

The
Sir John Brunner
Foundation

(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 August 2021

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Reference and Administrative Details

Members	Mrs L Allen Mr A Redley Mr D Shingler Dr J Staley
Trustees	Mr A Redley (Chair) Mrs E Bromley Mr R Donovan Miss K Kirkwood (principal and accounting officer) Mrs N Kirsten Mr C Lee Mr K Neary Mr C Penter Ms C Stewart
Clerk to the Trustees	Mrs S Armstrong
Senior Leadership Team	Miss K Kirkwood (Chief Executive Officer and Principal Sir John Deane's Sixth Form College – resigned as Principal 31 August 2021) Mrs Kathryn McBurnie (Chief Finance Officer – appointed 21 June 2021) Mr A Sumner (Chief Finance Officer and Deputy Principal Sir John Deane's Sixth Form College – retired from both posts 31 August 2021) Mr M Snelson (Deputy Chief Executive Officer – appointed 1 May 2021 and Principal The County High School, Leftwich) Mr M Keenan (Director of Educational Standards – resigned 31 December 2020 and Vice-Principal The County High School, Leftwich – retired 31 August 2021) Mr C Atherton (Principal Sir John Deane's Sixth Form College – appointed 26 August 2021)
Company name	The Sir John Brunner Foundation
Principal and Registered Office	Monarch Drive Northwich Cheshire CW9 8AF
Company Registration Number	11227336 (England and Wales)
Independent Auditor	Murray Smith LLP Darland House 44 Winnington Hill Northwich Cheshire CW8 1AU
Bankers	NatWest Bank The Bull Ring Northwich Cheshire CW9 5BN

Solicitors

Eversheds Sutherland
70 Great Bridgewater Street
Manchester
M1 5ES



Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year the Foundation operated two academies; Sir John Deane's Sixth Form College, a 16-19 academy and The County High School, Leftwich an 11-16 academy. Both academies are located in Northwich, Cheshire.

The County High School, Leftwich has a published admission number of 975 but had 994 students on roll in the school census in October 2020. At their meeting in July 2020, trustees approved a request from the School to temporarily increase the number of students it accepts to 1,000. The Published Admission Number remains at 975. The school is working towards increasing its published admissions number to 210 from September 2022.

Sir John Deane's Sixth Form College has a declared capacity of 1,760 students and had 1,768 students on roll at the six week October 2020 census point.

Structure, Governance and Management

Constitution

The Foundation 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 Foundation. The trustees of The Sir John Brunner Foundation are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Sir John Brunner Foundation, Sir John Deane's Sixth Form College and The County High School, Leftwich.

Details of the trustees who served during the period, 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 Foundation has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Foundation business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is not separately identifiable as it forms part of a combined commercial insurance policy the cost of which is included in the total insurance cost.

Method of Recruitment and Appointment or Election of Trustees

The Foundation's Articles of Association state that there should be a minimum of three trustees with no maximum. Up to eight of these trustees may be appointed by the Foundation's Members.

The Articles also state that provided the Chief Executive agrees to act, then the Members may also by ordinary resolution appoint the Chief Executive as a trustee. This has been done.

The Foundation has not appointed parent trustees to the Board of Trustees. Instead parents are elected to serve on the local governing bodies of Sir John Deane's Sixth Form College and The County High School, Leftwich. As additional schools join the Foundation it is intended that the same approach will be adopted.

The Board of Trustees has not established a separate Search Committee at present. Potential new Trustees are considered by the Board of Trustees as a whole with a recommendation for appointment made to the Members who consider the recommendation and resolve to appoint if they are in agreement. Up to eight Trustees may be appointed in this way. In accordance with the Foundation's Articles, the Trustees may also appoint Co-opted Trustees who do not require the approval of Members, but must be appointed by Trustees who are not themselves Co-opted Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board of Trustees has approved the contents of an initial induction pack to be made available to all new trustees. This includes information about the Articles of Association, the duties and responsibilities of Company Directors and Charity Trustees, the funding agreements in place with the Department for Education and the Scheme of Delegation. Trustees are also provided with a guide prepared by the Sixth Form Colleges Association that gives a practical overview of the requirements and responsibilities of trustees. Trustees also have access to resources available on the National Governance Association website.

New trustees have a series of induction meetings with the Clerk to the Foundation, the Chair, the Chief Executive Officer and the Chief Finance Officer.

Ongoing training is provided either by accessing appropriate external courses and workshops or through internally delivered training on specific aspects of the Foundation's operations (e.g. the safeguarding policy and procedures).

Organisational Structure

The Board of Trustees has approved a scheme of delegation that sets out the decisions that must be reserved for the Board of Trustees and those that can be delegated to the Chief Executive Officer, the Audit and Compliance Committee and the Quality and Culture Committee of the Foundation or the Governing Bodies of the individual academies.

Key decisions that must be made by the Board of Trustees include:

- the approval of the annual budget and financial forecast for the Foundation
- agreeing the scheme of delegation
- approving the annual report and accounts of the Foundation
- determining and approving Foundation wide policies
- agreeing the risk assurance framework
- appointing the Chief Executive Officer, the Chief Finance Officer and Clerk to the Foundation
- appointing the Head Teacher/Principal of academies within the Foundation.

The Chief Executive Officer is also the Foundation's Accounting Officer and is responsible to Parliament for the use made of public funds provided for the education of students of the Foundation.

Arrangements for setting pay and remuneration of key management personnel

Salaries for key management personnel are determined by the Foundation Board and have regard to the outcome of performance management reviews, available benchmarking data and pay awards agreed nationally for teachers and support staff.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Foundation to publish information on facility time arrangements for trade union officials at the Foundation. The figures below relate to the period from 1 April 2020 to 31 March 2021 for Sir John Deane's Sixth Form College and The County High School, Leftwich.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time on facilities time

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

Percentage of pay bill spent of facilities time

Metric	Figures
Total cost of facilities time (hourly cost x time on facilities time)	£1,150.00
Total pay bill	£10,656,117.42
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0 / 23 hrs x 100 = 0%
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Related Parties and other Connected Charities and Organisations

As a multi-academy trust, The Sir John Brunner Foundation has no structural or commercial affiliation to any other organisations. All pecuniary interests for relevant staff, trustees and governors are recorded and reviewed annually.

Engagement with employees (including disabled persons)

Trustees are committed to ensuring equality of opportunity for all who work in The Sir John Brunner Foundation. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry.

The two academies use a variety of methods to communicate key information and messages to employees, including regular staff briefings, bulletins, all staff e-mails and whole staff meetings. Information on key policies and procedures is also available digitally to staff via shared computer drives or intranet platforms.

The Foundation has an active and established Staff Consultative Association which represents all staff groups and acts as a conduit in the communication, consultation and discussion regarding Foundation policies, current issues and future developments. The SCA discuss general issues regarding working conditions, training and welfare of all employees.

Academies have regular CPD sessions throughout the academic year, where colleagues are given various opportunities to maintain and enhance their professional development and skillsets. All academies have local procedures in relation to staff appraisals. The performance of colleagues significantly contributes to the success and outcomes of students and the appraisal process encourages all colleagues to reach their full potential. CPD, appraisals and

regular staff briefings all aim to give colleagues a clear understanding of their contributions to the success of the Academy and the wider Foundation.

The Foundation celebrates and values diversity and is committed to advancing equality of opportunity, regardless of age, disability, gender or gender identity, race, religion or belief, sexual orientation, marital status or social background and family responsibilities. We do this by being inclusive in our leadership, our behaviours and through our values. The Equality Act 2010 provides a framework to support the Foundation's commitment to valuing diversity, tackling discrimination, promoting equality and fostering good relationships between people.

Engagement with suppliers, customers and others in a business relationship with the trust

The Foundation's core customers are the students who attend the two academies and their families. Both academies engage extensively with these groups, using a variety of communication methods including:

- parents' evenings and other formal and ad hoc meetings with parents
- information posted on the academies' websites
- social media (Twitter and Facebook)
- e-mails and texts
- telephone calls
- dedicated parent portals
- open events for prospective parents and students.

The intent is to enable every child to feel happy and safe and to have the necessary information to fulfil their potential.

The Foundation seeks to support its local communities by using local suppliers where possible, whilst remaining mindful of the need to demonstrate that it has obtained value for the public purse. During the lockdown period the Foundation worked closely with suppliers to ensure service continuity. This has enabled key suppliers to remain in business and to provide essential services as the academies re-opened.

In line with other multi academy trusts the Foundation has many other stakeholders, which include:

- Education sector funding bodies
- Regional Schools Commissioner for West Midlands
- Local authorities
- Staff
- Other regional schools and colleges
- The local community
- Professional bodies

The Foundation recognises the importance of these relationships and engages in regular communication.

Objectives and Activities

Objects and Aims

The Foundation's objects as set out in the Articles of Association are as follows:

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("**the mainstream Academies**") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("**the alternative provision Academies**") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("**the 16 to 19 Academies**") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("**the Special Academies**") and
- b. to promote for the benefit of the inhabitants of the area served by the Academies the provision of facilities for recreation or other leisure time occupation of individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The Sir John Brunner Foundation's Values and Mission statement sets out a vision for the development of the Foundation.

It aims to be a geographically related group of outstanding and good academies each with a shared richness of experience, celebrating joyous and rewarding outcomes, within the broad framework of their own unique character and serving the distinct needs of their communities. Each academy is drawn together by a profound belief in and commitment to enhancing every child's life through the highest standards of a broad and diverse education, which seeks to support confident, compassionate and resilient young people who will make a positive contribution throughout their lives.

The Foundation is ambitious for all children, their families and communities and is driven always to enhance life chances and opportunities. It embraces continuous improvement and a collaborative culture to provide memorable and successful educational experiences for students. The Foundation strives for every child and professional to be able to feel happy and safe as a valued member of our community and both welcomes and celebrates difference and uniqueness.

The Foundation seeks to be measured in its development, ensuring that it has both the capacity and expertise necessary to seek future opportunities and potential challenges.

Public Benefit

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

In delivering its strategic objectives, the Foundation provides the following identifiable public benefits through the advancement of education:

- High quality teaching
- Outstanding student achievement at both GCSE and A Level
- Excellent progression to Higher Education or employment with training

Strategic Report

Achievements and Performance

Both The County High School, Leftwich and Sir John Deane's Sixth Form College are Ofsted Outstanding, with high academic standards and excellent value added outcomes for their students, sharing the ethos and values of the Foundation.

The 2020/21 academic year will be remembered primarily for the continued impact that the Covid 19 pandemic had on school life and the GCSE and A Level examinations. During the January to March 2021 national lockdown The County High School Leftwich remained open for around 150 students who were classed as vulnerable and/or children of key workers. Both academies adapted immediately to deliver high quality remote education. Students from both Academies followed their existing timetables and all lessons involved a live element to maximise progress and engagement during this period. The students who were in school also followed their timetables and engaged with the live lessons with added face-to-face support.

Both academies successfully re-opened in March 2021 for all year groups, providing on-site Lateral Flow Device testing for students and staff prior to their return. The County High School Leftwich provided a one-week summer school for Year 6 becoming Year 7 students to ensure the students were as ready as possible for secondary school and bridge some of the deficit created by the reduction in traditional transition arrangements.

Following the Governments decision in January 2021 to cancel A Level/GCSE examinations, these examinations did not take place in the summer of 2021. Instead, examination results were awarded using teacher assessed grades. Both academies undertook a rigorous process to design and implement a teacher assessed graded process, which fulfilled the JCQ requirements and ensured students were awarded the grades in a fair and transparent way.

Teacher assessed grades were derived from a series of formal tests, under examination conditions. However, the content and style of assessment was adjusted to reflect the uniqueness of the context, enabling students to focus their revision and preparations. The

teacher assessed grades methodology is therefore not comparable to the standard linear GCSE or A Level methodology.

Against a national picture of significant grade inflation, with some schools putting forward teacher assessed grades that they had not achieved before in actual examinations, the grades put forward by the Foundation's academies were consistent with their performance in recent years and the prior attainment of the cohorts.

Key teacher assessed results for the academies were as follows:

The County High School, Leftwich – GCSE Results		
Progress Measure	2021	2020
Progress against 20 th percentile targets	+0.77	+0.46
Pupil Premium progress against 20 th percentile targets	-0.20	-0.03
Attainment 8	60.47	59.25
English and Maths at Grade 4+	97%	87%
English and Maths at Grade 5+	79%	73%
English and Maths at Grade 7+	32%	29%
EBacc Entry	92%	90%
EBacc average point score	5.78	5.88

Sir John Deane's Sixth Form College		
A Levels	2021	2020
Grades A* - A	51.5%	48.0%
Grades A* - B	82.5%	78.8%
Pass rate	99.9%	100.0%
ALPs value added score	1.095	1.08
ALPs Band	1	2
BTECs		
Distinction star	99.4%	95.3%
Distinction star and distinction	100%	98.5%

In the 2020/21 academic year Sir John Deane's Sixth Form College received funding for 1,767 students aged 16-19 compared with 1,690 for 2019/20. At the six-week census point the College had 1,768 students on roll. These students generated annual funding of £7,570,791 on a lagged basis with receipt in 2021/22, compared with a funding allocation for the academic year 2020/21 of £7,559,278.

The County High School had 994 students on roll at the October 2020 census point compared with a pupil admissions number capacity of 975 students. At their meeting in July 2020, trustees approved a request from the School to temporarily increase the number of students it accepts to 1,000.

The Covid 19 pandemic had a significant impact on non-core activities at Sir John Deane's Sixth Form College in the previous academic year. Both the Adult Education classes and the Leisure Centre activities ceased when the national lockdown was announced and neither have re-opened during the 2020/21 financial year. Both academies have continued to focus solely

on maintaining full time face-to-face education for all students wherever possible, whilst also complying with national guidance and legislation.

Key Performance Indicators

The Covid 19 pandemic means that it is not appropriate to review performance for the year against some of the normal key performance indicators. For example, attendance figures are not comparable, with both academies responding to national guidance to support learners working at home and with differing levels of absence from Covid 19 related illness. Similarly, the awarding of the teacher assessed grades set out earlier in the report means that they are not directly comparable with grades awarded following examinations. The table below therefore only includes a small number of financial targets that the Foundation continued to monitor via its management accounts.

Indicator	Target	Actual Performance	Assessment
Positive operating cash flow	>0	£931,548	Target exceeded
Current ratio	>2 : 1	4.4 : 1	Target exceeded
Cash at bank	> £1.9 million	£4,110,974	Target exceeded
Cash days (including cash investment)	> 60 days	100.7	Target exceeded

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Foundation 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 about the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the Foundation

The Foundation's core objective is providing all its students with the very best opportunity to maximise their achievements and life chances. The Foundation therefore has a keen focus on ensuring that teachers have a passion for and love of learning and that mechanisms are in place to allow the sharing of good practice amongst colleagues to support the goal of continual improvement.

Financial Review

In the previous financial year, on 1 September 2019, The County High School, Leftwich joined the Foundation. The comparative information in these accounts for the prior year includes the transfer to the Foundation of the school's assets and liabilities with a net value of £13,623,311. The table in note 3 to the accounts sets out in detail the assets and liabilities that were transferred and their values.

In the year ended 31 August 2021 the Foundation generated an in year surplus of £823,597. This is calculated as the movement between the total of the restricted general reserves (excluding the pension reserve) and the unrestricted reserve as shown below.

	Restricted General Reserves	Unrestricted Reserves	Total 2021	2020
	£	£	£	£
At 1 September	2,144,751	2,071,211	4,215,962	3,275,787
Transfer from The County High School, Leftwich	0	0	0	671,318
In year surplus/ (deficit)	904,182	(80,585)	823,597	268,857
At 31 August	<u>3,048,933</u>	<u>1,990,626</u>	<u>5,039,559</u>	<u>4,215,962</u>

At 31 August the total of the Foundation's restricted general reserves and unrestricted reserves stood at £5,039,559 excluding the pension reserve. When the pension reserve of £5,106,000 is taken into account the total reduces to (£66,441).

The pension reserve relates to the Foundation's share of the net deficit in the Cheshire Pension Fund. Non-teaching staff at both academies are able to join the Fund which is a defined benefit scheme. The Pension Fund's actuaries produce an annual report that sets out each academy's share of the Fund's assets and liabilities. The calculation is made using a number of assumptions as set out in note 29.

The pension deficit for each academy at 31 August 2021 and movement during the year is as follows:

	At 31 August 2021 £000	At 1 September 2020 £000	Movement £000
The County High School	(2,095)	(1,343)	(752)
Sir John Deane's	(3,011)	(1,850)	(1,161)
Total	(5,106)	(3,193)	(1,913)

The pension deficit calculated for accounting purposes does not have a direct impact on cash expenditure. The employer contribution rates are calculated every three years in a separate funding valuation exercise that uses different assumptions. The employer contribution rates were last changed in April 2020 and apply for three years. Rates for both academies were reduced at the time. The rate for The County High School reduced from 25.3% to 21.0% whilst that for Sir John Deane's reduced from 21.0% to 19.6%. At the time, the valuation for funding purposes concluded that the Foundation had a funding surplus of £272,000.

The net income figure in the Statement of Financial Activities includes non-cash pension adjustments of £592,000 in staff costs and £59,000 in interest charges.

The Foundation receives the majority of its income from the Education and Skills Funding Agency (ESFA) in the form of recurrent grant for the provision of education to 16-19 year-old

students at Sir John Deane's Sixth Form College and 11-16 students at The County High School Leftwich. Other material sources of income during the year included:

- Income from parents contributing to the cost of transport to Sir John Deane's Sixth Form College. The College arranges transport from surrounding areas for which parents pay a monthly contribution.
- Condition Improvement Fund grants for building works at The County High School.

During the year the Foundation had an operating cash inflow of £931,548 and cash balances remained strong. Cash at bank at 31 August 2021 totalled £4,110,974 with a further £837,476 invested in a deposit account with Close Brothers. This account requires six months' notice for withdrawals and is therefore classed as a short term investment.

The Foundation expended £219,044 on tangible fixed assets, including £58,413 on a new boiler plant at The County High School and £29,978 on air ventilation and cooling systems across the two academies. The Foundation's capitalisation threshold of £2,000 per individual item means that expenditure on laptops and desk top PCs is treated as revenue expenditure.

At the year-end the Foundation had a strong balance sheet with net current assets of £4,258,169 and a current ratio of 4.4.

The Covid 19 pandemic has impacted upon the finances of the Foundation in a number of ways. The Leisure Centre and provision of Adult Education at Sir John Deane's Sixth Form College remained closed during the year, with a resulting loss of income. However, the Foundation has maintained a tight control over related costs, securing savings on staffing and non-pay expenditure. In accordance with government guidance, the academies did not operate the usual level of trips and visits and saw a decline in the taking of meals income as a result of the pandemic.

Both academies continue to incur additional expense in creating Covid secure environments but there were also some compensating savings as a result of the national lockdowns and remote learning. Premises running costs were significantly reduced and the day-to-day expenditure on academic resources, such as printing, was much lower than normal. The Foundation also experienced savings as a result of the Teacher Assessed Grades approach to examinations with reduced examination costs with awarding bodies.

Careful management has meant that despite the continued challenges presented by Covid 19 the Foundation is still reporting an in year surplus and remains financially well placed to meet the challenges that the 2021/22 academic year might bring.

Reserves Policy

The Foundation has a Reserves Policy that is approved by the Board of Trustees and is reviewed every two years to ensure that it remains appropriate. The Board of Trustees approved a Reserves Policy in June 2021, which is intended to ensure the financial stability of the Foundation and its individual academies' operations. The Reserves Policy provides protection against temporary financial difficulties as well as allowing the Foundation to take advantage of new opportunities as they arise. Maintenance and renewal works carried out with

the aid of Condition Improvement Grants is an example of such an opportunity arising where funding from reserves is required to fund the academy's financial contribution to the project.

Having access to healthy financial reserves has also given the Senior Leadership Team and Trustees confidence that, any temporary failure to recruit sufficient student numbers or unplanned financial consequences of the Covid 19 pandemic, can be absorbed without threatening the long term viability of the Foundation or impacting adversely on the outcomes for students.

The Foundation considers a number of aspects to determine the appropriate level of reserves, including:

- Sufficient working capital reserves to provide stability against unplanned expenditure or loss of income, whilst ensuring compliance with any loan covenants;
- Planned maintenance reserves to address the identified future accommodation needs that the Foundation will consider as part of a longer term property strategy; and
- Capital investment reserves to fund specific projects to expand or improve the Foundation's facilities.

At 31 August 2021 the Foundation held a total of £4,948,450 in cash that is immediately accessible or held on six months' notice. This balance meets the objectives of the Reserves Policy to provide financial stability over the longer term.

The total reserves, including pension reserves, at 31 August 2021 of £33,965,177 include a restricted fixed assets funds total of £34,031,618 whilst unrestricted funds total £1,990,626. The Foundation's restricted general reserves are in deficit by £2,057,067. This is not a concern. The deficit arises because of a significant increase in the Local Government Pension Fund liability at 31 August 2021 detailed above. This liability is of a long term nature and would only become immediately payable if the Foundation were to exit from the pension fund. It is also the case, as explained in note 29, that in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

Investment Policy

The Foundation adopts a risk averse approach to investment that is set out in the Financial Regulations approved by the Board of Trustees. During the year funds not immediately required for the day to day operation of the Foundation were placed in an interest bearing Business Reserve account with the NatWest Bank. An automatic sweep moves money between the current account and the Business Reserve account on a daily basis to leave a balance of £10,000 in the current account.

Funds that are unlikely to be required in the short term are currently invested with Close Brothers in a deposit account that pays a higher rate of interest in return for requiring six months' notice for any withdrawal.

The Foundation does not invest in equities or other financial instruments where there is a greater risk to the original capital sum invested.

Principal Risks and Uncertainties

The Board of Trustees has approved a risk management policy that is regularly reviewed and sets out the processes by which trustees will receive information about the principal risks and uncertainties that the Foundation faces and the control measures that have been put in place to mitigate the likelihood of risks materialising or to minimise the impact on the Foundation if they were to occur.

The principal risks currently identified include the following:

- The ongoing impact of the Covid 19 pandemic on the Foundation's ability to sustain face-to-face teaching on a full time basis for all its students. Of particular concern is the need to ensure that the environment is as safe as possible so that we maintain the confidence of staff, students and parents. The Foundation adheres to all government guidance in relation to the pandemic and has a detailed risk assessment in place. The risk assessment has been prepared using guidance drawn up by the Department for Education in consultation with Public Health England and is regularly reviewed and updated.
- Failure to recruit and retain target student numbers. The impact of the pandemic remains uncertain on recruitment trends. Senior management take positive actions where appropriate to mitigate against this concern, whilst the Foundation has a number of controls in place, including sufficient working capital reserves noted in the Reserves Policy above.
- Cyber security remains a concern. There is evidence of cyber criminals increasingly targeting education establishments. At the same time, we become ever more reliant on technology to be able to deliver lessons and support our students effectively, either on site or remotely. The Foundation employs skilled staff and/or third party providers to ensure that adequate protocols are in place, with effective systems back up and restoration. The Trust also has cyber insurance in place to provide effective support in the event of an incident.
- The impact of cultural change on the Foundation and the ability to respond in an agile manner. The fluidity of cultural change and the evolving support needs of students requires the Foundation to be responsive and agile, whilst also providing an authentic and safe space for professionals and students to work and learn and fulfil their potential. The Foundation has a strategic focus on wellbeing and supporting the needs of students and staff, underpinned by support measures and policies within its academies.

Fundraising

The majority of the Foundation's charitable income is received from the Education Skills Funding Agency under the terms of a master funding agreement between the Secretary of State for Education and the Trustees of The Sir John Brunner Foundation. Supplemental agreements are in place relating to the funding for Sir John Deane's Sixth Form College and The County High School, Leftwich.

At the start of the 2020/21 academic year Sir John Deane's Sixth Form College made the decision not to seek to re-open its Adult Education provision and to keep the Leisure Centre closed for the duration of 2020/21, in order to focus solely on keeping the College open for the education of its sixth form students in the face of the challenges presented by Covid 19.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)		
Energy consumption breakdown (kWh)		
<ul style="list-style-type: none"> Gas Electricity Transport fuel 	2,893,151 1,319,424 2,970	2,471,879 1,258,607 5,922
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	529.91	454.50
Owned transport – mini-buses	0.06	0.36
<u>Total scope 1</u>	529.97	454.86
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	287.99	293.43
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0.67	1.09
Total gross emissions in metric tonnes CO2e	818.63	749.38
<u>Intensity ratio</u>		
Tonnes CO2 per pupil	0.3	0.27

Quantification and Reporting Methodology: -

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Works undertaken at The County High School, Leftwich that will improve energy efficiency include the following:

- Completion of a programme to replace the windows at the school
- Replacement of boiler plant that was over 27 years old with new and more efficient plant
- Replacement of some corridor lighting with LED fittings.

Sir John Deane's Sixth Form College was substantially rebuilt with works completed in 2011, but since then the College has replaced external street lighting with LED fittings and replaced old heating and ventilation plant in the swimming pool with a more energy efficient option. The IT system has been moved to a thin client environment where the processing is handled on central servers rather than by individual desk top PCs. This means that each PC uses less energy than previously.

Plans for Future Periods

The Trustees were pleased to welcome The County High School Leftwich into the Foundation on 1 September 2019. The Foundation has worked to consolidate the school within the Trust and continues to build the strong relationship that exists between Sir John Deane's Sixth Form College and The County High School Leftwich.

The Foundation has received formal approval from the Regional Schools Commissioner for Middlewich High School to join the Foundation during the next academic year. Subject to final legal contractual procedures, Trustees hope the school will be in a position to join the Foundation on 01 December 2021.

The Trustees plan to maintain their focus on delivering excellent outcomes for students whilst dealing with the challenges presented by operating in a Covid secure way. Both academies are working to deliver face-to-face teaching for all students but will also continue to develop the skills and infrastructure necessary to support their learners with remote learning where that may be necessary.

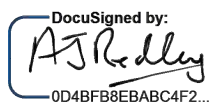
A key focus for the coming year remains the development of appropriate and robust systems to ensure that the Foundation is ready and has the capacity to admit additional schools as opportunities arise whilst maintaining the excellent outcomes for the Foundation's existing pupils and students.

Auditor

Insofar as trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 Trustee's report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on the Board's behalf by:

DocuSigned by:

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Alan Redley
Chair

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to the Foundation in the funding agreement between The Sir John Brunner Foundation and the Secretary of State for Education. The Chief Executive Officer is 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 six 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
Alan Redley (Chair)	6	6
Liz Bromley	6	6
Richard Donovan	6	6
Kerry Kirkwood (Chief Executive & Accounting Officer)	6	6
Natasha Kirsten	5	6
Carl Lee	5	6
Christopher Penter	6	6
Kevin Neary	6	6
Catriona Stewart	5	6

The scheme of delegation sets out the detailed responsibilities of the Board of Trustees, which includes the safeguarding of the Foundation's assets, ensuring adequate financial planning is in place, the efficient, economical and effective management of resources and setting the framework for the pay and conditions of all staff.

In March 2021 the Board considered a self-assessment report prepared by the Chair, the Clerk to the Foundation and the Chief Finance Officer. As an outcome of that review the Board considered adjusting the meeting schedule to meet 6 times a year and concluded that it was able to discharge its responsibilities with less scheduled meetings, but would convene additional meetings as it deemed necessary. The Trustees will also have a greater oversight of the significant contractual arrangements for the Foundation.

The Academies Financial Handbook recommends that Boards meet a minimum of three times a year but where a Board meets less than 6 times a year Trustees should describe how they maintain effective oversight of funds.

The Academies Financial Handbook 2020 also states that management accounts must be shared with the Chair of Trustees each month and with the other Trustees six times a year. The Foundation produces management accounts that include a detailed commentary on a monthly basis but shares these with all Trustees each month. Trustees are invited to raise any questions they may have with the Chief Finance Officer. In this way the Trustees consider that they are able to maintain effective financial oversight whilst meeting as a Board fewer than six times a year.

The Audit and Compliance Committee meet at least three times a year and formally consider the Foundation's latest financial performance against budget at those meetings.

All scheduled Board meetings were able to take place as planned. All the meetings were conducted remotely using Microsoft Teams.

Audit and Compliance Committee

The Audit and Compliance Committee has responsibility to provide independent advice to the Foundation on the adequacy and effectiveness of its systems of internal control and its arrangements for risk management, control and governance processes. All Committee meetings were able to take place as planned. All the meetings were conducted remotely using Microsoft Teams.

Attendance during the year at meetings of the Audit and compliance Committee was as follows:

Trustee	Meetings Attended	Out of a possible
Kevin Neary (Chair)	4	4
Liz Bromley	4	4
Richard Donovan	4	4
Carl Lee	4	4

The Audit and Compliance Committee oversees the financial performance of the Foundation as well as agreeing an annual programme of internal audit review. The programme of reviews is developed in discussion with the independent auditors, RSM, and with due consideration of the Foundation's risk register. The Committee considers the reports arising from the individual audit assignments and any recommendations made by the auditors for improvements in the design or implementation of controls. The Committee also receives reports on progress towards the implementation of previously agreed actions arising from audit recommendations.

The agreed internal audit programme for 2020/21 included reviews of the following areas:

- Corporate governance and risk management
- HR and payroll
- Financial controls – general ledger
- Learner number systems – census returns, existence and eligibility control framework
- Follow up of actions agreed from reviews conducted in the previous year

Further detail regarding these reviews is included in the later section on the Risk and Control Framework.

The Committee also receives a report from the Statutory and Regularity Auditors, Murray Smith. Where relevant the auditor's management letter includes details of control weaknesses that have been identified during the audit and includes recommendations for improvements. No weaknesses have been identified during the audit of these accounts.

Committee members meet annually with both the internal and statutory auditors without management being present. This is an opportunity for committee members to gain additional assurance by having candid and confidential discussions about the Foundation's financial and risk control environment.

Review of Value for Money

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

The accounting officer considers how the Foundation'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 benchmark data where appropriate.

A Value for Money report was presented to the Audit and Compliance Committee in November 2021. The report summarised where procurement savings had been achieved for the Foundation and future actions.

Both academies make use of pre-tendered purchasing frameworks and purchasing consortia where appropriate, to ensure value for money is obtained in an efficient manner. Where specialist input is required, such as when tendering for significant building works, effective use is made of independent expertise. For example, The County High School, Leftwich used specialist property consultants to draw up the specification and manage the tender process for works to replace windows at the school. This produced a saving of over £75,000 between the appointed contractor and the highest tender submitted.

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 Foundation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sir John Brunner Foundation for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Foundation 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 Foundation's significant risks that has been in place for the period from 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 Foundation'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 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 RSM as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Foundation's systems of control, both financial and non-financial.

The areas reviewed during the course of the academic year were:

- Corporate Governance and Risk Management Framework. The report concluded that there was substantial assurance in place. Two low priority recommendations and one medium priority recommendation was made.
- Human Resources and Payroll. The report concluded that there was substantial assurance in place. One low priority and one medium priority recommendation was made.
- Key Financial Controls-General Ledger. The report concluded that there was substantial assurance in place. Four low priority recommendations were made.
- Learner Number Systems – Census Returns, Existence and Eligibility. This was an advisory report, with no assurance opinion given. Two low priority recommendations were made.
- Follow Up Report. For this assignment auditors followed up the actions taken in response to recommendations made in reports during the previous year. The report concluded that Good progress had been made with 16 of the 17 recommendations made having been fully implemented or superseded. The one action that had not been fully implemented is advisory in nature and ongoing.

RSM provides an annual opinion on the overall adequacy and effectiveness of the risk management, governance and internal control processes based upon the work undertaken during the year. For 2020/21 the report concludes that The Sir John Brunner Foundation had an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness.

The Board of Trustees has agreed a programme of internal audit assignments for the academic year 2021/22.

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the 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 Audit and Compliance Committee and a plan to ensure continuous improvement of the system is in place.

The Sir John Brunner Foundation – Company Number 11227336

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on its behalf by:

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Alan Redley
Chair of Trustees

DocuSigned by:

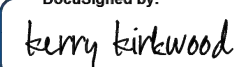
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Kerry Kirkwood
Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer of The Sir John Brunner Foundation I have considered my responsibility to notify the Foundation Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Foundation Board of Trustees are able to identify any material irregular or improper use of all funds by the Foundation, or material non-compliance with the terms and conditions of funding under the Foundation'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 the ESFA.

DocuSigned by:

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Kerry Kirkwood
Accounting Officer
8 December 2021

Statement of Trustees' Responsibilities

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 2020 to 2021 published by the Education & 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 judgments 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

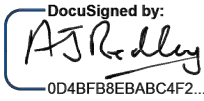
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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.

The Sir John Brunner Foundation – Company Number 11227336

Approved by order of the members of the board of trustees on 8 December 2021 and signed on its behalf by:

DocuSigned by:

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Alan Redley
Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of The Sir John Brunner Foundation

Opinion

We have audited the financial statements of The Sir John Brunner Foundation for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation'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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, but does not include the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Foundation and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
or
- all the information and explanations required for the audit were not received.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 26 - 27, the trustees 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 Board of Trustees determines 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 Board of Trustees is responsible for assessing the Foundation'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 Board of Trustees

either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

The audit procedures designed to identify irregularities included:

- enquiry of management and those charged with governance around actual and potential litigation and claims
- enquiry of Academy staff with responsibilities for tax and compliance matters to identify any instances of non-compliance with laws and regulations
- reviewing any minutes available of meetings of those charged with governance
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or through collusion.

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

Use of our report

This report is made solely to the 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 Members, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume

The Sir John Brunner Foundation – Company Number 11227336

responsibility to anyone other than the Foundation and the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Mike Benson

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Michael Benson (Senior Statutory Auditor)
For and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Date: - 8 December 2021

Independent Reporting Accountant's Assurance Report on Regularity to The Sir John Brunner Foundation and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 March 2018 and further to the requirements of the Education & 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 The Sir John Brunner Foundation during the period from 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 The Sir John Brunner Foundation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sir John Brunner Foundation and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sir John Brunner Foundation and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Sir John Brunner Foundation's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Sir John Brunner Foundation's funding agreement with the Secretary of State for Education dated 26 March 2018 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 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

The Sir John Brunner Foundation – Company Number 11227336

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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of arrangements in place over financial management; and
- review of the Foundation's expenditure during the year.

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 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.

DocuSigned by:

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Murray Smith LLP

8 December 2021

Chartered Accountants and Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

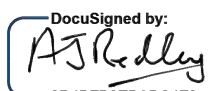
Statement of Financial Activities for the year ended 31 August 2021

	Note	Unrestricted Funds	Restricted General funds	Restricted Fixed Asset Funds	Total 2020/21	Total 2019/20
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	0	150,940	220,407	371,347	524,116
Transfer from The County High School Leftwich	3	0	0	0	0	13,623,311
Charitable activities:						
Funding for the Foundation's educational activities	4	123,071	14,343,322	0	14,466,393	13,293,394
Other trading activities	5	415,713	0	0	415,713	620,252
Investments	6	7,904	0	0	7,904	17,789
Total income		546,688	14,494,262	220,407	15,261,357	28,078,862
Expenditure on:						
Raising funds	7	99,318	0	0	99,318	410,369
Charitable activities:	8					
Foundation educational operations		527,955	14,241,080	1,089,008	15,858,043	15,334,340
Other		0	0	0	0	0
Total expenditure		627,273	14,241,080	1,089,008	15,957,361	15,744,709
Net income / (expenditure)		(80,585)	253,182	(868,601)	(696,004)	12,334,153
Transfers between funds	19	0	0	0	0	0
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	29	0	(1,262,000)	0	(1,262,000)	(52,000)
Net movement in funds		(80,585)	(1,008,818)	(868,601)	(1,958,004)	12,282,153
Reconciliation of funds						
Total funds brought forward		2,071,211	(1,048,249)	34,900,219	35,923,181	23,641,028
Total funds carried forward		1,990,626	(2,057,067)	34,031,618	33,965,177	35,923,181

Balance sheet as at 31 August 2021

	Notes	31 August 2021 £	31 August 2020 £
Fixed assets			
Tangible fixed assets	13	36,623,707	37,493,671
Current assets			
Debtors	14	546,083	580,319
Investments	15	837,476	829,479
Cash at bank and in hand		4,110,974	3,290,951
		5,494,533	4,700,749
Current Liabilities			
Creditors: amounts falling due within one year	16	(1,236,364)	(1,138,798)
Net current assets		4,258,169	3,561,951
Total assets less current liabilities		40,881,876	41,055,622
Creditors – amounts falling due after more than one year	17 / 18	(1,810,699)	(1,939,441)
Net assets excluding pension liability		39,071,177	39,116,181
Defined benefit pension scheme liability	29	(5,106,000)	(3,193,000)
Total net assets		33,965,177	35,923,181
Funds of the Foundation:			
Restricted funds			
Fixed asset fund	19	34,031,618	34,900,219
Restricted income fund	19	3,048,933	2,144,751
Pension reserve	19	(5,106,000)	(3,193,000)
Total restricted funds		31,974,551	33,851,970
Unrestricted income funds	19	1,990,626	2,071,211
Total funds		33,965,177	35,923,181

The financial statements on pages 34 to 63 were approved by the trustees and authorised for issue on 8 December 2021 and are signed on their behalf by:

DocuSigned by:

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Alan Redley
 Chair

DocuSigned by:

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Kerry Kirkwood
 Accounting Officer

Statement of Cash Flows for the year ended 31 August 2021

	Note	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Cash flow from operating activities			
Net cash provided by (used in) operating activities	23	931,548	(75,310)
Cash flows from investing activities	25	131,560	279,951
Cash flows from financing activities	24	(243,085)	(263,103)
Change in cash and cash equivalents in the reporting period		820,023	(58,462)
Cash and cash equivalents at 1 September 2020		3,290,951	2,302,355
Cash transferred from The County High School Leftwich on conversion	3	0	1,047,058
Cash and cash equivalents at 31 August 2021	26	4,110,974	3,290,951

Notes to the accounts

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 Foundation, 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 the Education Skills Funding Agency (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 period of at least one year from the date of authorisation for issue of the financial statements and have concluded that The Sir John Brunner Foundation has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Foundation's ability to continue as a going concern, thus they adopt the going concern basis of accounting in preparing the financial statements.

Transfer of an Existing Academy to the Foundation

The transfer of The County High School, Leftwich to the Foundation in the previous financial year, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from The County High School, Leftwich to the Foundation have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 3.

Income

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

Grants

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

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

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

Sponsorship Income

Sponsorship income provided to the Foundation which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

Tuition Fee Income (Adult Education)

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment Income

All income from short term deposit accounts is credited to the Statement of Financial Activity in the period in which it is earned on a receivable basis.

Other Income

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

Donated goods, facilities and services

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

Transfer of existing academies into the academy trust

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

Donated fixed assets (excluding Transfers on conversion/into the Foundation)

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

All resources expended are inclusive of irrecoverable VAT, where applicable.

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 on a straight-line basis over its expected useful life, as follows:

Long leasehold buildings – 50 years

Furniture and fixtures – 3 – 10 years

Plant and equipment – 3 – 10 years

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

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the statement of financial activities in the period it is incurred unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Foundation 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 Foundation in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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 (ESFA).

Agency Arrangements

The Foundation acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Foundation does not have control over the charitable application of the funds. The Foundation can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Foundation 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 29, 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.

Critical areas of judgement

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Foundation. Any unused benefits are accrued and measured as the additional amount the Foundation expects to pay as a result of the unused entitlement.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

2. Donations and capital grants

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Capital grants	0	345,852	345,852	515,266
Donated fixed assets	0	0	0	0
Other donations	0	25,495	25,495	8,850
Total	0	371,347	371,347	524,116

3. Transfer of existing academies in the academy trust

On 1 September 2019 The County High School Leftwich joined the trust and all the operations and assets and liabilities were transferred to The Sir John Brunner Foundation from The County High School Leftwich for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – Transfer from The County High School Leftwich.

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Tangible Fixed Assets				
Leasehold land and buildings			13,850,204	13,850,204
Other tangible fixed assets			202,789	202,789
Current assets				
Cash	259,638	787,420		1,047,058
Trade debtors				0
Prepayments		11,918		11,918
Other debtors		90,646		90,646
Current liabilities				
Trade creditors		(305,271)		(305,271)
Payroll liabilities		(160,248)		(160,248)
Accruals		(12,000)		(12,000)
Other creditors		(785)		(785)
Non-current liabilities				
LGPS Pension Deficit		(1,101,000)		(1,101,000)
Net assets	259,638	(689,320)	14,052,993	13,623,311

4. Funding for the Foundation's educational operations

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020* Total £
DfE / ESFA grants				
General Annual Grant (GAG)	0	12,563,101	12,563,101	11,516,412
Other DfE/ESFA grants				
Pupil Premium	0	186,237	186,237	172,530
Others	0	1,182,318	1,182,318	982,042
Other DfE Group grants	0	15,397	15,397	5,450
Other Government grants				
Local authority grants	0	113,148	113,148	86,149
Other income from the foundation's educational operations	123,071	88,378	211,449	458,131
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	0	79,480	79,480	0
Other DfE/ESFA COVID-19 funding	0	77,238	77,238	2,340
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	0	24,035	24,035	70,340
Other Covid-19 funding	0	13,990	13,990	0
	123,071	14,343,322	14,466,393	13,293,394

(*) Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Foundation's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

- The Foundation received £79K of funding for catch-up premium and costs incurred in respect of this funding totalled £79K.

- The Foundation furloughed some of its Adult Education and Leisure Centre staff under the government's CJRS. The funding received of £24K relates to staff costs in respect of 35 staff which are included within note 9 below as appropriate.

5. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Hire of facilities	1,081	0	1,081	117,368
Income from other charitable activities	(119)	0	(119)	142,244
Income from ancillary trading activities	414,751	0	414,751	360,640
Total	415,713	0	415,713	620,252

6. Investment income

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Short term deposits - interest	7,904	0	7,904	17,789
Total	7,904	0	7,904	17,789

7. Expenditure

	Staff Costs £	Premises £	Other £	2021 Total £	2020 Total £
<i>Expenditure on raising funds:</i>					
Direct costs	76,617	19,700	3,001	99,318	410,369
Allocated support costs	0	0	0	0	0
<i>Foundation's educational operations:</i>					
Direct costs	8,179,674	0	787,059	8,966,733	8,644,411
Allocated support costs	2,713,355	964,424	3,213,531	6,891,310	6,689,929
Total	10,969,646	984,124	4,003,591	15,957,361	15,744,709

Net expenditure for the period includes:

	2021 £	2020 £
Operating lease rentals	73,702	67,635
Depreciation	1,089,008	1,100,503
(Gain) / loss on disposal of fixed assets	0	0
Fees payable to auditor for:		
-audit	8,405	8,240
-other services	250	500
Total	1,171,365	1,176,878

7. Expenditure (cont.)

Included within expenditure are the following transactions:

	Amount	Reason
	£	
Unrecoverable debts	130	Old debt in relation to rent due from a company that has ceased trading.

	Total	Individual items	
	£	Amount	Reason/nature
	£	£	
Ex-gratia payments	5,852	5,139	Agreed as part of a settlement agreement
		713	Agreed as part of a settlement agreement

The legal authority sought to make ex-gratia payments and followed the Academies Financial Handbook 2020, being delegated authority or approval from the Education and Skills Funding Agency.

8. Charitable Activities

	2021	2020
	£	£
Direct costs – educational operations	8,966,733	8,644,411
Support costs – educational operations	6,891,310	6,689,929
	15,858,043	15,334,340

Analysis of support costs

	2021	2020
	Educational Operations	Educational Operations
	£	£
Support staff costs	2,713,355	2,495,830
Depreciation	1,089,008	1,100,503
Technology costs	298,159	247,036
Premises costs	964,424	1,027,493
Legal costs – conversion	17,721	0
Legal costs - other	3,668	0
Other support costs	1,784,520	1,791,854
Governance costs	20,455	27,213
Total support costs	6,891,310	6,689,929

9. Staff**a. Staff costs**

Staff costs during the period were:

	2021	2020
	£	£
Wages and salaries	8,151,782	7,840,416
Social security costs	785,720	749,876
Pension costs	1,714,062	1,648,751
	10,651,564	10,239,043
Agency staff costs	230,619	162,072
Staff restructuring costs	87,463	0
Total staff costs	10,969,646	10,401,115

Staff restructuring costs comprise:

Redundancy payments	81,611	0
Severance payments	5,852	0
	87,463	0

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,852 (2020: £nil). Individually, the payments were: £5,139 and £713.

c. Staff numbers

The average number of persons employed by the Foundation during the period was:

	2021	2020
Teachers	145	156
Administration and support	151	170
Management	6	9
	302	335

d. Higher paid staff

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

	2021	2020
	No	No
£60,001 to £70,000 p.a.	2	3
£70,001 to £80,000 p.a.	2	3
£80,001 to £90,000 p.a.	2	2
£90,001 to £100,000 p.a.	1	0
£100,001 to £110,000 p.a.	0	1
£110,001 to £120,000 p.a.	1	0

9. Staff (cont.)

e. Key management personnel

Key management personnel of the Foundation comprise the trustees and the senior leadership 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 Foundation was £433,993 (2020: £461,615).

10. Central Services

The Foundation has provided the following central services to its academies during the year: HR and payroll, financial services, legal services where required and some educational support services.

The Foundation charged for these services on the following basis:

- Flat percentage of income based on core recurrent funding

The actual amounts charged during the year were as follows:

	2020/21 £	2019/20 £
Sir John Deane's Sixth Form College	75,593	65,728
The County High School Leftwich	50,038	46,940
	125,631	112,668

11. Related party transactions – Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from employment with the Foundation. The Chief Executive Officer only receives remuneration in respect of services provided undertaking the roles of Principal of Sir John Deane's Sixth Form College and Chief Executive Officer of The Sir John Brunner Foundation, under a contract of employment.

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

K Kirkwood (Chief Executive Officer, Principal and trustee)

		<i>Annual equivalent</i>
Remuneration	£110,000 – £115,000	(2020) £105,000 - £110,000
Employer's pension contributions paid	£25,000 - £30,000	(2020) £20,000 - £25,000

During the year ended 31 August 2021 no travel and subsistence expenses were reimbursed or paid directly to the trustees (2020: £199).

12. Trustees and Officers' Insurance

In accordance with normal commercial practice the Foundation has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Foundation business. The insurance provides cover up to £5,000,000 on any one claim and forms part of a commercial combined policy with Aviva. Because the policy combines a number of different insurances the cost for the Trustees' and Officers' liability cover is not separately identifiable and is included in the total insurance cost.

13. Tangible fixed assets

	Leasehold Land and Buildings	Plant and Equipment	Total
Cost or valuation	£	£	£
At 1 September 2020	38,585,876	1,110,839	39,696,715
Additions	102,829	116,215	219,044
Disposals	0	0	0
At 31 August 2021	38,688,705	1,227,054	39,915,759
Depreciation			
At 1 September 2020	1,791,927	411,117	2,203,044
Charge for period	891,007	198,001	1,089,008
Eliminated in respect of disposals	0	0	0
At 31 August 2021	2,682,934	609,118	3,292,052
Net book value at 31 August 2020	36,793,949	699,722	37,493,671
Net book value at 31 August 2021	36,005,771	617,936	36,623,707

The freehold land and buildings are owned by a separate charitable trust, the Sir John Deane's Foundation Scheme, for the sole use of Sir John Deane's Sixth Form College. On 1 April 2018 the Sir John Deane's Foundation Scheme Trustees entered into a 125 year lease at a peppercorn rent with The Sir John Brunner Foundation.

The County High School, Leftwich occupies its land and buildings under the terms of a 125 year lease from Cheshire West and Chester Council effective from 1 September 2012. Legal title in the lease was transferred to The Sir John Brunner Foundation on 1 September 2019.

Under the terms of both leases the Foundation is fully responsible for the maintenance, insurance and general upkeep of the land and buildings. As a result, the Foundation has determined that the most appropriate accounting treatment is to recognise the substance of the transaction rather than the legal form and capitalise the land and building assets in the Foundation's accounts.

14. Debtors

Amounts falling due within one year:	2021	2020
	£	£
Trade debtors	0	1,177
VAT recoverable	108,944	132,104
Other debtors	12,948	83,513
Prepayments and accrued income	424,191	363,525
	546,083	580,319

15. Current investments

	2021	2020
	£	£
Short term deposits	<u>837,476</u>	<u>829,479</u>

The above deposits were invested with Close Brothers in an interest bearing notice account for which six months' notice is required for all withdrawals.

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	294,639	337,331
Other taxation and social security	185,244	177,154
Bank loans	141,839	132,638
Other loans	6,549	0
Other creditors	210,910	203,948
Accruals and deferred income	397,183	287,727
	1,236,364	1,138,798

	2021	2020
	£	£
Deferred income at 31 August 2020	112,713	132,950
Released from previous years	(112,713)	(132,950)
Resources deferred in year	84,315	112,713
Deferred income at 31 August 2021	84,315	112,713

16. Creditors: amounts falling due within one year (cont.)

At the balance sheet date, the Foundation was holding the following funds received in advance:

	£	£
Adult Education funding grant	0	12,768
Bus overpayments and deposits	8,475	31,559
Voluntary donations relating to the 2021/22 academic year	0	8,580
Unspent 16-19 Bursary funds carried forward	52,485	36,867
Specific donations - unspent balances	12,076	12,297
Refundable deposits	440	3,635
Educational funds, visits and expeditions income	10,839	7,007
	84,315	112,713

Loans of £6,549 from Salix repayable by quarterly instalments until December 2024.

17. Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	1,797,601	1,939,441
Other loans	13,098	0
	1,810,699	1,939,441

Included within the total is loans of £13,098 from Salix repayable by quarterly instalments until December 2024.

18. Maturity of Debt**Bank loans and overdrafts**

Bank loans and overdrafts are repayable as follows:

	2021 £	2020 £
In one year or less	141,839	132,638
Between one and two years	150,588	141,839
Between two and five years	510,204	480,391
In five years or more	1,136,809	1,317,211
	1,939,440	2,072,079

The Foundation has an unsecured loan with Lloyds Bank at a fixed rate of 6.38% repayable by quarterly instalments until November 2031.

19. Funds

	Balance at 1 September 2020	Income	Expenditure	Gains (Losses) and Transfers	Balance at 31 August 2021
	£	£	£	£	£
Restricted General Funds					
General Annual Grant (GAG)	1,224,897	12,563,101	(11,990,436)	0	1,797,562
Catch-up premium	0	79,480	(79,480)	0	0
Other DfE/ESFA	0	91,227	(91,227)	0	0
Covid-19 funding					
Coronavirus Job Retention Scheme grant	0	24,035	(24,035)	0	0
Other Grants	660,925	1,627,390	(1,323,752)	0	964,563
Other income	258,929	109,029	(81,150)	0	286,808
Pension Reserve	(3,193,000)	0	(651,000)	(1,262,000)	(5,106,000)
	<u>(1,048,249)</u>	<u>14,494,262</u>	<u>(14,241,080)</u>	<u>(1,262,000)</u>	<u>(2,057,067)</u>
Restricted Fixed Asset Funds					
Transfer on conversion	34,691,334	0	(971,948)	0	33,719,386
DfE Group capital grants	255,547	220,407	(77,862)	0	398,092
Other capital grants	1,550	0	(600)	0	950
Capital expenditure from GAG	(48,212)	0	(38,598)	0	(86,810)
	<u>34,900,219</u>	<u>220,407</u>	<u>(1,089,008)</u>	<u>0</u>	<u>34,031,618</u>
Total Restricted Funds	33,851,970	14,714,669	(15,330,088)	(1,262,000)	31,974,551
Total Unrestricted Funds	2,071,211	546,688	(627,273)	0	1,990,626
Total Funds	35,923,181	15,261,357	(15,957,361)	(1,262,000)	33,965,177

The academy trust is not subject to GAG carried forward limits.

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

Restricted general funds – includes all income with specified criteria attached to its use and the corresponding expenditure in relation to this income.

Restricted fixed asset funds – includes all income and expenditure related to the purchase of fixed assets.

Unrestricted funds – includes all other income and expenditure which has no specific criteria attached to its use.

19. Funds (cont.)

Comparative information in respect of the previous 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)	1,147,439	11,516,412	(11,438,954)	0	1,224,897
Catch-up premium	0	0	0	0	0
Other DfE/ESFA	0	2,340	(2,340)	0	0
Covid-19 funding					
Coronavirus Job Retention Scheme grant	0	70,340	(70,340)	0	0
Other Grants	55,259	1,624,799	(1,019,133)	0	660,925
Other income	74,034	355,290	(170,395)	0	258,929
Pension Reserve	(1,437,000)	(689,320)	(1,014,680)	(52,000)	(3,193,000)
	<u>(160,268)</u>	<u>12,879,861</u>	<u>(13,715,842)</u>	<u>(52,000)</u>	<u>(1,048,249)</u>
Restricted Fixed Asset Funds					
Transfer on conversion	21,650,810	14,052,993	(1,012,469)	0	34,691,334
DfE Group capital grants	165,572	145,488	(55,513)	0	255,547
Other capital grants	2,150	0	(600)	0	1,550
Capital expenditure from GAG	(16,291)	0	(31,921)	0	(48,212)
	<u>21,802,241</u>	<u>14,198,481</u>	<u>(1,100,503)</u>	<u>0</u>	<u>34,900,219</u>
Total Restricted Funds	21,641,973	27,078,342	(14,816,345)	(52,000)	33,851,970
Total Unrestricted Funds	1,999,055	1,000,520	(928,364)	0	2,071,211
Total Funds	23,641,028	28,078,862	(15,744,709)	(52,000)	35,923,181

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Sir John Deane's Sixth Form College	4,670,592	3,753,350
The County High School Leftwich	379,127	462,612
Central Services	(10,160)	0
Total before fixed assets and pension reserve	5,039,559	4,215,962
Restricted fixed asset fund	34,031,618	34,900,219
Pension reserve	(5,106,000)	(3,193,000)
Total	33,965,177	35,923,181

19. Funds (cont.)**Total cost analysis by academy**

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	2020/21 Total £	2019/20 Total £
Sir John Deane's Sixth Form College	4,308,716	1,638,623	400,165	2,113,549	8,461,053	8,257,843
The County High School Leftwich	3,870,959	1,086,735	386,893	901,922	6,246,509	6,273,695
Central Services	0	64,613	0	96,178	160,791	112,668
Academy Trust	8,179,675	2,789,971	787,058	3,111,649	14,868,353	14,644,206

20. Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	0	633,002	35,990,705	36,623,707
Current assets	1,994,409	3,500,124	0	5,494,533
Current liabilities	(3,783)	(1,084,193)	(148,388)	(1,236,364)
Non-current liabilities	0	0	(1,810,699)	(1,810,699)
Pension scheme liabilities	0	(5,106,000)	0	(5,106,000)
Total net assets	1,990,626	(2,057,067)	34,031,618	33,965,177

Comparative information in respect of the previous period as at 31 August 2020 is as follows:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	0	521,373	36,972,298	37,493,671
Current assets	2,455,100	2,245,649	0	4,700,749
Current liabilities	(383,889)	(622,271)	(132,638)	(1,138,798)
Non-current liabilities	0	0	(1,939,441)	(1,939,441)
Pension scheme liabilities	0	(3,193,000)	0	(3,193,000)
Total net assets	2,071,211	(1,048,249)	34,900,219	35,923,181

21. Capital and other commitments

	2021	2020
	£	£
Commitments contracted for, but not provided for at 31 August	<u>0</u>	<u>81,996</u>

22. Long-term commitments, including operating leases**Operating leases**

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

	2021	2020
	£	£
Amounts due within one year	55,943	61,901
Amounts due between one and five years	34,673	41,577
Amounts due after five years	0	0
	<u>90,616</u>	<u>103,478</u>

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

	2021	2020
	£	£
Net income / (expenditure) for the period	(696,004)	12,334,153
Adjusted for:		
Net assets transferred from The County High School Leftwich on conversion	0	(13,623,311)
Depreciation (note 13)	1,089,008	1,100,503
Capital grants from DfE and other capital grants	(350,697)	(515,266)
Interest paid	130,093	136,893
Interest receivable (note 6)	(7,904)	(17,789)
Defined benefit scheme cost less contributions payable (note 29)	592,000	551,000
Defined pension scheme finance cost (note 29)	59,000	52,000
(Increase) / decrease in debtors	34,236	(130,915)
Increase / (decrease) in creditors	81,816	37,422
Net cash provided by operating activities	<u>931,548</u>	<u>(75,310)</u>

24. Cash flows from financing activities

	2021	2020
	£	£
Repayments of borrowing	(133,948)	(126,210)
Cash inflows from new borrowing	20,956	0
Interest paid	(130,093)	(136,893)
Net cash provided by / (used in) financing activities	(243,085)	(263,103)

25. Cash flows from investing activities

	2021	2020
	£	£
Dividends, interest and rents from investments	7,904	17,789
New deposits in short term investments	(7,997)	(10,300)
Purchase of tangible fixed assets	(219,044)	(288,210)
Capital grants from DfE Group	350,697	560,672
Capital funding received from sponsors and others	0	0
Net cash provided by / (used in) investing activities	131,560	279,951

26. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	4,110,974	3,290,951
Notice deposits (less than 3 months)	0	0
Total cash and cash equivalents	4,110,974	3,290,951

27. Analysis of changes in net debt

	At 1	Cash flows	At 31
	September	£	August
	2020		2021
	£		£
Cash	3,290,951	820,023	4,110,974
Cash equivalents	0	0	0
	3,290,951	820,023	4,110,974
Loans falling due within one year	(132,638)	(15,750)	(148,388)
Loans falling due after more than one year	(1,939,441)	128,742	(1,810,699)
Total	1,218,872	933,015	2,151,887

28. 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.

29. Pension and similar obligations

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

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

Contributions amounting to £198,206 were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

29. Pension and similar obligations (cont.)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions.

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,291,672 (2020 £1,220,240).

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

29. Pension and similar obligations (cont.)

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 £552,992 (2020 £553,635), of which employer's contributions totalled £422,390 (2020 £426,819) and employees' contributions totalled £134,948 (2020 £126,816). The agreed employer contribution rates for future years are 19.6% in respect of Sir John Deane's Sixth Form College and 21.0% in respect of The County High School, Leftwich and for employees range from 5.5% to 9.9% depending on salary.

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

Principal Actuarial Assumptions – Sir John Deane's Sixth Form College

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	2.9%	3.0%
Future pensions increases	3.6%	2.3%
Discount rate for scheme liabilities	1.65%	1.7%
Inflation assumption (CPI)	2.9%	2.3%

Principal Actuarial Assumptions – The County High School Leftwich

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	2.9%	2.9%
Future pensions increases	3.6%	2.2%
Discount rate for scheme liabilities	1.65%	1.7%
Inflation assumption (CPI)	2.9%	2.2%

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
<i>Retiring today</i>		
Males	21.4 years	21.2 years
Females	24.0 years	23.6 years
<i>Retiring in 20 years</i>		
Males	22.4 years	21.9 years
Females	25.7 years	25.0 years

29. Pension and similar obligations (cont.)**Sensitivity Analysis**

	2021	2020
	£000	£000
Discount rate: + 0.1%	(430)	(348)
Discount rate: - 0.1%	430	348
Mortality assumption: 1 year increase	762	600
Mortality assumption: 1 year decrease	(762)	(600)
CPI rate: + 0.1%	388	312
CPI rate: - 0.1%	(388)	(312)

The Foundation's share of the assets in the scheme were:

	2021	2020
	£000	£000
Equities	6,417	5,415
Bonds	5,860	4,933
Property	1,395	1,203
Cash and other liquid assets	279	481
Total fair value of assets	<u>13,951</u>	<u>12,032</u>

The actual return on the scheme assets was £1,828,000 (13.1%).

Amount recognised in the Statement of Financial Activities

	2021	2020
	£000	£000
Current service cost	(1,002)	(978)
Past service cost	(8)	0
Interest income	207	210
Interest cost	(266)	(262)
Benefit changes, gain / (loss) on curtailment and gain / (loss) on settlement	0	0
Admin expenses	0	0
Total amount recognised in the SOFA	<u>(1,069)</u>	<u>(1,030)</u>

29. Pension and similar obligations (cont.)**Changes in the present value of defined benefit obligations were as follows:**

	2021	2020
	£000	£000
At 1 September 2020	15,225	10,302
Transfer in of The County High School, Leftwich	0	3,549
Current service cost	1,002	978
Interest cost	266	262
Employee contributions	135	127
Actuarial (gain) / loss	2,656	202
Benefits paid	(235)	(195)
Past service cost	8	0
At 31 August 2021	<u>19,057</u>	<u>15,225</u>

Changes in the fair value of the Foundation's share of scheme assets were as follows:

	2021	2020
	£000	£000
At 1 September 2020	12,032	8,865
Transfer in of The County High School, Leftwich	0	2,448
Interest income	207	210
Actuarial gain / (loss)	1,394	150
Employer contributions	418	427
Employee contributions	135	127
Benefits paid	(235)	(195)
At 31 August 2021	<u>13,951</u>	<u>12,032</u>

30. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Foundation's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

31. Agency Arrangements

The Foundation distributes 16-19 bursary funds to students as an agent for the ESFA. In the year to 31 August 2021 the Foundation received and distributed the following funds:

	2021	2020
	£	£
16-19 bursary funds received from ESFA in year	94,984	91,079
Unspent funds carried over from previous year	36,867	19,583
Funds transferred from Free College Meals allocation	3,532	896
	<hr/>	<hr/>
	135,383	111,558
Amount disbursed to students	(78,284)	(70,317)
Administration costs	(4,614)	(4,374)
	<hr/>	<hr/>
Balance unspent included in creditors at 31 August	52,485	36,867