

Company Registration Number: 07495541 (England & Wales)

**THE BALCARRAS TRUST
(formerly Balcarras School)
(A Company Limited by Guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

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THE BALCARRAS TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Healy G Sage R Shepherd B Stagg Dame Janet Trotter DBE CVO
Trustees	B Roberts, Chair ¹ D Burke, Chief Executive ¹ R Boulton (resigned 1 December 2020) C Hansen (resigned 1 December 2020) D Hazael (resigned 1 December 2020) K Holdsworth (resigned 1 December 2020) P Horne ¹ P Hung (resigned 1 December 2020) M Huysinga ¹ H Kellett (resigned 1 December 2020) J McGuire P Mitchener (appointed 30 June 2020, resigned 1 December 2020) A Niblett (resigned 22 September 2020) J Poulson R Shepherd (resigned 1 December 2020) G Sparkes ¹ G Thomas (appointed 26 November 2019, resigned 1 December 2020) K Wilkey (resigned 1 December 2020) L Williams (appointed 26 November 2019, resigned 1 December 2020) ¹ Finance, Audit and Risk Committee
Company registered number	07495541
Company name	The Balcarras Trust
Principal and Registered office	Balcarras School East End Road Charlton Kings Cheltenham Glos GL53 8QF
Senior executive team	D Burke, Chief Executive Officer T Cadogan, Chief Financial Officer
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers	Yorkshire Bank 5 Northgate Street Gloucester GL1 2AH
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THE Balcarras Trust
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of The Balcarras Trust for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both trustees' report, and directors' report under company law.

The address of the principal office of the trust is Balcarras School, East End Road, Charlton Kings, Cheltenham, Gloucestershire, GL53 8QF.

The trust operates two academies based in Cheltenham. Balcarras School is an 11-18 co-educational comprehensive school with a pupil capacity of 1,341 and a total pupil population of 1,379. The second school in the trust is The High School Leckhampton which opened in September 2021. The school will eventually have a capacity for 900 students. Currently there are 121 pupils on roll.

Structure, governance and management

a. Constitution

The Balcarras Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Balcarras Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Balcarras Trust.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1. Details of the trustees are also listed. The trustees took up their position when the school converted to Multi Academy Trust (MAT) status on 1 December 2020. On this date the Trust also changed its name to The Balcarras Trust.

b. 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.

c. Trustees' indemnities

The Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 16 to the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Trustees are directors of the company for the purposes of the Companies Act 2006 and governors for the purposes of charity legislation.

The Board of Trustees post December 1st consists of 7 trustees.

The Balcarras Academy Board of Governors consisted of 19 members, 8 by appointment of the Governors, the Headteacher, 3 staff members elected by the staff of the Academy and 7 parent members elected by parents of pupils of the school.

The term of office of any trustee will be 4 years, except this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

e. Policies adopted for the induction and training of Trustees/Governors

New trustees/governors join throughout the year, induction tends to be done informally and is tailored specifically to the individual. Other training is conducted as necessary.

f. Organisational structure

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academies (by use of budgets) and making major decisions about the strategic direction of the Trust and its academies, capital expenditure and the appointment of the CEO/Headteacher.

During the period under review the trustees held four meetings. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role.

Management structures of the individual schools encourages clear, firm decision-making at all levels. The local governing boards meet four times a year, taking reports from each of the sub-committees. The governors establish important strategic policy and principles, with nearly all decision-making delegated to the headteacher.

The CEO meets with the local headteachers once a month to discuss performance of the academy and strategy going forward. Each school in the trust has a dedicated senior leadership team to support the work of the school.

g. Risk management

The Trustees have assessed the major risks to which the Trust is exposed. They have identified Strategic, Operational, Regulatory and Financial risks. Likelihood and impact of risk has been assessed and methods of avoiding, transferring and mitigating these have been considered.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	320
Total pay bill	6,669,341
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1 %
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THE BALCARRAS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, aims, strategies and activities

a. Objects and aims

The principal activity of the Trust is the operation of Balcarras School, which is an 11-18 coeducational comprehensive school, and The High School Leckhampton which is an 11-16 coeducational comprehensive school. The High School Leckhampton opened in September 2021.

The Balcarras Trust is committed to delivering outstanding inclusive, comprehensive education in each of its schools. Every child within the Trust will be expected, encouraged and supported to reach their full potential and, when they leave school, to be fully equipped to go on to be successful in the next phase of their lives.

The Trust will establish and maintain high standards of teaching, pastoral care and behaviour in its schools. No child will be "left behind." There will be excellent opportunities for extra-curricular activities.

Each member of staff in the Trust's schools will be an excellent role model and will play their part in ensuring that each of the Trust's schools will have its own special ethos. Students will feel proud of their school.

The Trustees will, at all times, uphold the highest standards of financial propriety and make efficient and appropriate use of the public money made available to them.

Underpinning all the activities in the Trust is the belief that, however strong the performance of the Trust's schools may be, there is always room for improvement. Everyone associated with the Trust, the trustees, governors, school leaders, staff and pupils will share this aspiration.

The Balcarras Trust is committed to its role as a 'system leader' in the wider educational environment. The Trust oversees the GLOW Maths Hub and the Balcarras Teaching School Partnership, both of which are leading providers of Continuing Professional Development for educators.

b. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, aims, strategies and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

We began the financial year with a total reserve of £912,173 which included unrestricted reserves of £566,930 and designated funds of £345,243. After allocating some of these designated funds we end this financial year with a total reserve of £1,055,247 which includes unrestricted reserves of £565,247 and designated funds of £490,000.

Creation of The Balcarras Trust

One of the key achievements of this past year was our successful conversion to Multi Academy Trust status on December 1st 2020. When we first set out to create the Balcarras Trust as far back as 2017, we could not have imagined that we would do so in the midst of a pandemic. Despite the challenges posed by this we met the key milestones and have put in place all of the necessary governance arrangements. Key to the development of the Trust is the appointment of Tom Cadogan as CFO who took up his position on 1st September 2021.

Preparations for the Opening of The High School Leckhampton

The biggest development this year as regards the Trust has been the opening of The High School Leckhampton. This new secondary school for Cheltenham is the biggest educational development in the town since the re-organisation of secondary provision in 1986, which of course was the year that Balcarras was created. Our work in bringing it to life has been high energy, frenetic, fraught at times, but great fun overall. It has allowed us to channel so much positive energy and the value it has created in bringing colleagues on at Balcarras is beyond calculation. It has also meant that we have brought in excellent new colleagues such as Helen Wood who took up post as Headteacher in January 2021. Mrs Wood did a superb job of masterminding all of the necessary preparations for launch including taking the school through its pre-opening OFSTED inspection. The arrangements for Year 1 are working well although I am sure that all of the pupils will be looking forward to moving to the brand-new site at Farm Lane.

One of the key preparations for the opening of The High School Leckhampton was the creation of a new building at Balcarras. We secured a grant of £1.2 million from the local authority to build the necessary accommodation. The building was taken through design and planning as quickly as possible so that construction could begin in January 2021. We received the building in July 2021 and it is a superb addition to our facilities.

The development of the permanent site for The High School based at Farm Lane in Leckhampton has been, and continues to be, one of the Trust's finest achievements. For such a small Trust we should be immensely proud of the way we have shaped the project, always adamant that the children should have the very best facilities that we could arrange for them. We have been on several sight visits and we are delighted with the progress that is being made by the principal contractor Kier. We continue to work closely with Gloucestershire County Council who are funding the site development at Farm Lane. The Trust has an excellent relationship with them and we are confident that all of the detailed work, not just on the building, but on local infrastructure, will be in place for the opening in September 2021.

Admissions to the Trust's schools

Both schools are currently operating over their Pupil Admission Number. For Year 7 entry in 2021 both schools were oversubscribed. Early indications are that this will be the case in 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

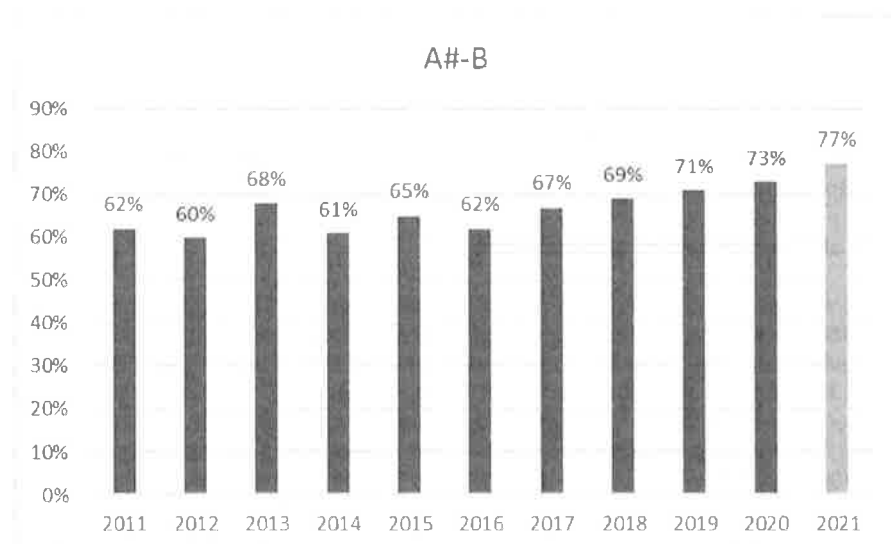
Achievements and performance (continued)

Balcarras Sixth Form also continues to be a hugely popular choice post 16.

Academic Performance of Balcarras School

At both GCSE and A level Balcarras had to design a bespoke system of assessment because of the Department for Education's decision to cancel public examinations. This was an enormous task and involved colleagues right across the school.

At A level the results were incredibly strong and our students did superbly. 77% of grades were A* to B and over 50% A* to A. There is a healthy trend line when you look at our A level results in recent years.



7 students are leaving us to study at Oxbridge and over 50% are going to Russell Group universities.

At GCSE the story was similar. Although it is difficult to find a totally accurate progress 8 score, Fisher Family Trust (FFT) did generate them based on the 2019 data set and they are shown in the table below. Balcarras' progress 8 score was in the top 3rd percentile nationally according to FFT. 92% of students achieved the old benchmark of 5 passes at Grade 9 to 4 (A* to C). Our performance at GCSE over many years is very strong and places us amongst the very top schools nationally. We had 24 students in Year 11 that qualified for the Pupil Premium and they achieved excellent results. This demonstrates the success of our pupil premium strategy which has been developed over many years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Measure	2015	2016	2017	2018	2019	2020	2021
Progress 8	0.78	0.61	0.6	0.33	0.82 (5)	0.70 (5)	0.74(3)
Attainment 8	61.2	60.6	60.2	56.2	61.1 (7)	63.5 (7)	64.5 (6)
English and Maths 5+	N/A	N/A	78%	63%	70%	80%	79%
English and Maths 4+	85%	84%	93%	84%	84% (10)	92% (7)	91% (9)
5 x 9-4	91%	90%	95%	86%	87%	94%	98%
5 x 9-5 inc EM	N/A	N/A	N/A	62%	68%	79%	79%
Old 5 A*- C inc EM	83%	78%	92%	83%	84%	91%	91%
2 Good Grades in Science	86%	86%	89%	88%	88%	95%	96%
5 x 9-7	42%	37%	38%	31%	39%	41%	52%
Pupil Premium P8	N/A	0.30	0.30	-0.28	0.31	0.32	0.62

Performance at GCSE and A level continue to be comfortably inside the top 5% of all schools nationally.

The Sunday Times Southwest State School of the Decade Award

In November 2020 Balcarras was named by the Sunday Times as the *Southwest State School of the Decade*. This is a prestigious award and everyone connected with the school should take enormous pride in it. News of the award was included in The Sunday Times Parent Power Supplement. Parent Power is published annually and is a guide to the best schools in the country based on achievement at A-level and GCSE. Balcarras has featured regularly over the years and often out-performs many of the selective schools in the region.

In 2020, as well as publishing the 2019 examinations results, Parent Power selected 26 'Schools of the Decade' from all corners of the country in recognition of their sustained excellence. In each region of the country The Sunday Times selected a State School of the Decade and an Independent School of the Decade. With over 350

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

state schools in the region, many of them selective, Balcarras should be very proud of its achievement.

Operating in a Pandemic

Balcarras School adjusted its normal operating procedures in line with DfE guidance so that we started the academic year with a staggered day, split breaks and lunch, a one way system and an enhanced cleaning regime. Our extra-curricular provision was adapted because of the need to keep year groups separate. We were delighted that much of this provision could continue. For example, instead of a school production we created a school film and our Midsummer Music festival was transferred online.

The school adapted well to the demands placed on it by the second national lockdown and we were able to transfer all of our learning online. We are convinced that our students had good continuity of provision and our tracking suggests that we remain on target to meet our expected performance at GCSE and A level.

The Trust's role in system leadership

GLOW Maths Hub

The Trust operates GLOW Maths which is one of the 40 DfE funded maths hubs operating in England. The hub exists to coordinate opportunities for professional development in the field of maths teaching.

GLOW Maths is now in its seventh year and continues to go from strength to strength under the leadership of Steve Lomax. The hub is working with 70% of schools in Gloucestershire and 60% in Worcestershire. This is amongst the highest levels of engagement for any hub in the country. 95% of schools stay working with the hub which proves that our work is sustainable and is considerably higher than the national average. 270 schools across our region were involved in 93 projects. This was a 20% increase on the previous. The hub continues to offer value for money and operate within its budget. There was a 4.2% underspend in the financial year but this was due to the need to postpone some projects due to the pandemic.

The Balcarras Teaching School Hub

During the 2020-21 academic year Balcarras School submitted a bid to become one of the new Teaching School Hubs created by the DfE. This work was led by Liz Cullis and we were delighted to learn in January 2021 that our bid had been successful. The second half of the year was dominated by putting in place a delivery plan and making preparations for the implementation of the Early Careers Framework which is now successfully underway. There are over 170 schools in our area of responsibility and we have worked hard to encourage as much involvement as possible.

There are only 10 other schools in the country that operate both a maths hub and a teaching school hub. This demonstrates the extent of the trust's involvement in system leadership.

Investment in infrastructure

The Trust continues to be successful in securing capital to invest in our schools. The project to develop The High School Leckhampton involves an investment of £30 million on behalf of the Gloucestershire County Council. We secured a grant of £1.2 million to build state of the art facilities at Balcarras to house the High School on our site for the 2021-22 academic year. We have also secured over £200,000 from the Condition Improvement Fund (CIF). These are significant capital investments and they will be of immense benefit to the young people in the trust's schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Financial Performance

Financially the Trust is on solid foundations. This is thanks in large measure to the senior staff and governors of Balcarras School who managed the school's finances with great care, even as austerity hit, so that the school never recorded a deficit position.

Although we should be proud that the trust has managed to maintain an adequate reserve, we should also be aware of the impact that financial cutbacks have had on schools. Sixth Form funding has been cut by around 37% in the last ten years and our overall income is down by a significant amount. We are running Balcarras School with 10 fewer teachers than we were 10 years ago. At the same time the cost of everything has risen and the demands on schools have increased. We should re-double our efforts to argue for increased funding post 16, a reform of the funding model 11-16, and reform of High Needs funding, so that schools who are inclusive are not financially punished for being so.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, which are restricted for particular purposes. The grants received from ESFA during the financial accounting period of the Trust ending on 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Balcarras School received a total revenue income of £7,516,139 in grants from the ESFA with a further £1,792,748 from the Local Authority and other grant income of £109,181 was capital grants and other income totalled £109,181. Total revenue expenditure came to £9,994,278 of which £7,360,756 related to teaching and educational support costs, £2,633,522 related to support costs (including £509,346 of depreciation of fixed assets) and £15,675 related to governance costs. Capital projects expenditure totalled £1,157,652.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

a. Reserves policy

The policy of the Trust is to carry forward a prudent level of resources; designed to meet working capital requirements, fund long-term cyclical needs of renewal, support future capital improvements and meet any other unforeseen contingencies. The reserves will represent capital and revenue and will be identified as Restricted, Unrestricted and Designated Reserves.

Sufficient working capital should be retained within the level of reserves to cover delays between expenditure and receipt of funding as well as to provide contingency for any unexpected costs.

The Trust considers that a suitable level of revenue reserves should be £575k.

The Trust may choose to designate part or all of its unrestricted reserves for a specific purpose or future need. In this instance, any designated reserves will be excluded from the assessment of the Academy Trust's available free reserves.

Based on the financial year ending 2020/2021, this figure equates to £490k, designated as the £200k extending the sixth form, £70k for landscaping the front of the school, £68k Astro Pitch Replacement Fund, £60k for toilet refurbishment, £60k for security gates, £20k for Boiler replacement and £12k for the repair of the gym roof.

b. Investment policy

Due to the nature of the funding cycle, the Trust may at times hold large cash balances which may not be required for immediate use. The Trustees have authorised the opening of a 30 day deposit account to take advantage of a higher interest rate. No other form of investment is authorised.

c. Principal risks and uncertainties

We continue to be concerned about the level of funding offered to schools particularly as regards per pupil sixth form funding which has reduced dramatically since 2012. However, we continue to be confident that the Trust is well positioned to meet the challenges as we go forward.

Plans for the future

2021-22 will see the first full year in operation of The High School Leckhampton. The Trust is keen to see it grow and develop into a thriving comprehensive school with its own distinct character and ethos. The trust is keen to explore the possibility of growth so long as it was done sustainably and always with the interests of young people at heart. 2021-22 will also see the first full year of the Balcarras Teaching School Hub which is an incredibly important development, not just for the trust but for the education system in this part of the world. We will work closely with all of our key partners to ensure that the hub is a success from the start.

Pay policy for key management personnel

A group of Trustees oversee and review the key management personnel (SMT) pay. This is reviewed in accordance with the STRB pay scale, guidance and advice based on the size of school and responsibilities held at the time of the review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 16, 2021 and signed on its behalf by:

B.S. Roberts

B.S. Roberts (Dec 16, 2021 12:55 GMT)

B Roberts
Chair of Trustees

THE BALCARRAS TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Balcarras Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Governors of the Balcarras Academy Trust, and after conversion the board of Trustees of The Balcarras Trust has formerly met 6 times during the year in person with one meeting being conducted via e-mail. The information below relates to the governance of Balcarras School prior to our conversion to MAT status and the governance of the Trust after conversion.

Attendance during the year at meetings of the board of Governors was as follows:

Trustee	Meetings attended	Out of a possible
B Roberts, Chair of Balcarras Trust (Appointed 1/12/20)	6	6
R Boulton	1	1
D Burke Headteacher/CEO and Accounting Officer	6	6
C Hansen	0	1
D Hazael	1	1
K Holdsworth (Mrs)	0	1
L Williams (Mrs)	0	1
P Horne	6	6
P W Hung	1	1
M Huysinga	5	6
H Kellett	1	1
J McGuire (Mrs)	6	6
A Niblett (Miss)	1	1
J Poulson (Mrs)	6	6
R Shepherd (Miss) Chair of Balcarras Academy Trust (Resigned 1/12/20)	1	1
G Sparkes	6	6
G Thomas	1	1
K Wilkey (Mrs)	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Audit and Risk Committee is a sub-committee of the Board of Trustees. Its purpose is to manage the financial status of the school and to advise the Governing Body of financial matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Horne (Chair)	5	5
D Burke, Headteacher and Accounting Officer	5	5
M Huysinga	5	5
B Roberts	4	5
G Sparkes	5	5

Review of value for money

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Balcarras Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees continue to review the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Trustees have appointed Mrs K Holdworth, who is a governor on the Balcarras Local Governing Board, to carry out a programme of internal checks. For the purposes of our own financial manual we refer to this as the role of Internal Auditor

The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a semi-annual basis, the Internal Auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities.

On a quarterly basis, the reviewer reports to the Board of Trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Due to restrictions imposed by the pandemic the usual pattern of Internal Audit visits did not take place. They have now resumed.

Review of effectiveness

As Accounting Officer, the CEO 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Finance, Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on Dec 16, 2021
their behalf by:

and signed on

B.S. Roberts

B.S. Roberts (Dec 16, 2021 12:55 GMT)

B Roberts
Chair

Dominic Burke

Dominic Burke (Dec 16, 2021 09:53 GMT)

D Burke
CEO and Accounting Officer

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Balcarras Trust I have considered my responsibility to notify the Trust 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 Trust, under the funding agreement in place between the 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 board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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



Dominic Burke (Dec 16, 2021 09:53 GMT)

D Burke
CEO and Accounting Officer
Date: Dec 16, 2021

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE have been applied for the purposes intended.

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

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



B.S. Roberts (Dec 16, 2021 12:55 GMT)

B Roberts

Chair

Date: Dec 16, 2021

THE Balcarras Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE Balcarras Trust

Opinion

We have audited the financial statements of The Balcarras Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (Incorporating Income and Expenditure Account), Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BALCARRAS TRUST (CONTINUED)**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report including the incorporated Strategic Report.

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

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

Responsibilities of Directors

As explained more fully in the Trustees responsibilities statement set out on page 13, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust'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 directors intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

THE Balcarras Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE Balcarras Trust (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation and employment regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BALCARRAS TRUST (CONTINUED)**

Use of the audit report

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



Jonathan Marchant (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 16 December 2021

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Balcarras Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Balcarras Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Balcarras Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

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

Conclusion

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


MZ

Mazars LLP
Chartered Accountants
Statutory Auditor

90 Victoria Street
Bristol
BS1 6DP

Date: Dec 16, 2021

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	5	40,825	-	-	40,825	52,052
Other trading activities		417,620	-	-	417,620	359,839
Investments	8	-	-	-	-	4,049
Charitable activities		-	8,793,874	1,157,652	9,951,526	8,183,207
Other income	9	279,695	91,992	-	371,687	251,527
Total income		738,140	8,885,866	1,157,652	10,781,658	8,850,674
Expenditure on:						
Charitable activities		166,177	9,318,755	509,346	9,994,278	9,540,520
Total expenditure		166,177	9,318,755	509,346	9,994,278	9,540,520
Net income						
/(expenditure)		571,963	(432,889)	648,306	787,380	(689,846)
Transfers between funds	22	(428,889)	428,889	-	-	-
Net movement in funds before other recognised gains/(losses)						
		143,074	(4,000)	648,306	787,380	(689,846)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	29	(628,000)	-	-	(628,000)	231,000
Net movement in funds		(484,926)	(4,000)	648,306	159,380	(458,846)
Reconciliation of funds:						
Total funds brought forward		912,173	(2,701,000)	8,061,827	6,273,000	6,731,846
Net movement in funds		(484,926)	(4,000)	648,306	159,380	(458,846)
Total funds carried forward		427,247	(2,705,000)	8,710,133	6,432,380	6,273,000

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 57 form part of these financial statements.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	8,710,133	8,061,827
		<u>8,710,133</u>	<u>8,061,827</u>
Current assets			
Stocks	18	21,434	19,233
Debtors	19	140,608	242,916
Cash at bank and in hand		1,786,491	1,414,333
		<u>1,948,533</u>	<u>1,676,482</u>
Creditors: amounts falling due within one year	20	(593,286)	(764,309)
Net current assets		<u>1,355,247</u>	<u>912,173</u>
Total assets less current liabilities		<u>10,065,380</u>	<u>8,974,000</u>
Net assets excluding pension liability		<u>10,065,380</u>	<u>8,974,000</u>
Defined benefit pension scheme liability	29	(3,633,000)	(2,701,000)
Total net assets		<u><u>6,432,380</u></u>	<u><u>6,273,000</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	22	8,710,133	8,061,827
Restricted income funds	22	300,000	-
Restricted funds excluding pension asset	22	<u>9,010,133</u>	<u>8,061,827</u>
Pension reserve	22	<u>(3,633,000)</u>	<u>(2,701,000)</u>
Total restricted funds	22	<u>5,377,133</u>	<u>5,360,827</u>
Unrestricted income funds	22	<u>1,055,247</u>	<u>912,173</u>
Total funds		<u><u>6,432,380</u></u>	<u><u>6,273,000</u></u>

The financial statements on pages 25 to 57 were approved and authorised for issue by the Trustees on and are signed on their behalf, by:

Dec 16, 2021

B.S. Roberts

B.S. Roberts (Dec 16, 2021 12:55 GMT)

B Roberts
Chair

The notes on pages 28 to 57 form part of these financial statements.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	1,529,810	(421,606)
Cash flows from investing activities	25	<u>(1,157,652)</u>	<u>(220,264)</u>
Change in cash and cash equivalents in the year		372,158	(641,870)
Cash and cash equivalents at the beginning of the year		<u>1,414,333</u>	<u>2,056,203</u>
Cash and cash equivalents at the end of the year	26, 27	<u><u>1,786,491</u></u>	<u><u>1,414,333</u></u>

The notes on pages 28 to 57 form part of these financial statements

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The Balcarras Trust is a private company limited by guarantee, registered in England & Wales, registered number 07495541. Its registered office is Balcarras School, East End Road, Charlton Kings, Cheltenham, Gloucestershire, GL53 8QF.

2. 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.

2.1 Basis of preparation of financial statements

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

The Balcarras Trust meets the definition of a public benefit entity under FRS 102.

2.2 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the 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 is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where 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.

- **Other income**

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

2.4 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.

- **Charitable activities**

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

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

2.7 Tangible fixed assets

Assets costing more than £1,000 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:

Depreciation is provided on the following bases:

Freehold property	- 5% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term, highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities and provisions 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 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 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.

2.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 21. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.13 Pensions

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

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

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

The Trust is a member of a multi-employer plan. Where it is not possible for the Trust to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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.

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2021.

5. Income from donations and capital grants

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	40,825	40,825

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	52,052	52,052

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Funding for the Trust

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	6,794,639	6,794,639
Other DfE/ESFA grants		
Other DfE/EFA Grants	721,500	721,500
SEN from LA	237,956	237,956
Academy main buildings grant	(13,527)	(13,527)
Maths Hub Grant	638,976	638,976
PEP/Pupil Premium	8,613	8,613
LA New School	75,000	75,000
Other revenue grants	17,190	17,190
Local authority capital grants	1,171,179	1,171,179
Local authority start up grants	300,000	300,000
	9,951,526	9,951,526

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	5,886,432	5,886,432
Other DfE/ESFA grants		
Other DfE/EFA Grants	531,357	531,357
GCC Growth Income	124,912	124,912
SEN from LA	159,731	159,731
Academy main buildings grant	313,196	313,196
Devolved formula capital allocations	29,580	29,580
Special educational projects	16,386	16,386
Mainstream grants	492,292	492,292
Maths Hub Grant	623,961	623,961
GAG Start Up Grant Part A	5,360	5,360
	8,183,207	8,183,207

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Funding for the Trust (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the trust's funding for Universal Infant Free School Meals and 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.

7. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	10,383	10,383
Income from services	91,766	91,766
Catering Income	315,471	315,471
	<u>417,620</u>	<u>417,620</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	54,135	54,135
Income from services	53,717	53,717
Catering Income	251,987	251,987
	<u>359,839</u>	<u>359,839</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Investment income

		Total funds 2021 £
Investment income		-
		<u>-</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	4,049	4,049
		<u>4,049</u>

9. Other incoming resources

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
School trips	-	91,992	91,992
Sundry Income	279,695	-	279,695
	<u>279,695</u>	<u>91,992</u>	<u>371,687</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
School trips	-	170,267	170,267
Sundry Income	81,260	-	81,260
	<u>81,260</u>	<u>170,267</u>	<u>251,527</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Academy:				
Direct costs	6,484,888	-	875,868	7,360,756
Allocated support costs	1,053,281	435,274	1,144,967	2,633,522
	<u>7,538,169</u>	<u>435,274</u>	<u>2,020,835</u>	<u>9,994,278</u>
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Academy:				
Direct costs	6,038,979	-	1,120,637	7,159,616
Allocated support costs	970,832	434,237	975,835	2,380,904
	<u>7,009,811</u>	<u>434,237</u>	<u>2,096,472</u>	<u>9,540,520</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academy	7,360,756	2,633,522	9,994,278

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy	7,159,616	2,380,904	9,540,520

Analysis of direct costs

	Academy 2021 £	Total funds 2021 £
Pension finance costs	48,000	48,000
Staff costs	6,484,888	6,484,888
Educational supplies	149,947	149,947
Exam fees	93,678	93,678
Staff development	443,803	443,803
School trips	14,326	14,326
Other direct costs	126,114	126,114
	7,360,756	7,360,756

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Academy 2020 £	Total funds 2020 £
Pension income	50,000	50,000
Staff costs	6,038,979	6,038,979
Educational supplies	78,008	78,008
Exam fees	166,266	166,266
Staff development	431,983	431,983
School trips	207,676	207,676
Other direct costs	186,704	186,704
	<u>7,159,616</u>	<u>7,159,616</u>

Analysis of support costs

	Academy 2021 £	Total funds 2021 £
Staff costs	1,053,281	1,053,281
Depreciation	509,346	509,346
Maintenance of premises and equipment	211,954	211,954
Recruitment and support	16,098	16,098
Rent, rate and utilities	139,442	139,442
Cleaning	32,130	32,130
Insurance	38,104	38,104
Security and transport	13,644	13,644
Catering	161,682	161,682
Bank interest and charges	11,844	11,844
Other support costs	430,322	430,322
Governance costs	15,675	15,675
	<u>2,633,522</u>	<u>2,633,522</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Academy 2020 £	Total funds 2020 £
Staff costs	970,831	970,831
Depreciation	509,702	509,702
Maintenance of premises and equipment	202,113	202,113
Recruitment and support	9,610	9,610
Rent, rate and utilities	151,750	151,750
Cleaning	24,762	24,762
Insurance	45,005	45,005
Security and transport	10,607	10,607
Catering	141,713	141,713
Bank interest and charges	6,750	6,750
Other support costs	292,357	292,357
Profit/loss on disposal of fixed assets	(400)	(400)
Governance costs	16,104	16,104
	<u>2,380,904</u>	<u>2,380,904</u>

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>509,346</u>	<u>509,702</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	12,550	12,050
Fees payable to the Trust's auditor in respect of:		
All assurance services not included above	1,250	575
All non-audit services not included above	1,700	3,045
	<u> </u>	<u> </u>

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	5,424,022	5,099,065
Social security costs	522,693	470,765
Pension costs	1,591,454	1,439,980
	<u>7,538,169</u>	<u>7,009,810</u>

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	85	81
Admin and support	58	56
Management	8	8
Cleaning	14	14
Catering	11	11
	<u>176</u>	<u>170</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>6</u>	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. During the year pension contributions for these employees amounted to £102,873 (2020: £56,873).

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. Remuneration details are included in note 15. The CFO was appointed at the end of the year and is not included in these details.

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Trustees' remuneration and expenses

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

		2021	2020
		£	£
D Burke (CEO/Headteacher and Trustee)	Remuneration	110,000 - 115,000	100,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year, no Trustees received any benefits in kind (2020 - £Nil).

During the year, no Trustees were reimbursed for expenses (2020 - £Nil).

During the year retirement benefits were accruing to 1 Trustee (2020: 4) in respect of defined benefit schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

16. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 September 2020	11,279,815	716,640	-	212,804	110,468	12,319,727
Additions	1,147,237	7,082	3,333	-	-	1,157,652
At 31 August 2021	12,427,052	723,722	3,333	212,804	110,468	13,477,379
Depreciation						
At 1 September 2020	3,550,435	538,207	-	169,258	-	4,257,900
Charge for the year	419,514	77,694	667	11,471	-	509,346
At 31 August 2021	3,969,949	615,901	667	180,729	-	4,767,246
Net book value						
At 31 August 2021	8,457,103	107,821	2,666	32,075	110,468	8,710,133
At 31 August 2020	7,729,380	178,433	-	43,546	110,468	8,061,827

18. Stocks

	2021 £	2020 £
Sundry Consumables	21,434	19,233

19. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	1,009	35,493
Other debtors	73,492	92,378
Prepayments and accrued income	66,107	115,045
	140,608	242,916

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	19,652	39,029
Other taxation and social security	125,466	136,151
Other creditors	239,390	446,468
Accruals and deferred income	208,778	142,661
	<u>593,286</u>	<u>764,309</u>
	2021	2020
	£	£
Deferred income at 1 September 2020	25,618	477,288
Resources deferred during the year	71,610	25,618
Amounts released from previous periods	(25,618)	(477,288)
	<u>71,610</u>	<u>25,618</u>

21. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1,786,491	1,414,333
Financial assets that are debt instruments measured at amortised cost	1,009	76,978
	<u>1,787,500</u>	<u>1,491,311</u>
	2021	2020
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	(396,209)	(551,614)

Financial assets measured at fair value through income and expenditure comprise bank and cash.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
Designated Fund	345,243	-	-	144,757	-	490,000
General funds						
Unrestricted funds	566,930	738,140	(166,177)	(573,646)	-	565,247
Total Unrestricted funds	912,173	738,140	(166,177)	(428,889)	-	1,055,247
Restricted general funds						
General Annual Grant (GAG)	-	6,794,639	(7,223,528)	428,889	-	-
Other DfE/ESFA Grants	-	721,500	(721,500)	-	-	-
LEA and other grants	-	430,751	(430,751)	-	-	-
Maths Hub Grant	-	638,976	(638,976)	-	-	-
Local authority start up grant	-	300,000	-	-	-	300,000
Pension reserve	(2,701,000)	-	(304,000)	-	(628,000)	(3,633,000)
	(2,701,000)	8,885,866	(9,318,755)	428,889	(628,000)	(3,333,000)
Restricted fixed asset funds						
Academy main buildings grant	6,850,000	-	(350,000)	-	-	6,500,000
DfE/ESFA capital grants	1,211,827	1,157,652	(159,346)	-	-	2,210,133

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	8,061,827	1,157,652	(509,346)	-	-	8,710,133
Total Restricted funds	5,360,827	10,043,518	(9,828,101)	428,889	(628,000)	5,377,133
Total funds	6,273,000	10,781,658	(9,994,278)	-	(628,000)	6,432,380

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Statement of funds (continued)

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

General Annual Grant (GAG): This income, provided by the ESFA, must be used for the normal running costs of the Academy.

Other DfE/ESFA and LEA Grants: These funds relate to other grants received for specific academic purposes and must be used for the purpose intended.

Maths Hub: These funds relate to the operation of the Maths Hub and associated activities at the Academy.

Pensions reserve: This fund equates to the obligation for retirement benefits as measured using FRS 102 disclosed in note 29 of these financial statements.

Restricted fixed asset fund: this fund relates to resources which must be or has been applied for specific capital purposes.

Designated funds: These funds relate to monies set aside for various refurbishment and other strategic projects identified by the Trustees.

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Designated Fund	459,114	-	-	(113,871)	-	345,243
General funds						
Unrestricted funds	563,516	497,200	(353,949)	(139,837)	-	566,930
Total Unrestricted funds	1,022,630	497,200	(353,949)	(253,708)	-	912,173
Restricted general funds						
General Annual Grant (GAG)	-	6,521,665	(6,894,237)	372,572	-	-
Other DfE/ESFA Grants	-	559,805	(559,805)	-	-	-
LEA and other grants	-	305,267	(305,267)	-	-	-
Maths Hub Grant	-	623,961	(623,961)	-	-	-
Pension reserve	(2,638,000)	-	(294,000)	-	231,000	(2,701,000)
	(2,638,000)	8,010,698	(8,677,270)	372,572	231,000	(2,701,000)
Restricted fixed asset funds						
Academy main buildings grant	7,200,000	-	(350,000)	-	-	6,850,000
DfE/ESFA capital grants	1,147,216	342,776	(159,301)	(118,864)	-	1,211,827

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

22. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	8,347,216	342,776	(509,301)	(118,864)	-	8,061,827
Total Restricted funds	5,709,216	8,353,474	(9,186,571)	253,708	231,000	5,360,827
Total funds	6,731,846	8,850,674	(9,540,520)	-	231,000	6,273,000

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	8,710,133	8,710,133
Current assets	1,948,533	-	-	1,948,533
Creditors due within one year	(893,286)	300,000	-	(593,286)
Provisions for liabilities and charges	-	(3,633,000)	-	(3,633,000)
	1,055,247	(3,333,000)	8,710,133	6,432,380

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	8,061,827	8,061,827
Current assets	1,676,482	-	-	1,676,482
Creditors due within one year	(764,309)	-	-	(764,309)
Provisions for liabilities and charges	-	(2,701,000)	-	(2,701,000)
	912,173	(2,701,000)	8,061,827	6,273,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	787,380	(689,846)
Adjustments for:		
Depreciation	509,346	509,702
Interest receivable	-	(4,049)
Defined benefit pension scheme cost less contributions payable	256,000	244,000
Defined benefit pension scheme finance cost	48,000	50,000
(Increase)/decrease in stocks	(2,201)	6,030
(Increase)/decrease in debtors	102,308	34,339
Decrease in creditors	(171,023)	(571,782)
Net cash provided by/(used in) operating activities	1,529,810	(421,606)

25. Cash flows from investing activities

	2021	2020
	£	£
Dividends, interest and rents from investments	-	4,049
Purchase of tangible fixed assets	(1,157,652)	(224,313)
Net cash used in investing activities	(1,157,652)	(220,264)

26. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	1,786,491	1,414,333
Total cash and cash equivalents	1,786,491	1,414,333

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,414,333	372,158	1,786,491
	<u>1,414,333</u>	<u>372,158</u>	<u>1,786,491</u>

28. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	43,523
	<u>-</u>	<u>43,523</u>

29. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. 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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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, 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 £997,744 (2020 - £740,541).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £414k (2020 - £530k), of which employer's contributions totalled £340k (2020 - £452k) and employees' contributions totalled £74k (2020 - £78k). The agreed contribution rates for future years are 28 per cent for employers and 5.78 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.20	2.50
Pension increase rate (CPI)	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70
Commutation of pensions to lump sums	35.00	35.00

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

	2021	2020
	Years	Years
Retiring today		
Males	21.9	21.7
Females	24.3	23.9
Retiring in 20 years		
Males	22.9	22.4
Females	26.0	25.3

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

Share of scheme assets

The Trust's share of the assets in the scheme was:

	2021	2020
	%	%
Equities	70	66
Corporate bonds	21	23
Property	7	8
Cash and other liquid assets	2	3
Total market value of assets	100	100

The actual return on scheme assets was £764k (2020 - £-273k).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£	£
Current service cost	(596,000)	(564,000)
Interest cost	(48,000)	(50,000)
Total amount recognised in the Statement of Financial Activities	(644,000)	(614,000)

Changes in the present value of the defined benefit obligations were as follows:

	2021	2020
	£	£
At 1 September	6,960,000	6,744,000
Current service cost	596,000	564,000
Interest cost	123,000	127,000
Employee contributions	74,000	68,000
Actuarial losses/(gains)	1,392,000	(504,000)
Benefits paid	(62,000)	(39,000)
At 31 August	9,083,000	6,960,000

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

	2021	2020
	£	£
At 1 September	4,259,000	4,106,000
Interest income	75,000	77,000
Actuarial gains/(losses)	764,000	(273,000)
Employer contributions	340,000	320,000
Employee contributions	74,000	68,000
Benefits paid	(62,000)	(39,000)
At 31 August	5,450,000	4,259,000

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30. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	25,208	25,208
Later than 1 year and not later than 5 years	7,479	34,656
	<u>32,687</u>	<u>59,864</u>

31. 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.

32. 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 15.

Owing to the nature of the 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, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

33. Post balance sheet events

There were no significant events after the year-end.

