actuarial gain	532
Employer contributions	249
Employee contributions	75
Benefits paid	(67)
At 31 August 2021	5,348

20 Related party transactions

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 a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The academy trust did not enter into any related party transactions in the period.

21 Conversion to an Academy Trust

On 1 January 2021, Woodhouse College converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Frontier Learning Trust from the Corporation of Woodhouse College for £nil consideration.

The transfer was accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfers from conversion to an Academy Trust. The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	11,887	11,887
. Other tangible fixed assets	—	—	314	314
LGPS pension funds	—	(3,666)	—	(3,666)
Other identifiable assets and liabilities				
. Accumulated surplus on funds	2,255	—	—	2,255
	2,255	(3,666)	12,201	10,790

21 Conversion to an Academy Trust (continued)

The following fair value adjustments have been made to figures transferred in:

	Value reported by predecessor College £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets			
. Freehold land and buildings	10,448	1,439	11,887
. Other tangible fixed assets	752	(438)	314
LGPS pension funds	(3,666)	—	(3,666)
Other identifiable assets and liabilities			
. Accumulated surplus on funds	(1,257)	3,512	2,255
	<u>6,277</u>	<u>4,513</u>	<u>10,790</u>

Fair value adjustments above arise upon the revaluation of tangible fixed assets to their fair value and changes in accounting convention between the FEHE SORP and Academies Accounts Direction 2020 to 2021. The fair value adjustments in relation to the accumulated surplus on funds relates to the release of deferred capital grants which are accounted for differently under the statements of recommended practice referenced above.