

Fioretti Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number
10347700 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Fioretti Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2021

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Reference and Administrative Details

Members

Chair of Trustees: appointed 05.09.16
The Archdeacon of Birmingham: appointed 26.08.16
The Birmingham Diocesan Board of Finance: appointed 26.08.16
Diocesan Director of Education: appointed 26.08.16
Vicar of Bournville: appointed 01.05.19

Trustees

Giles Allen (Chair): appointed 26.08.16
Nishat Azmat (Vice Chair): appointed 26.02.19
Deidre Leeming: appointed 26.08.16
The Revd Canon Dr Peter Babington: appointed 26.08.16.
Resigned 06.09.20
Claire Grainger (CEO/Accounting Officer): appointed 26.08.16
Georgina Edgar: appointed 01.05.19
Fiona Rendell: appointed 24.09.19
Revd Emma Sykes: appointed 22.09.20
Karla Mulrain-Gobbinsingh: appointed 8.6.21
Muhammad Qureshi: appointed 21.9.21

Executive Leadership Team:

- Chief Executive Officer Claire Grainger
- Headteacher: St Barnabas Emma Grice
- Headteacher: St Francis Joanne Pickup
- Headteacher: St Mary's Joanne Booker

Company name: Fioretti Trust

Registered Head Office: c/o St Francis C E Primary School & Nursery
Teazel Avenue
Bournville
Birmingham
B30 1LZ

Company registration number 10347700

Independent Auditor Feltons
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

**Fioretti Trust
(A Company Limited by Guarantee)**

Bankers:

Lloyds Bank PLC
PO BOX 1000
Birmingham
B1 1LT

Solicitors:

Harrison Clark Rickerbys Solicitors
Oveross House
Ross Park
Ross – On – Wye
HR9 7US

Fioretti Trust
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Trustees' report for the year ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates three academy schools, all three are primary schools, with a nursery, serving catchment areas in Bournville, Erdington and Handsworth which are:

- St Barnabas CE Primary School
- St Francis CE Primary School and Nursery
- St Mary's CE Primary Academy (joined 1st March 2021)

They have a combined pupil capacity of 1128 and had a roll of 1096 in the school census on Thursday 7th October 2021.

Structure, Governance and Management

Constitution

The multi academy 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 multi academy trust. The Trustees of Fioretti Multi Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Fioretti Trust.

Details of the trustees who served during the year and to the date these accounts are approved 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.

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £10 million for St Francis and St Barnabas, and £2 million for St Mary's on any one claim.

Method of recruitment and appointment or election of Trustees

The Trust was incorporated when the Members agreed to create the Fioretti Trust company. The members then appointed a Board of Trustees to oversee the strategy and day to day running of the trust.

The Trustees have an effective Scheme of Delegation, which includes delegating a number of their responsibilities to the Local Governing Body (LGB) of each school within the Trust. The membership of the Local Governing Body is also a delegated responsibility from the Trust Board and local governors are drawn from a number of backgrounds including staff and parents/carers and the local parish and diocese. The trustees ensure that they are compliant with the Trust Handbook and use a skill set matrix to focus on the skills that are required before any new appointment is advertised and appointed. The Fioretti Trust is composed of trustees and governors who bring a diverse range of skills, experiences, qualifications, characteristics and perspectives and who are from different backgrounds. Any vacancy is fulfilled by following our Safer Recruitment Policy.

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Trustees' report for the year ended 31 August 2021

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust has a Service Level Agreement with Birmingham School and Governor Support, which is used for training and ad hoc support as required. Newly elected Trustees and Governors select specific training provided by a range of providers; including Birmingham LA, Birmingham Diocese and SIPs Education, in accordance with their needs. The Continuing Professional Development (CPD) leader for the trust, works alongside the CEO to ensure that trustees and governors are provided with opportunities to receive training in accordance with their role on the board or to fulfil any specific duty that they have responsibility for. There is bespoke training provided as required during the academic year. Any trustee (irrelevant of their experience of being a trustee) can request to attend training to support them in their role. Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by trustee support in accordance with their needs. Any new trustee or governor is given an induction pack and assigned a mentor to support them through the first few terms in office.

Organisational structure

Decisions relating to the overall running of the trust are reserved for the board of trustees with written terms of reference that delegate specific powers of authority to the Local Governing Body(s) and its sub committees. The trustees also employ an external company for financial services, who provides the Trust with expertise, advice and financial scrutiny. The trustees additionally retain the services of an internal audit provider to help trustees assure the probity of their systems and transactions.

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance, Risk and Audit
- CEO Performance Management
- Appeals
- Staff and Pupil Discipline
- Admissions

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy's budget and implementation of the multi academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the multi academy trust's financial procedures.

Arrangements for setting pay and remuneration of key management personnel

All staff receive annual pay reviews following their performance management assessment. The Headteacher salary and performance is reviewed by the CEO, with a panel of governors and an external advisor. The school leadership team's salaries and performance are reviewed by the Headteacher. The Pay Review Committee, meet during the first autumn term (September), in line with the Pay Policy. The Pay Policy is adopted and ratified by the Trust Board on an annual basis.

The Trustees have concluded that only the Trust Board are key management for Fioretti Trust; individual schools will have their own leadership teams.

The performance of the CEO is reviewed annually by the Trustees. The Trustees are supported in this role by an external advisor who is independent and whose services are paid for. Following the CEO's Performance review the Trustees will review the CEO pay. Annually, the trustees are diligent in a benchmarking activity, which is presented to the Board and minuted. This task is to ensure that the leadership scale for the CEO is fair and consistent in line with their duties and scale of pupils within the Trust.

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Trustees' report for the year ended 31 August 2021

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
0	0

Related parties and other Connected Charities and Organisations

There are two related parties (or other connected organisations) during this period:

- Reynolds Blinds
- Birmingham Diocese

Objectives and activities

Objects and aims

The strategic goal of Fioretti Trust is to embed the core PEACE values to develop efficient and effective systems to enhance the performance of all stakeholders. The focus is on the importance of each and every child in the trust; developing the whole child, achieving potentials and providing a broad and balanced curriculum to all pupils in accordance with the funding agreement between the Trust and the Department for Education.

Objectives, strategies and activities

Fioretti Trust 2020/21	Objective	Action
School Improvement	<u>Standards: attainment & progress</u> Remote learning will be embedded and continuous provision for all children	<ul style="list-style-type: none"> • Support schools – as required – with establishing an effective remote learning platform. • Respond to current issues: Covid pandemic. Identify vulnerable families / individuals whom require additional support. • To introduce a rigorous data monitoring system, which will include ½ termly trustee evaluation. • Data dashboard to be implemented and used to make predictions and monitor progress during the year. • Focus on 'combined' and ensuring that HTs are proactively tracking children to be targeted for improving 'combined' results throughout the whole school.
	Champions: Trust initiative to work collaboratively across all the schools. Champions to be recruited in: Safeguarding, Ethos, IT, EYFS and Inclusion These 5 areas have been identified from Risk Register.	<ul style="list-style-type: none"> • Recruitment of Champions. • Trust School Improvement Leader to induct the Champions and monitor their progress and impact.
	<u>Quality of Education:</u> To ensure that individual schools implement development plans that effectively target their key priorities	<ul style="list-style-type: none"> • SDPs are effectively created by leaders to ensure that high expectations are evident and key priorities have been addressed. • External consultant to monitor the progress against identified priorities.

Trustees' report for the year ended 31 August 2021

		<ul style="list-style-type: none"> • CEO to monitor, work alongside a specialist trustee and feedback to the board. • CEO, working with external consultant, to hold HTs to account on the quality of education within their school
Systems and Support	Implement a consistent Covid Risk Assessment system to provide centralised support for all schools	<ul style="list-style-type: none"> • Review H&S Covid regulations and centralising procedures across the trust (to include a risk assessment for all visitors and contractors) • To keep abreast of all national guidance
	To embed the Policy Schedule and Risk Register as systems to evidence trust compliance	<ul style="list-style-type: none"> • Implement system to monitor and review policies and Risk Register • Develop communication channels to share information about compliance or risks (as appropriate) – via governance or leadership teams • To ensure that policies are being applied appropriately and consistently across the schools

Further collaborative strategies adopted for achieving objectives are:

- Appropriate investment in training and resources; as a result of monitoring and audit.
- Developing the skills of middle leadership; to enhance greater understanding and knowledge.
- Rigorous monitoring; including trustees, CEO and an external advisor

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

The Trust aims to maintain and improve upon its 'Good' status for all schools through:

- ensuring that all teaching is at least good and often better
- ensuring that pupils meet their academic targets in reading, writing, maths and SPaG in line with the national expectations for progress and attainment
- ensuring that behaviour and safeguarding is always good or better
- providing Value for Money from all expenditure of the school budget(s) conducting business openly, fairly and to a high standard complying with all statutory curriculum requirements ensuring that pupils leave Fioretti Trust as well-rounded global citizens and understand their responsibilities to each other and to those less fortunate through a thorough understanding of our values.

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/running-charity/managing-charity in exercising their powers or duties.

Fioretti Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

It has been an interesting and challenging year, in the life of education and within the world in general! Despite the pandemic, Fioretti Trust has not used this as an excuse to slow down on the development of systems and practices: Developing the Trust continues to evolve at pace. The constantly changing educational landscape and national funding constraints adds an ever-increasing level of challenge. We have also faced an additional challenge to MAT capacity this year in managing Trust operations throughout two periods of national lockdown. This led to a significant increase in our operational workload, however, despite this we have successfully managed Trust activities whilst continuing to maintain a visible and strategic presence across the three schools.

The CEO has worked closely with the Headteacher's to ensure that any changes made at individual school level or Trust wide have been implemented at a sensible and measured pace. The CEO, in her role as Accounting Officer, continued to manage the key financial risks to the sustainability of the trust effectively and sensitively and have continued to develop the capacity and capability of key members of staff, who are becoming an increasingly effective resource for all of the schools to draw upon.

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Through extensive work with the LGBs, the CEO established highly effective working relationships with the governors at each of the three schools, and this has helped to ensure that governors have an increased understanding of the strengths and areas for development within their schools.

Achievements and Performance

Due to the Covid-19 pandemic, all statutory testing for EYFS, Phonics, KS1 and KS2 were abolished. There is no formal trust data or national data to present.

Although there has been no validated data, all three schools within Fioretti Trust continued to use a standardised assessment (NFER) to measure progress and attainment. This internal assessment tool was monitored by the CEO and Trustees to track progress and identify areas for school development & key priorities. Acceptable progress was made in all schools, within each key stage.

Key Performance Indicators

Education Performance KPIs	St Barnabas	St Francis	St Marys
Schools are at least 'Good' or better (Ofsted)	May 2019	Sept 2019	July 2018
All teachers meet the Teacher Standards (but, if they are not, there is a package of support in place to support them, which can be evidenced)			
Termly monitoring, by leaders and governors, of how additional funding is being used to support disadvantaged pupils and an annual evaluation of the Pupil Premium strategy shows evidence of impact.	Being rolled out 2021/22		
A Pupil Premium external review to be implemented (subject to +10% of PP eligible pupils in school)	Jan 2019 Review Autumn 2021	n/a Less than 10%	Booked for Autumn 2021
A SEND external review to be implemented on a 3 Year cycle.	6 th /7 th May 2021	November 2020 Review Summer term 2021	Booked for Spring Term 2022
An annual evaluation of the Sports Premium strategy shows evidence of impact.	July 2020 Review July 2021	July 2020 Review July 2021	Booked for Autumn 2021
KEY	achieved	In Progress	Working towards/emerging concern
			Not achieved / urgent concern

- Direct costs as a percentage of total costs were 60.7% (2020 : 55.9%)
- Support costs as a percentage of total costs were 39.3% (2020 : 44.1%)
- Total payroll costs as a percentage of recurring income were 81.1% (2020 : 89.4%)

Going concern

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

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Trustees' report for the year ended 31 August 2021

Financial Review

The financial results of Fioretti Multi Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2021 total resources expended were £5,111,037 and the surplus of income over expenditure was £1,250,406 which included depreciation of £356,386.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2021 of £6,285,589 which included £996,944 restricted funds not available for general purposes of the multi academy trust, £354,529 of free reserves defined as unrestricted funds available for general purposes and £10,989,116 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,351,473.

In addition, the deficit on the restricted pension fund of £6,055,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment Policy

Any surplus funds are invested with Lloyds Bank in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas. Compliance is an essential and regular activity amongst the trustees. Monthly meetings of the risk register include a range of monitoring i.e. GDPR compliance and health & safety on-site spontaneous checks.

Financial implications: impact from Covid-19

During the Covid-19 period, schools have had a significant loss of income; predominantly in the following areas: before and after school provision, catering (school dinners) and nursery. Headteachers have regular meetings with S4S to monitor income and expenditure. S4S consolidate their findings and during the monthly Accounting Officer financial checklist meeting, the CEO has an overview of the current financial oversight. The FAR committee have received an update from S4S, who report that all Headteachers are working closely with the finance consultant to focus on expenditure and seeking solutions to make savings across their budget. Each school has a marketing plan in place to ensure all spaces are filled for their Before & After Club and Nursery.

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Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the period was monitored by the Trustees. Each school within the Trust prepares a termly report of all fundraising activities and this is presented to the board within the CEO termly report.

Plans for Future Periods

The board of trustees have discussed, in detail, how they are now ready to develop and expand the Trust. They plan to extend to at least 5 schools over a period of 5 years. The trustees have invested in time to explore and develop centralised systems. Although, this is still on-going, the board has the confidence in their skill set and the operational systems now in place to embark on the expansion plan. The CEO has been given time and resources to lead on the initiative.

- Leadership structures to ensure that each school has a Headteacher; to enable the CEO to have greater time to develop the Trust, instead of leading an individual school.
- An external mentor to be appointed for the CEO; to support their development in the role, including: school improvement, finance and audit, compliance and operations.
- CEO to be networking, preparing key documents and developing the website – to be ready for prospective schools.
- Developing the central team: recruiting a Head of Operations and embedding the School Improvement Offer.

As a result of Covid-19, the trust is mindful of the financial matters of the trust. Schools have experienced a negative impact with funding streams; particularly with the temporary closure of before/school clubs. Other reduced income has been with school catering, extra-curricular activities and nursery; these reduced funding has had an impact on overall school budgets. Additional activities, increased cleaning provision and resources have increased expenditure that had not previously been planned for. The trust is working with their financial consultants to refine budget forecasts. The trust has collaborated with the ESFA to work with a School Resource Management Adviser (SRMA) during this academic year.

Funds Held as Custodian Trustee on Behalf of Others

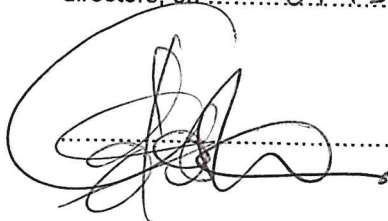
Fioretti Trust does not hold any such funds.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on07.12.21..... and signed on the board's behalf by:



..... Mr Giles Allen - Chair of Trustees

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Governance statement for the year ended 31 August 2021

Scope of Responsibility

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

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 Fioretti 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. The **board of trustees** has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Giles Allen (Chair): appointed 26.08.16	6	6
Claire Grainger (CEO/Accounting Officer): appointed 26.08.16	6	6
Nishat Azmat (Vice Chair): appointed 26.02.19	6	6
Georgina Edgar: appointed 01.05.19	4	6
Deidre Leeming: appointed 26.08.16	5	6
Karla Mulrain: appointed 08.6.21	2	2
Fiona Rendall: appointed 24.09.19	6	6
Revd Emma Sykes: appointed 22.09.20	5	6
Revd Peter Babington: appointed 26.08.16 and resigned 06.09.20	0	0
Muhammad Qureshi: appointed 21.9.21	0	0

During this period the Board decided to pursue an expansion of the Trust under its existing multi-academy articles. In October 2019, St Barnabas CE Primary School formally joined Fioretti Trust and a third school, St Mary's joined in March 2021. In preparation for the expansion the Board dedicated time to consideration of their offer to new schools and how due diligence could be exercised for schools wishing to join. This process also concerned the governance arrangements for additional schools, the centralising of data collection and the development of a reporting dashboard.

The Board has taken opportunities over the last year to question senior staff over the collection and validation of data. Staff have been interviewed about data collection techniques and quality assurance. The Board has satisfied itself, as best it can, that staff are compliant with the data collection procedures within the Trust.

The Board has also considered its size and scope over the period. The Board has worked to establish itself and operate at an appropriate size and complexity considering both the actual size of the Trust and its ambitions for the future. The Board aims to balance the desire for an agile structure with an appropriate depth of knowledge and experience.

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The trust intends to conduct its next self-evaluation/external review in Autumn 2021/ Spring 2022.

The Finance, Risk & Audit is a sub-committee of the main board of trustees. Its purpose is to monitor and scrutinise financial procedures, policies and internal audit reports. The committee adhere to an annual schedule to ensure that they fulfil their duties as set out in the terms of reference.

Trustee	Meetings attended	Out of a possible
Claire Grainger (CEO/Accounting Officer): appointed 26.08.16	4	4
Nishat Azmat (Vice Chair): appointed 26.02.19	4	4
Georgina Edgar: appointed 01.05.19	4	4
Fiona Rendell (chair of FAR committee): appointed 24.09.19	4	4
Muhammad Qureshi: appointed 21.9.21	0	0

Review of value for money

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

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

- Reviewed and implemented a new finance system to ensure consistency and efficiency
- Reviewed external professional services with view to bringing in house
- Benchmarking exercise indicated higher than average fuel bills. Usage and cost of fuel is under review and action being taken to address this.

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 the multi academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fioretti Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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Governance statement for the year ended 31 August 2021

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi academy 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 multi academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The trustees have decided to enter into a:

- Service Level Agreement with an internal audit service from Services 4 Schools (S4S).

S4S includes giving advice on financial matters and performing a range of checks on the Fioretti Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations
- testing of income systems

The internal audits (S4S) took place during February and June and was reported to the board of trustees, through the Finance, Audit and Risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. This committee prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

During the 2020/21 period, all actions in the Internal Audit Action Plan have been addressed and all red actions have been reassessed and achieved (June 2021).

Review of Effectiveness

As accounting officer, Claire Grainger (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 reviewer
- the work of the external auditor;

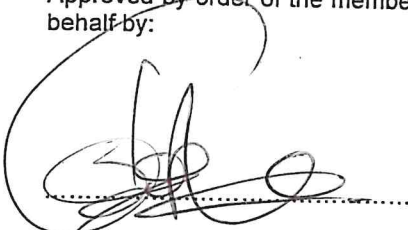
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Governance statement for the year ended 31 August 2021

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on07.12.21..... and signed on its behalf by:



Gifes Allen
Chair of Trustees



Claire Grainger
Accounting Officer

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Statement of regularity, propriety and compliance
for the period ended 31 August 2021

As accounting officer of Fioretti Trust I have considered my responsibility to notify the multi 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 multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

.....  Claire Grainger – Accounting Officer

Date : 07.12.21

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Statement of Trustees' responsibilities
for the period ended 31 August 2021

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

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

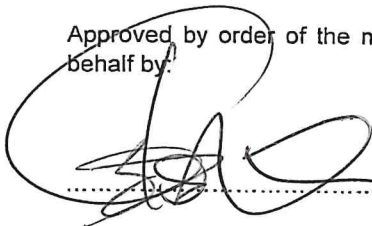
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 grants received from the 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 07.12.21 and signed on its behalf by:



..... Giles Allen – Chair of Trustees

**Fioretti Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
Fioretti Trust**

Opinion

We have audited the financial statements of Fioretti Trust (the 'Multi Academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency

Basis for opinion

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

Conclusions relating to going concern

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 academy trust'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.

Fioretti Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Fioretti Trust

(continued)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. 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.

Opinion on other matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

**Fioretti Trust
(A Company Limited by Guarantee)**

Independent Auditor's Report on the Financial Statements to the Members of Fioretti Trust

(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the academy's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Fioretti Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Fioretti Trust
(continued)

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

08 December 2021

Fioretti Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 12 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fioretti Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Fioretti Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fioretti Trust's funding agreement with the Secretary of State for Education dated June 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Fioretti Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Fioretti Trust and the Education and Skills Funding Agency (continued)

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

08 December 2021

Fioretti Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2020/21 £	Total 2019/20 £
Income from :							
Donations and capital grants	2	5,434	-	-	51,220	56,654	15,407
Transfer of existing academy		3,726	(1,787,000)	622,407	2,813,634	1,652,767	3,897,237
Charitable activities :							
Funding for the academy trust's educational operations	3	129,285	-	4,522,629	-	4,651,914	3,156,919
Investments	4	108	-	-	-	108	1,087
Total		138,553	(1,787,000)	5,145,036	2,864,854	6,361,443	7,070,650
Expenditure on :							
Charitable activities:							
Academy trust educational operations	5	123,669	301,000	4,329,982	356,386	5,111,037	3,688,238
Total		123,669	301,000	4,329,982	356,386	5,111,037	3,688,238
Net income/(expenditure) before transfers		14,884	(2,088,000)	815,054	2,508,468	1,250,406	3,382,412
Transfers between funds	14	-	-	(1,793)	1,793	-	-
Net income/(expenditure) after transfers		14,884	(2,088,000)	813,261	2,510,261	1,250,406	3,382,412
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(420,000)	-	-	(420,000)	(408,000)
Net movement in funds		14,884	(2,508,000)	813,261	2,510,261	830,406	2,974,412
Reconciliation of funds							
Total funds brought forward	15	339,645	(3,547,000)	183,683	8,478,855	5,455,183	2,480,771
Total funds carried forward		354,529	(6,055,000)	996,944	10,989,116	6,285,589	5,455,183

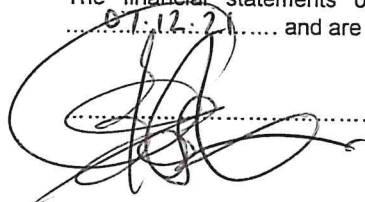
All of the Academy's activities derive from continuing operations during the above two financial periods.

Fioretti Trust
(A Company Limited by Guarantee)

Company number : 10347700
Balance sheet as at 31 August 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		10,981,690		8,464,238
Current assets					
Debtors	12	248,061		117,565	
Cash at bank and in hand		<u>1,452,668</u>		<u>605,454</u>	
		1,700,729		723,019	
Liabilities					
Creditors: amounts falling due within one year	13	<u>341,830</u>		<u>185,074</u>	
Net current assets			1,358,899		537,945
Net assets excluding pension liability			<u>12,340,589</u>		<u>9,002,183</u>
Defined benefit pension scheme liability	22		(6,055,000)		(3,547,000)
Total net assets			<u><u>6,285,589</u></u>		<u><u>5,455,183</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	10,989,116		8,478,855	
Restricted income fund	14	996,944		183,683	
Pension reserve	14	<u>(6,055,000)</u>		<u>(3,547,000)</u>	
Total restricted funds			5,931,060		5,115,538
Unrestricted income funds	14		354,529		339,645
Total funds			<u><u>6,285,589</u></u>		<u><u>5,455,183</u></u>

The financial statements on pages 22 to 44 were approved by the trustees, and authorised for issue on 07.12.21 and are signed on their behalf by:



..... Giles Allen - Chair of Trustees

Fioretti Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

	Notes	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	856,090	252,225
Cash flows from investing activities	19	(8,876)	15,703
		<u>847,214</u>	<u>267,928</u>
Cash and cash equivalents at 1 September 2020		605,454	337,526
Cash and cash equivalents at 31 August 2021	20	<u>1,452,668</u>	<u>605,454</u>

Fioretti Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021

1. Accounting policies

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

Basis of preparation

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

Going concern

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

Income

All incoming resources are recognised when the multi 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

**Fioretti Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Fioretti Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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

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

Freehold and other buildings	- straight line over 30 years and 10 years
Furniture and equipment	- 25% reducing balance
Computer hardware	- 33% straight line

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

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

Liabilities

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

Leased assets

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

Fioretti Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Taxation

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

Pension benefits

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

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

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

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

Fioretti Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi 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 or Department for Education.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Fioretti Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	-	27,692	27,692	15,407
Donated fixed assets	-	-	23,528	23,528	-
Other donations	5,434	-	-	5,434	-
	5,434	-	51,220	56,654	15,407
Transfer of existing academy	3,726	(1,164,593)	2,813,634	1,652,767	3,897,237
	9,160	(1,164,593)	2,864,854	1,709,421	3,912,644
2020 total	233,064	(2,031,000)	5,710,580	3,912,644	
Analysis of restricted funds transferred into trust :					
Restricted general funds		622,407			
Restricted pension fund		(1,787,000)			
		<u>(1,164,593)</u>			

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	3,361,656	-	3,361,656	2,301,726
Other DfE Group grants					
UIFSM	-	129,403	-	129,403	91,717
Pupil premium	-	286,505	-	286,505	186,180
Teachers pension	-	117,895	-	117,895	41,253
Others	-	101,893	-	101,893	75,188
	-	3,997,352	-	3,997,352	2,696,064
Other government grants					
Local authority grants	-	428,315	-	428,315	263,433
Other income from the academy trust's educational operations	129,285	-	-	129,285	183,276
Covid-19 additional funding (DfE/ESFA)					
Catch-up premium	-	74,820	-	74,820	-
Other DfE/ESFA Covid-19 funding	-	22,142	-	22,142	14,146
	129,285	525,277	-	654,562	460,855
	129,285	4,522,629	-	4,651,914	3,156,919
2020 total	183,276	2,973,643	-	3,156,919	

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Notes to the financial statements for the year ended 31 August 2021 (continued)

3. Funding for the Academy Trust's educational operations (continued)

The academy received £74,820 of funding for catch-up premium and costs incurred in respect of this funding totalled £74,820.

4. Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	108	-	108	1,087
2020 total	<u>1,087</u>	<u>-</u>	<u>1,087</u>	

5. Expenditure

	Staff costs £	Non pay expenditure		2020/21 Total £	2019/20 Total £
		Premises £	Other £		
Academy's educational operations					
Direct costs	2,738,155	119,559	235,342	3,093,056	2,059,966
Allocated support costs	<u>1,162,496</u>	<u>446,221</u>	<u>409,264</u>	<u>2,017,981</u>	<u>1,628,272</u>
	<u>3,900,651</u>	<u>565,780</u>	<u>644,606</u>	<u>5,111,037</u>	<u>3,688,238</u>
2020 total	<u>2,824,137</u>	<u>445,947</u>	<u>418,154</u>	<u>3,688,238</u>	

Net income/(expenditure) for the period includes :

		2020/21 £	2019/20 £
Operating leases	- plant and machinery	3,292	1,120
Depreciation		356,386	298,345
Fees payable to auditor	- audit	<u>12,500</u>	<u>9,500</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2020/21 Total £	2019/20 Total £
Educational operations					
Direct costs	32,073	-	3,060,983	3,093,056	2,059,966
Support costs	91,596	301,000	1,625,385	2,017,981	1,628,272
	<u>123,669</u>	<u>301,000</u>	<u>4,686,368</u>	<u>5,111,037</u>	<u>3,688,238</u>
2020 total	<u>168,963</u>	<u>227,000</u>	<u>3,292,275</u>	<u>3,688,238</u>	
Analysis of support costs					
Support staff costs	34,050	301,000	827,446	1,162,496	1,015,076
Depreciation	-	-	236,827	236,827	209,125
Technology costs	-	-	32,843	32,843	29,449
Premises costs	-	-	219,644	219,644	154,668
Other support costs	57,546	-	295,308	352,854	210,454
Governance costs	-	-	13,317	13,317	9,500
Total support costs	<u>91,596</u>	<u>301,000</u>	<u>1,625,385</u>	<u>2,017,981</u>	<u>1,628,272</u>
2020 total	<u>126,165</u>	<u>227,000</u>	<u>1,275,107</u>	<u>1,628,272</u>	

7. Staff

a) Staff costs

Staff costs during the year were:	2020/21 £	2019/20 £
Wages and salaries	2,601,855	1,843,858
Social security costs	233,943	202,952
Pension costs	999,349	693,981
	<u>3,835,147</u>	<u>2,740,791</u>
Agency staff costs	65,504	83,346
	<u>3,900,651</u>	<u>2,824,137</u>

b) Staff numbers

The average number of persons employed by the academy during the year was as follows:	2020/21 Number	2019/20 Number
Teachers	48	26
Administration and support	103	75
Management	4	6
	<u>155</u>	<u>107</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

7. Staff (continued)

c) Higher paid staff

	2020/21 Number	2019/20 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	2	1
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

d) Key management personnel

The key management personnel of the multi 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 and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £341,846 (2020 : £473,738)

8. Central services

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

Category	Basis
Central support costs	5% of general annual grant

The actual amounts charged during the year were as follows :

	2020/21 £	2019/20 £
St Francis Church of England Aided Primary School and Nursery	50,906	50,895
Saint Barnabas Church of England Primary School	85,566	75,658
St Mary's C of E Primary and Nursery School, Handsworth	44,571	-
	<u>181,043</u>	<u>126,553</u>

9. Related Party Transactions - Trustees' remuneration and expenses

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

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

Claire Grainger, Executive Head Teacher	
Remuneration	£85,000 - £90,000 (2020 : £80,000 - £85,000)
Employer's pension contributions paid	£20,000 - £25,000 (2020 : £15,000 - £20,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £30 (2020 : £25) were reimbursed or paid directly to one (2020 : one) trustees.

Other related party transactions involving the trustees are set out in note 23.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

10. Trustees' and officers' insurance

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

In accordance with normal commercial practice the academy trust has purchased insurance for St Mary's C of E Primary and Nursery School to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of £9,252.

11. Tangible fixed assets

	Freehold land and buildings £	Other property £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation					
At 1 September 2020	335,200	8,515,667	115,823	94,090	9,060,780
Transfer into Trust	-	3,118,060	62,600	55,240	3,235,900
Additions	-	-	8,538	51,666	60,204
At 31 August 2021	<u>335,200</u>	<u>11,633,727</u>	<u>186,961</u>	<u>200,996</u>	<u>12,356,884</u>
Depreciation					
At 1 September 2020	35,903	462,415	40,474	57,750	596,542
Transfer into Trust	-	321,167	58,834	42,265	422,266
Charge for the year	9,166	295,560	22,224	29,436	356,386
At 31 August 2021	<u>45,069</u>	<u>1,079,142</u>	<u>121,532</u>	<u>129,451</u>	<u>1,375,194</u>
Net book values					
At 31 August 2021	<u>290,131</u>	<u>10,554,585</u>	<u>65,429</u>	<u>71,545</u>	<u>10,981,690</u>
At 31 August 2020	<u>299,297</u>	<u>8,053,252</u>	<u>75,349</u>	<u>36,340</u>	<u>8,464,238</u>

The school site is a combination of freehold land and buildings registered in the name of the Fioretti Trust and land and buildings referred to as 'Other Property' which is made available to the trust for an indefinite period under supplemental agreement between the Church of England, the Fioretti Trust and the Department of Education. The trustees have capitalised the value of all the property based on a valuation as at 1st October 2016 and 1st October 2019 of the whole site by DVS Property Specialists for the public sector, at £3,128,470 and £5,554,000 respectively which includes £952,000 in respect of land. The buildings are being written off over a period of 30 years.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

11. Tangible fixed assets (continued)

Cost or valuation at 31 August 2021 is represented by :	Freehold land and buildings £	Other property £	Furniture and equipment £	Computer hardware £	Total £
Valuation in 2016	335,200	2,793,270	6,526	31,520	3,166,516
Valuation in 2019	-	5,554,000	75,924	31,132	5,661,056
Transfer in 2021	-	2,796,893	3,766	12,975	2,813,634
Cost	-	489,564	100,745	125,369	715,678
	<u>335,200</u>	<u>11,633,727</u>	<u>186,961</u>	<u>200,996</u>	<u>12,356,884</u>

12. Debtors

	2021 £	2020 £
VAT recoverable	57,752	11,279
Prepayments and accrued income	190,309	106,286
	<u>248,061</u>	<u>117,565</u>

13. Creditors

Amounts falling due within one year :	2021 £	2020 £
Creditors from operations	47,223	44,005
Other taxation and social security	134,180	38,881
Accruals and deferred income	160,371	102,188
Other creditors	56	-
	<u>341,830</u>	<u>185,074</u>
Deferred income		
Deferred income at 1 September 2020	68,983	33,273
Resources deferred in the year	89,528	68,983
Amounts released from previous years	(68,983)	(33,273)
Deferred income at 31 August 2021	<u>89,528</u>	<u>68,983</u>

At the balance sheet date the multi academy trust was holding funds received in advance for Universal Free School Meals and educational visits in advance.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	183,683	3,361,656	(2,546,602)	(1,793)	996,944
UIFSM	-	129,403	(129,403)	-	-
Pupil premium	-	286,505	(286,505)	-	-
Catch-up premium	-	74,820	(74,820)	-	-
Other DfE/ESFA Covid-19 funding	-	22,142	(22,142)	-	-
Transfer of existing academy	-	622,407	(622,407)	-	-
Other grants	-	648,103	(648,103)	-	-
	<u>183,683</u>	<u>5,145,036</u>	<u>(4,329,982)</u>	<u>(1,793)</u>	<u>996,944</u>
Restricted fixed asset funds					
Transfer on conversion	8,417,298	-	(301,139)	-	8,116,159
Transfer of existing academy	-	2,813,634	(36,758)	-	2,776,876
DfE Group capital grants	61,557	27,692	(10,277)	-	78,972
Capital expenditure from GAG	-	-	(448)	1,793	1,345
Donations	-	23,528	(7,764)	-	15,764
	<u>8,478,855</u>	<u>2,864,854</u>	<u>(356,386)</u>	<u>1,793</u>	<u>10,989,116</u>
Pension reserve	<u>(3,547,000)</u>	<u>(1,787,000)</u>	<u>(301,000)</u>	<u>(420,000)</u>	<u>(6,055,000)</u>
Total restricted funds	<u>5,115,538</u>	<u>6,222,890</u>	<u>(4,987,368)</u>	<u>(420,000)</u>	<u>5,931,060</u>
Unrestricted funds					
Transfer of existing academy	-	3,726	(3,726)	-	-
Other income	339,645	134,827	(119,943)	-	354,529
Total unrestricted funds	<u>339,645</u>	<u>138,553</u>	<u>(123,669)</u>	<u>-</u>	<u>354,529</u>
Total funds	<u>5,455,183</u>	<u>6,361,443</u>	<u>(5,111,037)</u>	<u>(420,000)</u>	<u>6,285,589</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham Diocese of the Church of England where the asset acquired or created is

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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	(77,895)	2,301,726	(2,040,148)	-	183,683
UIFSM	-	91,717	(91,717)	-	-
Pupil premium	-	186,178	(186,178)	-	-
Other DfE/ESFA Covid-19 funding	-	14,146	(14,146)	-	-
Conversion	281,866	-	(281,866)	-	-
Other grants	-	379,876	(379,876)	-	-
	<u>203,971</u>	<u>2,973,643</u>	<u>(2,993,931)</u>	<u>-</u>	<u>183,683</u>
Restricted fixed asset funds					
Transfer on conversion	2,993,552	5,661,056	(237,310)	-	8,417,298
DfE Group capital grants	73,067	49,524	(61,034)	-	61,557
	<u>3,066,619</u>	<u>5,710,580</u>	<u>(298,344)</u>	<u>-</u>	<u>8,478,855</u>
Pension reserve	<u>(881,000)</u>	<u>(2,031,000)</u>	<u>(227,000)</u>	<u>(408,000)</u>	<u>(3,547,000)</u>
Total restricted funds	<u>2,389,590</u>	<u>6,653,223</u>	<u>(3,519,275)</u>	<u>(408,000)</u>	<u>5,115,538</u>
Unrestricted funds					
Other income	91,181	417,427	(168,963)	-	339,645
Total unrestricted funds	<u>91,181</u>	<u>417,427</u>	<u>(168,963)</u>	<u>-</u>	<u>339,645</u>
Total funds	<u>2,480,771</u>	<u>7,070,650</u>	<u>(3,688,238)</u>	<u>(408,000)</u>	<u>5,455,183</u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows :

	2020/21 Total £	2019/20 Total £
St Francis Church of England Aided Primary School and Nursery	383,783	252,157
Saint Barnabas Church of England Primary School	256,080	271,171
St Mary's C of E Primary and Nursery School, Handsworth Trust	709,222	-
	2,388	-
Total before fixed assets and pension reserve	<u>1,351,473</u>	<u>523,328</u>
Restricted fixed asset fund	10,989,116	8,478,855
Pension reserve	(6,055,000)	(3,547,000)
Total funds	<u>6,285,589</u>	<u>5,455,183</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2020/21 Total £
St Francis Church of England Aided Primary School and Nursery	728,950	295,547	13,884	237,293	1,275,674
Saint Barnabas Church of England Primary School	1,324,595	514,752	60,420	312,876	2,212,643
St Mary's C of E Primary and Nursery School, Handsworth	684,610	231,782	15,827	159,975	1,092,194
Trust	-	120,415	-	53,725	174,140
Academy trust	2,738,155	1,162,496	90,131	763,869	4,754,651
2020 total	1,809,061	1,015,076	43,894	521,863	3,389,894

15. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	10,981,690	10,981,690
Current assets	354,529	-	1,338,774	7,426	1,700,729
Current liabilities	-	-	(341,830)	-	(341,830)
	<u>354,529</u>	<u>-</u>	<u>996,944</u>	<u>10,989,116</u>	<u>12,340,589</u>
Pension scheme liability	-	(6,055,000)	-	-	(6,055,000)
Total net assets	354,529	(6,055,000)	996,944	10,989,116	6,285,589

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	8,464,238	8,464,238
Current assets	339,645	-	368,757	14,617	723,019
Current liabilities	-	-	(185,074)	-	(185,074)
	<u>339,645</u>	<u>-</u>	<u>183,683</u>	<u>8,478,855</u>	<u>9,002,183</u>
Pension scheme liability	-	(3,547,000)	-	-	(3,547,000)
Total net assets	339,645	(3,547,000)	183,683	8,478,855	5,455,183

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Notes to the financial statements for the year ended 31 August 2021 (continued)

16. Capital commitments

	2021	2020
	£	£
Contracted for but not provided in the financial statements	4,776	-

17. Commitments under operating leases

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

	Total 2021	Other Total 2020
	£	£
Amounts due within one year	7,704	1,120
Amounts due between one and five years	2,403	1,867
	<u>10,107</u>	<u>2,987</u>

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020/21	2019/20
	Total	Total
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	1,250,406	3,382,412
Adjusted for :		
Depreciation (note 11)	356,386	298,345
Capital grants from DfE and other capital income	(51,220)	(49,524)
Assets transferred on conversion to multi academy trust	(2,813,634)	(5,661,056)
Interest receivable (note 4)	(108)	(1,087)
Defined benefit pension scheme obligation inherited	1,787,000	2,031,000
Defined benefit pension scheme cost less contributions payable (note 22)	219,000	178,000
Defined benefit pension scheme finance cost/(income) (note 22)	82,000	49,000
Decrease / (increase) in debtors	(130,496)	(78,919)
Increase / (decrease) in creditors	156,756	104,054
Net cash provided by / (used in) operating activities	<u>856,090</u>	<u>252,225</u>

19. Cash flows from investing activities

	2020/21	2019/20
	Total	Total
	£	£
Interest received	108	1,087
Purchase of tangible fixed assets	(36,676)	(34,908)
Capital grants from DfE Group	27,692	49,524
Net cash provided by / (used in) investing activities	<u>(8,876)</u>	<u>15,703</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

20. Analysis of cash and cash equivalents

	At 31 August 2021 £	At 31 August 2020 £
Cash at bank and in hand	1,452,668	605,454
	<u>1,452,668</u>	<u>605,454</u>

21. Members' liability

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

22. Pension and similar obligations

The multi 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. Both are multi-employer defined-benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

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 four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

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

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

The employer's pension costs paid to TPS in the year amounted to £322,138 (2020 : £199,348).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £491,000 (2020 : £281,000), of which employer's contributions totalled £420,000 (2020 : £238,000) and employees' contributions totalled £71,000 (2020 : £43,000). The agreed contribution rates for future years are between 22.8% and 23.5% for employers and between 5.5% and 10.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 20-24 years.

Fioretti Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	1.55%-3.25%
Rate of increase for pensions in payment / inflation	2.90%	2.25%-3.25%
Discount rate for scheme liabilities	1.65%	1.60%-2.35%
Inflation assumption (CPI)	1.65%	1.60%-2.35%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	8,898	8,693	9,082	9,281
Projected service cost	725	707	748	762
		- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	8,898	9,108	8,719	8,531
Projected service cost	725	749	708	695

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

The academy trust's share of the assets in the scheme was :

	31 August 2021	31 August 2020
	£	£
Equities	1,733,000	314,000
Government bonds	234,000	61,000
Other bonds	173,000	22,000
Property	200,000	42,000
Cash/liquidity	105,000	37,000
Other	398,000	84,000
Total market value of assets	2,843,000	560,000

The actual return on scheme assets was £391,000 (2020 : £41,000).

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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2020/21	2019/20
	£	£
Amount recognised in the statement of financial activities		
Current service cost		
Net interest cost	639,000	416,000
Total amount recognised in the SOFA	<u>82,000</u>	<u>49,000</u>
	<u>721,000</u>	<u>465,000</u>
Changes in the present value of defined benefit obligations were as follows :		
	2020/21	2019/20
	£	£
At 1 September 2020		
Current service cost	4,107,000	1,194,000
Interest cost	639,000	416,000
Employee contributions	117,000	57,000
Actuarial gains/(losses) - financial assumptions	71,000	43,000
Actuarial gains/(losses) - demographic assumptions	1,010,000	205,000
Actuarial gains/(losses) - experience gains/losses	(112,000)	44,000
Benefits paid	(122,000)	128,000
Upon conversion/transfer	(46,000)	(42,000)
At 31 August 2021	<u>3,234,000</u>	<u>2,062,000</u>
	<u>8,898,000</u>	<u>4,107,000</u>
Changes in the fair value of academy's share of scheme assets were as follows :		
	2020/21	2019/20
	£	£
At 1 September 2020		
Interest income	560,000	313,000
Actuarial gain/(loss)	35,000	8,000
Employer contributions	-	(64,000)
Employee contributions	420,000	238,000
Benefits paid net of transfers in	71,000	43,000
Upon conversion/transfer	(46,000)	(42,000)
Return on assets less interest	1,447,000	31,000
	<u>356,000</u>	<u>33,000</u>
At 31 August 2021	<u>2,843,000</u>	<u>560,000</u>
Net pension scheme liability	<u>(6,055,000)</u>	<u>(3,547,000)</u>

23. Related party transactions

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

No related party transactions took place in the year of account other than certain trustees' remuneration and expenses already disclosed in note 9.

Fioretti Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

24. Existing academies acquired by the trust during the year

The assets, liabilities and operations of the following academy were transferred to Fioretti Trust on 1 March 2021 at nil consideration, accounted for as a gift. From the date of acquisition :

- the assets and liabilities of each incoming academy have been valued at their fair value;
- these amounts have been recognised by the multi academy trust under the appropriate balance sheet headings;
- where net assets are transferred a corresponding amount has been recognised as donated income in the SOFA;
- where net liabilities are transferred a corresponding amount has been recognised as a loss under 'expenditure on charitable activities' in the SOFA;
- amounts have been analysed between unrestricted funds, restricted general funds and restricted fixed asset funds dependent upon the conditions attached, if any.

The following table sets out the totals of the acquired assets and liabilities from the academy transferred in to the trust during the year and any fair value adjustments made.

St Mary's C of E Primary and Nursery Academy, Handsworth

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Leasehold land and buildings	2,796,893	-	2,796,893
Fittings and equipment	3,766	-	3,766
Computer hardware	12,975	-	12,975
Current assets			
Debtors due in less than one year	80,590	-	80,590
Cash at bank and in hand	575,294	-	575,294
Liabilities			
Creditors due in less than one year	(29,751)	-	(29,751)
Pensions			
Pension scheme liabilities	(1,787,000)	-	(1,787,000)
Net assets / (liabilities)	<u>1,652,767</u>	<u>-</u>	<u>1,652,767</u>