

Company registration number 08678162 (England and Wales)

**THE FUTURES TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# THE FUTURES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mrs C Assheton (Resigned October 2022)  
Mrs K Ireland  
Rev A Randle-Bissell  
Dr D Wood  
Mr N Coupland (Resigned June 2022)  
Mr P Crisp (Appointed June 2022)

### Trustees

Mr P Crisp (Resigned 15 June 2022)  
Mr A Fitzpatrick (Chair of Board of Trustees from 19 October 2022)  
Mr M Moseley  
Mr P Thomas (Chief Executive Officer)  
Ms K Morris (Vice Chair of the Board of Trustees from 19 October 2022)  
Mrs P Heer  
Mrs C Blair  
Mr D Loudon  
Ms E Tomlinson (Resigned 30 November 2021)  
Mrs C Assheton (Chair of the Board of Trustees) (Resigned 19 October 2022)  
Mrs H Quinn  
Mrs J Thompson (Appointed 5 September 2022)

### Senior management team

- Trust HR Director
- Trust Finance Director
- Trust Operations Director
- Chief Executive Officer
- Deputy Chief Executive Officer

Miss C Bayliss (Resigned May 2022)  
Ms E Hart  
Mrs V Hastie  
Mr P Thomas  
Mr S Toor

### Company secretary

Miss T Galland

### Company registration number

08678162 (England and Wales)

### Registered office

President Kennedy School  
Rookery Lane  
Coventry  
West Midlands  
CV6 4GL

### Academies operated

The Hinckley School  
  
Keresley Newland Primary Academy  
President Kennedy School  
Barr's Hill School  
Parkgate Primary School  
Keresley Grange Primary Academy  
Stoke Park School  
Camp Hill Primary School

### Location

Butt Lane, Hinckley, Leicestershire, LE10 1LE  
Keresley, Coventry, CV7 8JZ  
Rookery Lane, Coventry, CV6 4GL  
Radford Road, Coventry, CV1 4BU  
Parkgate Road, Coventry, CV6 4GF  
Keresley, Coventry, CV6 2EM  
Dane Road, Coventry, CV2 4JW  
Hollystitches Road, Nuneaton, CV10 9QA

### Principal

Ms L Hickman  
  
Mrs N Penlington  
Mrs S Rooke  
Mr C Jupp  
Mrs Z Richards  
Mrs N Penlington  
Ms N Rock  
Mrs L Barrass

# THE FUTURES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	RSM UK Audit LLP 103 Colmore Row Birmingham B3 3AG
<b>Bankers</b>	Lloyds Bank plc 30 High Street Coventry CV1 5RE
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ

# THE FUTURES TRUST

## TRUSTEES' REPORT

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditors' report of The Futures Trust (the trust) for the period 1 September 2021 – 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and a strategic report under company law. The trustees confirm that the annual report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

### THE FUTURES TRUST BACKGROUND

The MAT was established by the Governing Body of President Kennedy School, an outstanding academy school, serving a catchment area in north west Coventry. The rationale for the conversion of President Kennedy School into a MAT was to work collaboratively with other local schools in order to improve the educational outcomes for young people. President Kennedy School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. President Kennedy School has a capacity of 1,600 and a roll of 1,785 in the school census in 2022.

Barr's Hill School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 October 2015. Barr's Hill School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. Barr's Hill School has a capacity of 805 and a roll of 924 in the school census in 2022.

Parkgate Primary School and Keresley Grange Primary Academy, two nearby primary schools serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 February 2017. Both Parkgate Primary School and Keresley Grange Academy cater for learners aged from 3 to 11 and serve adjacent catchment areas in Coventry. Parkgate Primary School has a capacity of 630 and a roll of 612 in the school census in 2022. Keresley Grange Academy has a capacity of 315 and a roll of 282 in the school census in 2022.

Stoke Park School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust as a sponsored school on 1 October 2017. Stoke Park School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. Stoke Park School has a capacity of 1,116 and a roll of 1,034 in the school census in 2022.

Keresley Newland Primary Academy, a small primary school located in Keresley Village, close to President Kennedy School and Keresley Grange Primary School, transferred from NET Academies Trust and joined The Futures Trust as a sponsored school on 1 December 2018. Keresley Newland Primary Academy caters for learners aged 3 to 11 serving adjacent catchment areas in Coventry. Keresley Newland Primary Academy has a capacity of 210 and a roll of 134 in the school census in 2022.

The Hinckley School, an academy serving students aged 11-19, joined The Futures Trust as a sponsored school on 1 December 2020. The Hinckley School has a capacity of 1,450 and a roll of 1,165 in the school census 2022.

Camp Hill Primary School, an academy serving students aged 2 – 11 joined the Trust on 1 March 2022. Camp Hill has a capacity of 480 and a roll of 448 in the school census 2022.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Futures Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the trust.

The trustees act as directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of The Futures Trust. The charitable company is known as The Futures Trust. Details of the trustees are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Trustees' indemnities**

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000.

### **Method of recruitment and appointment or election of Trustees**

The trustees are responsible for:

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

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

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

### **Policies and procedures adopted for the induction and training of Trustees**

Induction and training provided for new trustees is adapted according to their skills and experience. Upon appointment, all trustees receive an induction pack, the content of which has been approved by the Members. The pack outlines the roles and responsibilities of a Company Director and Charity Trustee and includes key documents such as the Governors' Handbook and Competency Framework for Governance (published by the Department of Education (DfE)) and the most recent Academies Trust Handbook (issued by the Education and Skills Funding Agency (ESFA)). New trustees attend welcome meetings with the CEO and key members of the Central Team. Throughout the year, Trustees are provided with training opportunities, either at Board meetings or planned sessions and where appropriate include education, charity, legal and financial training. Trustees receive regular communication in relation to updates across the trust and developments within the sector.

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

### **The Futures Trust Governance Framework**

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

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

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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

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

Local Governing Bodies are responsible for:

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

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

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

### **Risk Management**

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

The controls used by the trust include:

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

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

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

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

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

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Risk Management (continued)**

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

### **Arrangements for setting pay and remuneration of key management personnel**

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

### **Section 172 Statement**

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

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

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

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

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

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

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

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.00

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	5
1%-50%	-
51%-99%	-
100%	-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	2,000
Total pay bill	32,549,000
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

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

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

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

### Engagement with employees

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

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

### OBJECTIVES AND ACTIVITIES

#### **Objects and aims**

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



# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Objectives, strategies and activities

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

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

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

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

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

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

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

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

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

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

### Public benefit

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### STRATEGIC REPORT

#### Achievements and performance

#### Educational Achievements and Key Performance Indicators

For the accounting year ending 31 August 2022, The Futures Trust was responsible for eight schools:

This academic year saw the return of public examinations having had student performance based on teacher assessments over the previous two academic years.

Standards in trust primary schools (excluding Camp Hill Primary school which only joined the trust in March 2022) improved significantly on previous years with attainment above local and national levels across most headline measures. Pupils made significantly more progress than national.

Trust secondary schools saw an increase in the proportion of students achieving the basics: strong and standard passes in English and mathematics compared to previous normal examination years. Disadvantaged students and those with special educational needs achieved their strongest pass rates in English and mathematics in 2022.

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

Standards at Parkgate Primary rose sharply in 2022. At KS2 pupils outperformed national in the headline measures for expected standard. Pupils, including disadvantaged pupils at Parkgate school made more progress than the national average.

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

Attendance in 2021/22 was 92.6% with the school having faced significant disruption due to the pandemic. Attendance is broadly in line with the national average.

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

Standards at Keresley Grange Primary improved in 2022 in reading and writing but dropped in maths, compared to 2019. Pupils made above national levels of progress in reading and writing. The school significantly increased the proportion of its pupils achieving the higher standard across reading, writing and maths in 2022.

The quality of teaching was consistently high across the Key Stages. Attendance in 2021/22 was 92.5% which is broadly in line with the national average .

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

The school achieved its strongest set of results ever in 2022. Standards rose significantly across reading, writing and maths helping the school outperform national across all headline measures. All pupil groups at Keresley Newland including Pupil Premium and those with special educational needs made significantly more progress than the national average.

The quality of teaching and leadership capacity have improved significantly across the Key Stages.

Attendance in 2021/22 was 92.3% which is broadly in line with the national average.

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Camp Hill Primary School joined The Futures Trust in March 2022**

Standards at the school in 2022 rose sharply on 2019 but remain below national at the expected and higher standards. The highest improvements were seen in reading compared to 2019. Higher standard writing saw the biggest fall.

Further development of the curriculum is expected to see standards of teaching and learning rise this year.

Attendance at the school in 2021/22 was 92.4% which is broadly in line with the 2022 national average.

### **President Kennedy School**

In 2022, President Kennedy School produced a strong set of Key Stage 4 results with students making more progress than the national average across the main subject groups. Disadvantaged students and those with special educational needs achieved stronger pass rates in English and Maths compared to previous normal examination years, making more progress from their starting points than the national average. The average GCSE grade achieved (across best eight subjects) also improved on previous years representing an overall improvement in standards.

At A level, students achieved a 99% pass rate. The proportion of students achieving top grades A\*-B in academic A levels was 46% in a school with one of the most inclusive intakes in the city.

Attendance in 2021/22 was 90.3% which is an improvement on the previous year and broadly inline with national attendance in 2022.

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

In 2022, Barr's Hill school produced another set of very strong results with students making outstanding progress at KS4 from their starting points. On average students achieved over one half GCSE grade above the national average across all their subjects. Disadvantaged students and those with special educational needs significantly outperformed the national average.

At Level 3, standards in the small number of academic subjects and the vocational subjects continued to improve, with the school achieving its highest ever set of top grades. The proportion of students achieving A\*/A in academic A levels was 31%, in a school with a very inclusive intake.

Attendance in 2021/22 was 91.6% which is above the national average for 2022.

**Stoke Park School** was judged Good by Ofsted in March 2022 having joined the trust as a school in Special Measures.

Standards at GCSE have continued their upwards trajectory with the school now close to national average in the headline attainment measures: 45% achieved strong pass (grade 5+) in English and Maths and 4.6 at Attainment 8 (average grade across best eight qualifying subjects). Progress made by students is above the national average. Pupil Premium students made good progress from their starting points.

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

Attendance in 2021/22 was 90.9% and was broadly in line with the national average in 2022.

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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

Standards at GCSE have risen sharply with the school now broadly in line with national average in the headline measures: 69% achieved standard pass in English and Maths and 4.7 at Attainment 8 (average grade across best eight qualifying subjects). Progress made by students is broadly in line with national but progress of disadvantaged students, whilst improved, remains significantly below the cohort average.

At Level 3, students achieved a 98% pass rate. The proportion of students achieving A\*-B in academic A levels was 52%. The majority of students studying Level 3 Vocational courses achieved well with a large number of students having been accepted onto competitive Degree Courses.

Attendance in 2021/22 was 88.2%. This is broadly in line with the local average but below the 2021/22 national average.

### Key Financial Performance Indicators

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

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

### Financial review

Most of the trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2022, the trust's total expenditure was £42,496k (2021: £37,527k) compared to £55,378k (2021: £51,351k) total incoming resources including grant funding from the DfE together with other incoming resources. Excluding the impact of schools converted, pension scheme movements and capital movements, expenditure was £39,738k (2021: £34,406k) compared to incoming resources of £39,595k (2021: £34,243k).

Total staff costs represent approximately 85% (2021: 87%) of available income. The increases in staff costs have been driven by nationally agreed pay rises, and by progression within pay scales.

Educational funding received from DfE/ESFA grants during the year was £37,166k (2021: £32,639k), (2021: increase of 12.18% in comparison to the previous year). From the pupil number censuses, total pupil numbers in the relevant years have increased by 8.74% (2021: 29.3%).

During the year ended 31 August 2022, there was an increase in cash of £1,200k (2021: increase of £1,724k). The net movement in cash included a £1,415k inflow in respect of operating cash flows (2021: £664k inflow) after adjusting for cash transferred in for converting schools, plus outflows of £341k (2021: £1,060k inflow) in respect of investing activities, plus inflows of £126k (2021: £nil) in respect of financing activities.

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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

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

### Reserves policy

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

Reserves are held as follows:

- to cover working capital requirements.
- as a contingency to meet unforeseen expenditure (forming part of unrestricted general funds) eg. an expensive large repair to land and building.
- to fund planned future capital expenditure (forming part of the restricted fixed asset fund).
- to cover a fall or rise in sources of income eg. non-renewal of grant.
- the need to fund potential deficits in a cash budget, for example money may need to be spent before funding is raised or received.

The level of reserves is kept under review by the Trustees, and they assess them in relation to these purposes.

At 31 August 2022, the trust's reserves totalled £66,824k the majority of which are held as fixed assets and therefore not available to be spent by the Trust.

The deficit on restricted general funds totalled £10,135k. Excluding the pension reserve and pension provision the total restricted general fund was £35k. The total of £35k is in relation to Catch up premium. These monies will be spent inline with guidelines of the income.

The balance on the unrestricted funds carried forward of £1,206k which will be used within the Trust's charitable objectives.

### Investment policy

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

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

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

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Plans for future periods

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

The trustees are committed to a policy of measured strategic expansion of the number of primary and secondary schools which are welcomed into the trust. Particular priority will be given to new schools that could join the Trust, in Coventry, Warwickshire and Leicestershire.

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

### Principal risks and uncertainties

The period ending 31 August 2022 saw the schools returning to operating as normal following the national pandemic (Covid 19). The pandemic changed the risk profile of the Trust and its schools and the Trust recognised that the national pandemic increased both safeguarding risks for its learners whilst adversely impacting their learning. The other risk identified as the Trust and its schools came out of the pandemic is the absences levels of staff and the attendance of pupils.

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

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

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

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

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Financial and risk management objectives and policies

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

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

### GOING CONCERN

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

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

### Fundraising

No professional fund-raisers or commercial participator have been engaged.

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

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

### Streamlined energy and carbon reporting

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

UK Greenhouse gas emissions and energy use data for the accounting period 1 September 2021 to 31 August 2022.

	2022 kWh	2021 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	9,573,296	9,463,551

# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

	2022 metric tonnes	2021 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	4,025.37	5,334.00
- Fuel consumed for owned transport	6.87	-
	4,032.24	5,334.00
Scope 2 - indirect emissions		
- Electricity purchased	2,483.65	586.45
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust	2.03	-
	6,517.92	5,920.45
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	1.04	1.02

### *Quantification and reporting methodology*

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

### *Intensity measurement*

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

The total energy consumption in kWh across all schools has increased from 9,463,551 for the year ended 31 August 2021 to 9,573,296 for the year ended 31 August 2022. This can be mainly attributed to inclusion of The Hinckley School and Camp Hill Primary School within the calculations.

The total tonnes of CO<sub>2</sub> emissions have increased within these same periods from 5,920 to 6,518. This can be attributed mainly to use of the biomass heating at Hinckley.

The intensity ratio of 1.04 denotes the number of tonnes of CO<sub>2</sub> produced per pupil across all Trust schools and this has increased from a ratio of 1.02. This now includes usage for Camp Hill Primary School.

### *Measures taken to improve energy efficiency*

LED lighting has been installed at a further 3 schools; Stoke Park, Parkgate and Keresley Newland. A phased programme for replacement of single glazing windows started across Keresley Grange, Stoke Park and Parkgate Primary School. Old and less efficient boilers have been replaced at Keresley Newland with new modern and more efficient boilers.



# THE FUTURES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### AUDITOR

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

### Statement as to disclosure of information to auditors

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

The Trustees' Report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 06 December 2022 and signed on its behalf by:



Mr A Fitzpatrick  
**Chair of Board of Trustees**

# THE FUTURES TRUST

## GOVERNANCE STATEMENT

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### Scope of responsibility

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

DfE's Governance Handbook and competency framework for governance are not mandatory guidance for trustees, but trustees are encouraged to review and take account of these documents as part of their roles. Where they have done this, trustees are also encouraged to include a statement to that effect in their governance statement, such as the one below.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between The Futures Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. There were six Board meetings during 2021/22 and one Away Day. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp (Resigned 15 June 2022)	3	6
Mr A Fitzpatrick (Chair of Board of Trustees from 19 October 2022)	7	7
Mr M Moseley	6	7
Mr P Thomas (Chief Executive Officer)	7	7
Ms K Morris (Vice Chair of the Board of Trustees from 19 October 2022)	5	7
Mrs P Heer	7	7
Mrs C Blair	6	7
Mr D Loudon	7	7
Ms E Tomlinson (Resigned 30 November 2021)	0	2
Mrs C Assheton (Chair of the Board of Trustees) (Resigned 19 October 2022)	7	7
Mrs H Quinn	6	7
Mrs J Thompson (Appointed 5 September 2022)	0	0

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

The Board of Trustees has two Committees:

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

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

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

# THE FUTURES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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Trustees	Meetings attended	Out of possible
Mr A Fitzpatrick (Chair of Board of Trustees from 19 October 2022)	5	5
Mr M Moseley	5	5
Mr P Thomas (Chief Executive Officer)	5	5
Ms K Morris (Vice Chair of the Board of Trustees from 19 October 2022)	5	5
Mrs P Heer	4	5
Mr D Loudon	5	5
Ms E Tomlinson (Resigned 30 November 2021)	0	1
Mrs C Assheton (Chair of the Board of Trustees) (Resigned 19 October 2022)	4	5

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

Trustees	Meetings attended	Out of possible
Mr P Crisp (Resigned 15 June 2022)	1	2
Mr P Thomas (Chief Executive Officer)	2	3
Mrs C Assheton (Chair of the Board of Trustees) (Resigned 19 October 2022)	3	3
Mrs H Quinn	3	3

### Governance reviews

The quality of Governance is kept under constant review and where appropriate changes to the membership of the Members, Board of Trustees, its sub committees and Local Governing Bodies are implemented. Several changes have been made during 2021/22. The company secretary ensures that governance knowledge and training is closely tracked and takes action to address any areas for development. The Board of Trustees undertook a self-assessment skills audit in May 2022.

# THE FUTURES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### Review of value for money

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

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

- Improving the outcomes for pupils at key Stage 2 so that attainment and progress are above national levels and better than when testing was last undertaken in 2019
- Improving the outcomes for pupils at key Stage 4 so that attainment and progress are above national levels and better than when testing was last undertaken in 2019
- Stoke Park School received an Ofsted judgement of Good. Its last inspection before joining the trust was Inadequate.
- Improving the outcomes for pupils at key Stage 5 so that attainment and progress are broadly in line with local authority average and gaps against national continue to narrow.
- Enhancing staffing capacity and expertise both within the Central Team and at school level to ensure that it is well placed to deliver the best possible outcomes for students and deliver sustainable growth and leadership quality for the trust as a whole.
- Providing Exceptional Learning Experiences for our learners
- Sharing best practice with schools in our trust, the local community and beyond.
- Continuous professional development and learning to develop current and future leaders across the trust.
- Reviewing best value procurement of services across the trust to achieve economies of scale and consistent outcomes.
- Enhancing efficiency and effectiveness through a programme which has generated significant contract savings in excess of £101,000 per annum across the Trust to August 2022 with a further possible £70,000 per annum savings identified.
- SCA funding which has a primary focus of energy efficiency; works have been carried out during the year across the Trust schools to replace single glazing with double glazing, energy efficient boilers and roof repairs.
- Improving the quality of the estate; the trust has been involved in managing estate projects in excess of £16m.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the trust for the period 1 September 2021 – 31 August 2022 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2021– 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# THE FUTURES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### **The risk and control framework**

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

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the MAT's financial systems. On an annual basis, the internal auditor reports to the trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor conducts an appraisal of the Trust's system of internal controls focussing on financial management. The internal auditor delivered their schedule of work as planned and no fundamental control weaknesses were identified.

### **Managing conflicts of interest**

It is the Trust's policy to maintain a register of business and pecuniary interests for all members, trustees, governors, staff in the Central Team and senior employees including:

- directorships, partnerships and employments with businesses;
- trusteeships and governorships at other educational institutions and charities;
- for each interest: the name and nature of the business; the nature of the interest and the date the interest began.

The register identifies any material interests arising from close family relationships between the academy trust's members, trustees or local governors. It identifies relevant material interests arising from close family relationships between those individuals and employees. The Register of Business interests is published on the trust website.

It is a standing agenda item at Board and Committee meetings that trustees declare any conflict of interest, both in relation to matters to be discussed at that meeting but also as a reminder for a more general declaration.

### **Review of effectiveness**

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

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

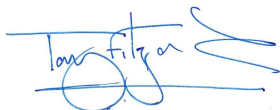
# THE FUTURES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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

Approved by order of the board of trustees on 06 December 2022 and signed on its behalf by:



Mr A Fitzpatrick  
**Chair of Board of Trustees**



Mr P Thomas  
**Chief Executive Officer**

# THE FUTURES TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of The Futures Trust, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency ('ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



Mr P Thomas  
**Accounting Officer**

06 December 2022

# THE FUTURES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

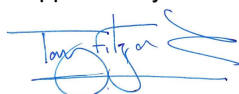
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 06 December 2022 and signed on its behalf by:



Mr A Fitzpatrick  
**Chair of Board of Trustees**



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

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## Opinion

We have audited the financial statements of The Futures Trust (the "charitable company") for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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.

*Paul Oxtoby*

Paul Oxtoby (Senior Statutory Auditor)

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

Chartered Accountants

103 Colmore Row

Birmingham

B3 3AG

Date 9 December 2022

# THE FUTURES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	35	12,010	12,045	3,917
Donations - transfer from local authority on conversion	28	307	(915)	4,381	3,773	-
Donations - transfer of existing academy into the trust		-	-	-	-	13,218
Charitable activities:						
- Funding for educational operations	4	-	38,648	-	38,648	33,814
Other trading activities	5	912	-	-	912	402
<b>Total</b>		<u>1,219</u>	<u>37,768</u>	<u>16,391</u>	<u>55,378</u>	<u>51,351</u>
<b>Expenditure on:</b>						
Raising funds	6	240	-	-	240	183
Charitable activities:						
- Educational operations	7	1,077	40,651	528	42,256	37,344
<b>Total</b>	6	<u>1,317</u>	<u>40,651</u>	<u>528</u>	<u>42,496</u>	<u>37,527</u>
<b>Net income/(expenditure)</b>		(98)	(2,883)	15,863	12,882	13,824
Transfers between funds	18	(432)	-	432	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit obligations	25	-	23,627	-	23,627	(1,767)
<b>Net movement in funds</b>		(530)	20,744	16,295	36,509	12,057
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>1,736</u>	<u>(30,879)</u>	<u>59,458</u>	<u>30,315</u>	<u>18,258</u>
Total funds carried forward		<u>1,206</u>	<u>(10,135)</u>	<u>75,753</u>	<u>66,824</u>	<u>30,315</u>

# THE FUTURES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022	2021
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	73,754	57,550
<b>Current assets</b>			
Debtors	13	3,853	4,027
Cash at bank and in hand		4,249	3,049
		8,102	7,076
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(4,584)	(3,232)
<b>Net current assets</b>		3,518	3,844
<b>Total assets less current liabilities</b>		77,272	61,394
Creditors: amounts falling due after more than one year	15	(278)	(200)
Provisions for liabilities	16	(1,462)	(1,732)
<b>Net assets before defined benefit pension scheme liability</b>		75,532	59,462
Defined benefit pension scheme liability	25	(8,708)	(29,147)
<b>Total net assets</b>		66,824	30,315
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	18		
- Restricted fixed asset funds		75,753	59,458
- Restricted income funds		35	-
- Pension provision reserve		(1,462)	(1,732)
- Pension reserve		(8,708)	(29,147)
<b>Total restricted funds</b>		65,618	28,579
<b>Unrestricted income funds</b>	18	1,206	1,736
<b>Total funds</b>		66,824	30,315

The financial statements on pages 27 to 56 were approved by the board of trustees and authorised for issue on 06 December 2022 and are signed on their behalf by:



Mr A Fitzpatrick  
Chair of Board of Trustees

# THE FUTURES TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £'000	£'000	2021 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	22		1,065		526
Cash funds transferred on transfer	28		350		138
			<u>1,415</u>		<u>664</u>
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		6,709		3,890	
Purchase of tangible fixed assets		(7,050)		(2,830)	
		<u></u>		<u></u>	
<b>Net cash (used in)/provided by investing activities</b>			(341)		1,060
<b>Cash flows from financing activities</b>					
Receipt of Salix loans		126		-	
		<u></u>		<u></u>	
<b>Net cash provided by/(used in) financing activities</b>			126		-
			<u></u>		<u></u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			1,200		1,724
Cash and cash equivalents at beginning of the year			3,049		1,325
			<u></u>		<u></u>
<b>Cash and cash equivalents at end of the year</b>			<u>4,249</u>		<u>3,049</u>

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### General information

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

#### Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

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

#### Going concern

Management has reassessed the going concern assumption, including the impact of new schools joining the Trust post year end, and confirm that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the, including a review of sensitised forecasts to 31 August 2024, foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Transfer of existing academy

The transfer of Camp Hill Primary School into the Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

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

#### 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.

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies (Continued)

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

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

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

Gifts in kind, being the gift of a fixed asset, are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Donated services are measured on the basis of the value of the gift to the Academy Trust.

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### Expenditure on raising funds

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

#### Charitable activities

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



# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies (Continued)

#### **Tangible fixed assets and depreciation**

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

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

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

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

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

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

#### **Liabilities**

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

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies (Continued)

#### **Provisions**

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

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

#### **Leased assets**

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

#### **Financial instruments**

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

#### Financial assets and liabilities

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

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

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

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

#### Derecognition of financial assets and liabilities

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

#### **Taxation**

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

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies (Continued)

#### Pensions benefits

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

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

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

Actuarial gains and losses are recognised immediately as 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.

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

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

#### Agency arrangements

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

### 2 Critical accounting estimates and areas of judgement

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

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Critical accounting estimates and areas of judgement (Continued)

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

#### Critical areas of judgement

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

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Donated fixed assets	-	5,301	5,301	-
Capital grants	-	6,709	6,709	3,890
Other donations	-	35	35	27
	-	12,045	12,045	3,917

The income from donations and capital grants was £12,045,000 (2021: £3,917,000) of which £35,000 was restricted (2021: £27,000) and £12,010,000 was restricted fixed assets (2021: £3,890,000).

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	32,669	32,669	27,979
Other DfE/ESFA grants:				
- Pupil premium	-	1,941	1,941	1,643
- Teachers pay grant	-	61	61	331
- Supplementary Grant	-	403	403	-
- Teachers pension employer contribution grant	-	172	172	998
- Universal infant free school meals	-	147	147	113
- Others	-	1,773	1,773	1,575
	-	37,166	37,166	32,639
<b>Other government grants</b>				
Local authority grants	-	999	999	725
Special educational projects	-	26	26	-
	-	1,025	1,025	725
<b>COVID-19 additional funding (DfE / ESFA)</b>				
Catch-up premium	-	392	392	380
Other DfE/ESFA COVID-19 funding	-	65	65	70
	-	457	457	450
	-	38,648	38,648	33,814

The income from funding for educational operations was £38,648,000 (2021: £33,814,000) of which £38,648,000 was restricted (2021: £33,814,000).

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under COVID-19 additional funding (DfE / ESFA).

The Academy Trust received £392,000 (2021: £380,000) of funding for catch up premium and costs incurred in respect of this funding totalled £357,000 (2021: £380,000), with the remaining £35,000 (2021: £nil) to be spent in 2022/23.

The prior year Local authority grants have been restated in order to show their true position with the corresponding restatement to Other DfE/ESFA grants.

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Lettings income	4	-	4	10
Event income	213	-	213	105
Other income	695	-	695	287
	<u>912</u>	<u>-</u>	<u>912</u>	<u>402</u>

The income from other trading activities was £912,000 (2021: £402,000) of which £912,000 was unrestricted (2021: £402,000).

### 6 Expenditure

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds					
- Direct costs	-	-	240	240	183
Academy's educational operations					
- Direct costs	25,445	-	3,123	28,568	25,664
- Allocated support costs	8,174	3,005	2,509	13,688	11,680
	<u>33,619</u>	<u>3,005</u>	<u>5,872</u>	<u>42,496</u>	<u>37,527</u>

The expenditure on raising funds was £240,000 (2021: £183,000) of which £240,000 was unrestricted (2021: £183,000).

#### Net income/(expenditure) for the year includes:

	2022 £'000	2021 £'000
Operating lease rentals	219	299
PFI schemes	135	135
Depreciation of tangible fixed assets	528	1,334
Net interest on defined benefit pension liability	502	365
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	33	31
- Other services	10	14
- Other assurance services	2	2
- Taxation compliance	2	2

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Direct costs</b>				
Educational operations	1,077	27,491	28,568	25,664
<b>Support costs</b>				
Educational operations	-	13,688	13,688	11,680
	<u>1,077</u>	<u>41,179</u>	<u>42,256</u>	<u>37,344</u>

The expenditure on charitable activities was £42,256,000 (2021: £37,344,000) of which £1,077,000 was unrestricted (2021: £493,000), £40,651,000 was restricted (2021: £35,517,000) and £528,000 was restricted fixed assets (2021: £1,334,000).

	2022 £'000	2021 £'000
<b>Analysis of support costs</b>		
Support staff costs	8,174	6,221
Depreciation	528	1,334
Technology costs	830	487
Premises costs	2,477	1,399
Legal costs	152	38
Other support costs	1,527	2,201
	<u>13,688</u>	<u>11,680</u>

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	22,901	20,946
Social security costs	2,328	2,047
Pension costs	7,337	6,488
Staff costs - employees	32,566	29,481
Agency staff costs	965	367
Staff restructuring costs	88	45
Total staff expenditure	33,619	29,893

Staff restructuring costs comprise:

Redundancy payments	1	12
Severance payments (including special severance payments)	87	33
	88	45

Included in staff restructuring costs are special severance payments totalling £104,401 (2021: £33,683). Individually, the payments were: £2,450, £2,750, £3,600, £6,200, £7,042, £7,100, £7,359, £10,100, £12,100, £12,600, and £15,800.

#### Exit payments

£0 - £25,000 11

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	359	313
Administration and support	424	355
Management	16	17
	799	685

The prior year staff numbers have been restated.



# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Staff (Continued)

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

	2022 Number	2021 Number
Teachers	341	297
Administration and support	301	261
Management	16	17
	<u>658</u>	<u>575</u>

The prior year staff numbers have been restated.

#### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	18	14
£70,001 - £80,000	4	2
£80,001 - £90,000	2	2
£90,001 - £100,000	4	4
£100,001 - £110,000	1	-
£140,001 - £150,000	1	1
	<u>  </u>	<u>  </u>

#### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,305,155 (2021: £1,287,483).

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Central services

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

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

The Academy Trust charges for these services based on 5% for secondary schools excluding the Hinckley School and 3.5% for primary schools and The Hinckley School. In the prior year the Academy Trust charged 3.5% for all schools for these services. The increase in the rate at which the partnership fee is calculated reflects the increased size of the central team.

The amounts charged during the year were as follows:

	2022 £'000	2021 £'000
The Hinckley School	282	148
Keresley Newland Primary Academy	22	21
President Kennedy School	502	286
Barr's Hill School	252	145
Parkgate Primary School	97	90
Keresley Grange Primary Academy	43	41
Stoke Park School	299	183
Camp Hill Primary School	34	-
	<u>1,531</u>	<u>914</u>

### 10 Trustees' remuneration and expenses

There were no salary payments, compensation payments or benefits in kinds to Trustees during the year. The principal only receives remuneration in respect of services they provide undertaking the role of principal under their contract of employment, and not in respect of their services as trustee. Other trustees were not paid any remuneration.

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

The CEO received remuneration of £145,000 in 2022 (2021: £150,000) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £34,220 (2021: £35,400).

A governor was reimbursed mileage expenses during the period of £101 (2021: £nil).

### 11 Trustees and officers' insurance

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

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 12 Tangible fixed assets

	Freehold properties	Long leasehold property	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 September 2021	19,164	41,619	6	1,163	48	62,000
Transfer on conversion	-	4,381	-	-	-	4,381
Donated fixed asset	-	5,301	-	-	-	5,301
Additions	83	6,831	68	68	-	7,050
	<u>19,247</u>	<u>58,132</u>	<u>74</u>	<u>1,231</u>	<u>48</u>	<u>78,732</u>
<b>Depreciation</b>						
At 1 September 2021	1,679	2,331	-	414	26	4,450
Charge for the year	(88)	529	5	74	8	528
	<u>1,591</u>	<u>2,860</u>	<u>5</u>	<u>488</u>	<u>34</u>	<u>4,978</u>
<b>Net book value</b>						
At 31 August 2022	<u>17,656</u>	<u>55,272</u>	<u>69</u>	<u>743</u>	<u>14</u>	<u>73,754</u>
At 31 August 2021	<u>17,485</u>	<u>39,288</u>	<u>6</u>	<u>749</u>	<u>22</u>	<u>57,550</u>

Long leasehold properties are leased from Coventry City Council, relating to the land and buildings at the President Kennedy School, Parkgate Primary School and Keresley Grange Academy, they are leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2021: £nil).

Long leasehold properties are leased from Leicestershire County Council and John Cleveland Foundation, relating to the land and buildings at The Hinckley School, they are leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2021: £nil).

Long leasehold properties are leased from Warwickshire County Council, relating to the land and buildings at Keresley Newland and Camp Hill Primary School, they are leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2021: £nil).

Included in the additions to long leasehold property is a new leasehold property donated to President Kennedy School by Coventry City Council at a fair value of £5,301,000.

The depreciation charge for freehold properties has been adjusted in the year in order to reflect depreciation charged on freehold land incorrectly charged in previous years.

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Debtors

	2022 £'000	2021 £'000
Trade debtors	41	67
Other debtors	666	379
Prepayments and accrued income	3,146	3,581
	<u>3,853</u>	<u>4,027</u>

### 14 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
ESFA loan	20	-
Salix loans	28	-
Trade creditors	1,969	851
Other taxation and social security	586	534
Other creditors	679	588
Accruals and deferred income (see note 17)	1,302	1,259
	<u>4,584</u>	<u>3,232</u>

### 15 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
ESFA loan	180	200
Salix loans	98	-
	<u>278</u>	<u>200</u>

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 15 Creditors: amounts falling due after more than one year (Continued)

	2022 £'000	2021 £'000
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	200	200
Wholly repayable within five years	126	-
	<u>326</u>	<u>200</u>
Less: included in current liabilities	(48)	-
	<u>278</u>	<u>200</u>
 <b>Loan maturity</b>		
Debt due in one year or less	48	-
Due in more than one year but not more than two years	48	20
Due in more than two years but not more than five years	130	60
Due in more than five years	100	120
	<u>326</u>	<u>200</u>

At the year end, the Academy Trust has a DfE loan amounting to £200,000 (2021: £200,000). The loan terms are 10 years at an interest rate of nil%. The Academy Trust also has Salix loans amounting to £126,000 (2021: £nil). The loan terms are 5 and 6 years at an interest rate of nil%.

### 16 Provision

Included within the financial statements is an enhanced pension provision relating to the cost of staff who have already left the Trust's employment. The provision has been recalculated at 31 August 2022 as £1,462k (2021: £1,732k) in accordance with guidance issued by the funding bodies.

The principal assumption for this calculation is using a discount rate of 3.30% (2021: 1.60%) and price inflation of 2.90% (2021: 2.60%).

	<b>Enhanced Pension provision £'000</b>
At 1 September 2021	1,732
Less benefits paid	(55)
Plus interest cost	28
Actuarial (gains) / losses over year	(243)
 <b>At 31 August 2022</b>	 <b><u>1,462</u></b>

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Deferred income

	2022 £'000	2021 £'000
Deferred income is included within:		
Creditors due within one year	345	72
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2021	72	-
Released from previous years	(72)	-
Resources deferred in the year	345	72
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2022</b>	<b>345</b>	<b>72</b>
	<u>          </u>	<u>          </u>

Deferred income relates to performance related grants and trip income received in advance specifically for future periods.

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	32,669	(32,669)	-	-
Pupil premium	-	1,941	(1,941)	-	-
Teachers pay grant	-	61	(61)	-	-
Supplementary grant	-	403	(403)	-	-
Teachers pension employer contribution grant	-	172	(172)	-	-
Universal infant free school meals	-	147	(147)	-	-
Other grants	-	1,773	(1,773)	-	-
Catch-up premium	-	392	(357)	-	35
Other DfE/ESFA COVID-19 funding	-	65	(65)	-	-
Other government grants	-	1,025	(1,025)	-	-
Other restricted funds	-	78	(78)	-	-
Pension provision reserve	(1,732)	-	270	-	(1,462)
Pension reserve	(29,147)	(958)	(2,230)	23,627	(8,708)
	<u>(30,879)</u>	<u>37,768</u>	<u>(40,651)</u>	<u>23,627</u>	<u>(10,135)</u>
<b>Restricted fixed asset funds</b>					
Assets inherited on transfer, gifted assets and capital grants	59,458	16,391	(528)	432	75,753
	<u>59,458</u>	<u>16,391</u>	<u>(528)</u>	<u>432</u>	<u>75,753</u>
<b>Total restricted funds</b>	<u>28,579</u>	<u>54,159</u>	<u>(41,179)</u>	<u>24,059</u>	<u>65,618</u>
<b>Unrestricted funds</b>					
General funds	1,736	1,219	(1,317)	(432)	1,206
	<u>1,736</u>	<u>1,219</u>	<u>(1,317)</u>	<u>(432)</u>	<u>1,206</u>
<b>Total funds</b>	<u>30,315</u>	<u>55,378</u>	<u>(42,496)</u>	<u>23,627</u>	<u>66,824</u>

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

#### *Restricted general funds*

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

#### *Restricted fixed asset funds*

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

#### *Unrestricted funds*

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2022.

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds (Continued)

#### Funds prior year

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	27,936	(27,936)	-	-
Pupil premium	-	1,643	(1,643)	-	-
Teachers pay grant	-	331	(331)	-	-
Teachers pension employer contribution grant	-	998	(998)	-	-
Universal infant free school meals	-	113	(113)	-	-
Other grants	-	1,575	(1,575)	-	-
Catch-up premium	-	380	(380)	-	-
Other DfE/ESFA COVID-19 funding	-	70	(70)	-	-
Other government grants	-	725	(725)	-	-
Other restricted funds	-	27	(27)	-	-
Pension provision reserve		(1,800)	68		(1,732)
Pension reserve	(17,891)	(7,702)	(1,787)	(1,767)	(29,147)
	<u>(17,891)</u>	<u>24,296</u>	<u>(35,517)</u>	<u>(1,767)</u>	<u>(30,879)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	30,311	22,763	-	-	53,074
DfE group capital grants	3,510	3,890	(1,334)	318	6,384
	<u>33,821</u>	<u>26,653</u>	<u>(1,334)</u>	<u>318</u>	<u>59,458</u>
<b>Total restricted funds</b>	<u>15,930</u>	<u>50,949</u>	<u>(36,851)</u>	<u>(1,449)</u>	<u>28,579</u>
<b>Unrestricted funds</b>					
General funds	2,328	402	(676)	(318)	1,736
<b>Total funds</b>	<u>18,258</u>	<u>51,351</u>	<u>(37,527)</u>	<u>(1,767)</u>	<u>30,315</u>



# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds (Continued)

#### Total funds analysis by academy

	2022 £'000	2021 £'000
Fund balances at 31 August 2022 were allocated as follows:		
The Hinckley School	-	-
Keresley Newland Primary Academy	(121)	(6)
President Kennedy School	1,162	1,497
Barr's Hill School	221	381
Parkgate Primary School	359	464
Keresley Grange Primary Academy	(242)	(238)
Stoke Park School	1,199	847
Camp Hill Primary School	297	-
Central services	(1,634)	(1,209)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,241	1,736
	<hr/>	<hr/>
Restricted fixed asset fund	75,753	59,458
Pension reserve	(8,708)	(29,147)
Pension provision reserve	(1,462)	(1,732)
	<hr/>	<hr/>
Total funds	66,824	30,315
	<hr/>	<hr/>

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

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

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds (Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £'000
The Hinckley School	4,794	1,244	454	1,071	7,563	5,721
Keresley Newland Primary Academy	664	95	70	157	986	888
President Kennedy School	7,519	1,665	835	1,043	11,062	10,867
Barr's Hill School	3,751	892	465	601	5,709	5,112
Parkgate Primary School	2,343	556	262	413	3,574	3,541
Keresley Grange Primary Academy	915	235	113	225	1,488	1,567
Stoke Park School	4,089	758	605	741	6,193	6,237
Camp Hill Primary School	971	140	81	187	1,379	-
Central services	383	375	238	788	1,784	1,382
	<u>25,429</u>	<u>5,960</u>	<u>3,123</u>	<u>5,226</u>	<u>39,738</u>	<u>35,315</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total Funds £'000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	73,754	73,754
Current assets	1,080	4,897	2,125	8,102
Current liabilities	28	(4,584)	(28)	(4,584)
Non-current liabilities	98	(278)	(98)	(278)
Provisions for liabilities	-	(1,462)	-	(1,462)
Pension scheme liability	-	(8,708)	-	(8,708)
<b>Total net assets</b>	<u>1,206</u>	<u>(10,135)</u>	<u>75,753</u>	<u>66,824</u>

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	57,550	57,550
Current assets	1,736	3,432	1,908	7,076
Current liabilities	-	(3,232)	-	(3,232)
Non-current liabilities	-	(200)	-	(200)
Provisions for liabilities	-	(1,732)	-	(1,732)
Pension scheme liability	-	(29,147)	-	(29,147)
<b>Total net assets</b>	<b>1,736</b>	<b>(30,879)</b>	<b>59,458</b>	<b>30,315</b>

### 20 Capital commitments

	<b>2022 £'000</b>	<b>2021 £'000</b>
Expenditure contracted for but not provided in the financial statements	1,427	1,123

### 21 Long-term commitments

#### Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Amounts due within one year	233	222
Amounts due between one and five years	595	605
Amounts due after five years	1,880	2,150
	<b>2,708</b>	<b>2,977</b>

There is a PFI contract in place for a school building at the President Kennedy site, which is subject to a supplementary agreement with the Secretary of State for Education. Total commitments under the contracts are £135,000 (2021: £135,000) within 1 year and £540,000 (2021: £540,000) between 1 and 5 years, and £1.88m (2021: £2.15m) in over 5 years.

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 22 Reconciliation of net income to net cash flow from operating activities

	Notes	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)		12,882	13,824
Adjusted for:			
Net surplus on conversion to academy	28	(3,773)	-
Net surplus on transfer of academy in the trust		-	(13,218)
Capital grants from DfE and other capital income		(12,010)	(3,890)
Pension costs less contributions payable	25	1,728	1,422
Pension scheme finance costs	25	502	365
Depreciation of tangible fixed assets		528	1,334
(Decrease)/increase in provisions		(270)	1,732
<b>Movements in working capital:</b>			
Decrease/(increase) in debtors		174	(1,211)
Increase in creditors		1,304	1,949
Stocks, debtors and creditors transferred on conversion	28	-	(1,781)
<b>Net cash provided by operating activities</b>		<u>1,065</u>	<u>526</u>

### 23 Analysis of changes in net funds

	1 September 2021 £'000	Cash flows £'000	Other non- cash changes £'000	31 August 2022 £'000
Cash	3,049	1,200	-	4,249
Loans falling due within one year	-	-	(48)	(48)
Loans falling due after more than one year	(200)	(126)	48	(278)
	<u>2,849</u>	<u>1,074</u>	<u>-</u>	<u>3,923</u>

### 24 Members' liability

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

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 25 Pension and similar obligations

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

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

Contributions amounting to £610,460 (2021: £565,948) were payable to the schemes at 31 August 2022 and are included within creditors.

During the year, the Camp Hill Primary School transferred in to the Academy Trust. The obligation in respect of employees who transferred with the Camp Hill Primary School to the Academy Trust representing their cumulative service to the predecessor employer was recognised in the SoFA as part of the gain on transfer as set out in note 28.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

##### Valuation of the Teachers' Pension Scheme

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

The key results of the valuation and subsequent consultation are:

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

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £3,199,000 (2021: £3,265,000).

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 25 Pension and similar obligations (Continued)

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

#### Local Government Pension Scheme

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

As described in note 28, the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	2,410	1,766
Employees' contributions	413	373
Total contributions	2,823	2,139

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2022 by a qualified independent actuary.

	2022 %	2021 %
Rate of increase in salaries	3.70 - 4.10	3.40 - 3.90
Rate of increase for pensions in payment/inflation	3.10	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.10	2.90

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

	2022 Years	2021 Years
Retiring today		
- Males	21.20 - 21.60	21.60 - 21.80
- Females	23.60 - 24.10	24.00 - 24.20
Retiring in 20 years		
- Males	22.90 - 22.70	22.60 - 23.40
- Females	25.40 - 25.90	25.80 - 26.10

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 25 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2022 Fair value £'000	2021 Fair value £'000
Equities	15,517	12,703
Government bonds	-	1,062
Other bonds	5,713	3,155
Cash/liquidity	769	943
Property	2,062	1,527
Other assets	-	1,799
	<hr/>	<hr/>
Total fair value of assets	24,061	21,189
	<hr/>	<hr/>

The actual return on scheme assets was £(485,000) (2021: £3,048,000).

Amount recognised in the statement of financial activities	2022 £'000	2021 £'000
Current service cost	4,138	3,188
Net interest cost	502	365
	<hr/>	<hr/>
Total operating charge	4,640	3,553
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations	2022 £'000
At 1 September 2021	50,336
Obligations acquired on conversion	1,897
Current service cost	4,138
Interest cost	880
Employee contributions	413
Actuarial (gain)/loss	(24,490)
Benefits paid	(405)
	<hr/>
At 31 August 2022	32,769
	<hr/>

# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 25 Pension and similar obligations (Continued)

#### Changes in the fair value of the Academy Trust's share of scheme assets

	2022 £'000
At 1 September 2021	21,189
Assets acquired on conversion	939
Interest income	378
Return on plan assets (excluding net interest on the net defined pension liability)	(863)
Employer contributions	2,410
Employee contributions	413
Benefits paid	(405)
At 31 August 2022	24,061

### 26 Related party transactions

Key management personnel remuneration is disclosed in note 8.

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

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

### 27 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £75,013 (2021: £63,388) and disbursed £45,909 (2021: £36,347). An amount of £114,080 (2021: £84,976) is included in other creditors relating to undistributed funds that is repayable to ESFA.

### 28 Conversion to an academy

On 1 March 2022 the Camp Hill Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Futures Trust from the Warwickshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair 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 – transfer from local authority on conversion.

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



# THE FUTURES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 28 Conversion to an academy (Continued)

Academy	Location	Date of conversion
Camp Hill Primary School	Hollystitches Road, Nuneaton, CV10 9QA	1 March 2022

	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2022 £'000
<b>Net assets transferred:</b>				
Leasehold land and buildings	-	-	4,381	4,381
Cash	307	43	-	350
Pension scheme deficit	-	(958)	-	(958)
	<u>307</u>	<u>(915)</u>	<u>4,381</u>	<u>3,773</u>

The total income and endowments and net income/expenditure comprise total income of £1,327k and net expenditure of £52k contributed by Camp Hill Primary School between the date of the transfer and the 31 August 2022.

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

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 9 August 2021 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by The Futures Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2021 to 2022 Annex B: Regularity Reporting. We are independent of The Futures Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of The Futures Trust's accounting officer and Trustees**

The accounting officer is responsible, under the requirements of The Futures Trust's funding agreement with the Secretary of State for Education dated 1 March 2018 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Futures Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

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

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

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Trust Handbook 2021 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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

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

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## Use of our report

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

*RSM UK Audit LLP*

## **RSM UK Audit LLP**

Chartered accountants  
103 Colmore Row  
Birmingham  
B3 3AG

Dated: 9 December 2022  
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