

Company Registration Number: 07736246 (England & Wales)

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2021

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditor's report on the financial statements	23 - 27
Independent reporting accountant's report on regularity	28 - 29
Statement of financial activities incorporating income and expenditure account	30 - 31
Balance sheet	32
Statement of cash flows	33
Notes to the financial statements	34 - 64

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Reference and administrative details

Members	Paul Beashel Michael Hardware (Chair) Ian Hudson Neil Lawson Karen Spencer (Vice Chair) John Phillips (appointed 14 October 2020)
Trustees	Paul Adams Paul Beashel, Chair to 13 September 2021 Vic Goddard, CEO and Accounting Officer Christine Kirk (resigned 24 June 2021) Neil Lawson, Vice Chair to 13 September 2021 and Chair from 14 September 2021 Deanne Morgan Sue Walker Frank Woods
Company registered number	07736246
Company name	The Passmores Co-Operative Learning Community
Principal and registered office	Passmores Academy Tracyes Road Harlow Essex CM18 6JH
Chief executive officer	Vic Goddard
Senior management team	Vic Goddard, CEO and Co-Principal of Passmores Academy Scott Alderson, CFO Emma Bloomfield, Executive Primary Head
Independent auditor	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Bankers	Lloyds Bank Plc Harlow Essex CM20 1LD
Solicitors	Stone King Boundary House 91 Charterhouse Street London EC1M 6HR

The Passmores Co-Operative Learning Community

(A company limited by guarantee)

Trustees' report

For the year ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trustees confirm that the Annual report and financial statements of the Trust comply with the current Statutory requirements, the requirements of the Trust governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. Passmores Co-operative Learning Community (PCLC) was formed in 2013 in response to requests from local schools and the DfE to move the Passmores Academy Trust to a position that it would be able to sponsor other schools.

In September 2013, the PCLC officially sponsored two of Passmores Academy's family of primary schools, Potter Street and Purford Green that were placed into an Ofsted category in the preceding months, Special Measures and Requires Improvement, respectively. Both primary schools are located within walking distance of Passmores Academy, this gives the Trust a great opportunity to work with pupils, from the age of 5 to 16 years of age.

It was agreed from the outset that the PCLC would focus on working in partnership with our family of schools to provide a great educational journey throughout a young person's time in school.

Both Purford Green Primary School and Potter Street Primary School converted to Academy Trust status under the Academies Act 2010 and all of the operations, assets and liabilities were transferred to The Passmores Cooperative Learning Community, with the three schools forming a Multi-Academy Trust. On 1st September 2018, The Downs Primary School and Nursery (LA Maintained School) converted to an Academy and joined the Trust.

Passmores Academy has a published admission number (PAN) of 240, with Purford Green and Potter Street both having a PAN of 30 students, and the Downs having a PAN of 60 Students. The three primary schools are named in the admissions policy of Passmores Academy and students are offered a place prior to any distance calculation as long as they are on roll on the application date.

The PCLC schools aspire to create a group of academies across sectors that have a reputation for delivering a great education for all students, and have shown since 2013, that working across sectors in different contexts is not a barrier or a burden, but an opportunity. Passmores Academy received a 'Good' overall rating from Ofsted in the academic year 2017/18. Purford Green Primary was upgraded from 'Requires Improvement' to 'Good' by Ofsted in 2015 and remained 'Good' when inspected in 2018/19. In 2015, Potter Street Academy was moved up two grades, which took them out of 'Special Measures'. Additionally, the Academy was rated 'Good' for both early years provision, and the behaviour and safety of pupils, in the 2018/19 academic year Potter Street achieved 'Good' from Ofsted, the first time it has achieved this grade. The Downs Primary School and Nursery has not received an Ofsted visit since joining the Trust in 2018, however during their last inspection in 2016 the school was rated 'Good'.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable 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 Passmores Co-Operative Learning Community are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as The Passmores Co-Operative Learning Community.

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to The Passmores Co-operative Learning Community. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost for the Trust.

d. Method of recruitment and appointment or election of Trustees

The Trust's Articles of Association state that the minimum number of trustees is three. Currently, no maximum number has been imposed.

Trustees can be appointed under the following conditions:

- The Members may appoint up to six trustees.
- Up to three trustees may be appointed or elected in accordance with any policy decided by the Trustees.
- The Trustees may also appoint up to three individuals from any of PCLC's local governing bodies as a trustee. This is subject to the condition that principals / headteachers must not be appointed as trustees if the Chief Executive Officer is not appointed as a trustee.
- Additional trustees can be co-opted onto the Trust Board. A 'Co-opted Trustee' means a person who is appointed by trustees who had not been co-opted onto the Trust Board themselves.
- The Trust has made provision to have at least two parent governors on each of its local governing bodies. If no parents are appointed to the local governing bodies, the Trustees may appoint a minimum of two parent trustees.

To comply with the requirement that not more than one third of the Trust Board can be employees of the Trust, the Chief Executive Officer is the only employee to have been appointed as a trustee.

e. Policies adopted for the induction and training of Trustees

Governors Induction Policy was adopted in September 2011 and is reviewed annually.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

f. Organisational structure

The management structure consists of five levels: the Members, the Board of Trustees, Local Governing Bodies (LGBs), the Executive Team, and senior leadership teams within each academy. In addition, the Finance, Audit & Risk Committee and Remuneration Committee operate as sub-committees of the Trust Board. Responsibilities are delegated in line with PCLC's Scheme of Delegation to enable decision making to occur at all levels of the management structure. In addition to the Scheme of Delegation, the Members and Trustees work within the regulations set out in the Trust's Articles of Association and the sub-committees and LGBs refer to their Terms of Reference to ensure they are working within their remit and are clear about their role and responsibilities.

The Members meet at least once a year at the PCLC Annual General Meeting which takes place mid-academic year. The Members hold the Trustees to account, to ensure they are working to fulfil the Objects of the Trust. The Members also appoint the independent external auditors.

The Trustees provide strategic leadership and accountability across the Trust. They are responsible for setting PCLC's vision and ethos and for overseeing the financial performance of the Trust, making sure its money is well spent. The Trustees approve trust-wide policies, monitor and manage risks, and appoint executive members of staff, academy headteachers and cross-trust staff. They also hold the CEO and local governing bodies to account for the educational performance of the Trust's academies.

Responsibilities which include monitoring the educational standards of individual academies, holding PCLC academies' headteachers to account and ensuring effective safeguarding measures are in place are devolved to the local governing bodies. The Finance, Audit & Risk Committee's role involves scrutiny of financial control systems and the Trust's budget. The committee members make recommendations to the Trust Board as appropriate. The Remuneration Committee ensures that all executive pay determinations act in accordance with PCLC's pay policies, and procedures follow a robust evidence-based process, so that remuneration is a reasonable and defensible reflection of the individual's role and responsibilities. There are links between the Trust Board, LGBs, Finance, Audit & Risk Committee and Remuneration Committee to ensure delegated functions are carried out effectively.

The Executive Team and senior leadership teams for each PCLC academy are responsible for implementing policies approved by the Trustees, Local Governors and Finance, Audit & Risk Committee members, and for the day- to-day running of the Trust and its academies. This includes authorisation of spending within agreed budgets and the appointment of academy staff. Appointment boards for posts in the Executive Team, academy headteachers and cross-trust staff must always contain at least one Trustee. The Chief Executive Officer is the Trust's Accounting Officer.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The pay of key management personnel employed by the Trust is set in line with the PCLC's pay policy, which is reviewed annually by the Trust Board. Pay and remuneration is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards and the ability to recruit and retain in post. The Remuneration Committee has delegated responsibility for the scrutiny of these factors.

PCLC welcomes applications for employment from all prospective employees regardless of disabilities. PCLC is committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills, and experience of all employees.

This includes ensuring that employees are managed in an inclusive way, taking into account individual differences and giving employees the confidence to disclose a disability should they so wish. If an employee discloses that they have a disability, we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this. These could include training, specialist technology or equipment, for example. In deciding what is reasonable, the practicalities and resources available to PCLC should be taken into account.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	11,029,231
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	- %
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The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The CEO, CFO and two members of Passmores are also Trustees of No Child Without, charity registration number 1152609. No Child Without was established in 2013 and aims to provide financial support for young people across Harlow in order to help them access educational and extra-curricular opportunities that may usually be beyond their means. Donations are made to individual students, schools and organisations to achieve this.

The CEO is a Trustee of Harlow Education Consortium. The Consortium provides training courses and memberships to the Trust.

Other related party transactions involving the Trustees are set out in note 30.

j. Engagement with employees, suppliers, pupils, parents, and the community

The Trustees, both individually and collectively, consider that they have acted in good faith to promote the success of the Trust for the benefit of its stakeholders in the decisions taken during the period. In particular:

The Trusts employees are fundamental to the success of the business. The Trustees understand that it is critical to engage with and understand their views and to ensure that all employees interest is considered. To strengthen employee engagement, the Directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation.

The Trust Board recognises the value of and seeks to achieve a diverse workforce which includes people from different backgrounds, with different skills and abilities. We are committed to ensuring that the recruitment and selection of all is conducted in a manner that is systematic, efficient, effective and promotes equality of opportunity. Selection will be on the basis of merit and ability, assessed against the qualifications, skills and competencies required to do the job. We will uphold obligations under law and national collective agreements to not discriminate against applicants for employment on the grounds of age, sex, sexual orientation, marital status, disability, race, colour, nationality, ethnic origin, religion, or belief.

To ensure the Trustees take account of the likely consequences of their decisions in the long-term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, health and safety, risks and opportunities.

The Trustees intentions are to behave responsibly toward all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the Trust.

The Trust board recognises the impact the global pandemic has had on staff and students. The Trustees understand there will be a significant emotional impact for many staff and students and will continue to offer counselling services to both groups to support them. The Board will continue to discuss the wellbeing of staff and students over the coming year to determine if more can be done to support them through these difficult times.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Objectives and activities

a. Objects and aims

The trust has two charitable objects;

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

At PCLC schools we aim to ensure:

- all young people are highly valued and expected to achieve their full potential no matter what their socioeconomic background;
- all young people will enjoy their learning and to understand that we all continue to learn throughout our lives;
- attain high outcomes and be helped to become confident individuals and responsible citizens whilst making excellent progress;
- all young people will benefit from an inclusive ethos, excellent teaching and a broad and balanced curriculum underpinned by strong leadership, in a local school; and
- all young people will be supported and encouraged to lead healthy and active lives, making sensible choices whilst respecting the views and attitudes of others.

Aspirations

The PCLC holds an ambitious vision for education. Its academies are committed to our core remit of providing an outstanding educational experience so that:

- all young people will enjoy their learning, attain high outcomes and be helped to become confident individuals and responsible citizens whilst making excellent progress in all respects;
- all young people will benefit from an inclusive ethos, excellent teaching and a broad and balanced curriculum underpinned by strong leadership, in a local school; and
- all young people will be supported and encouraged to lead healthy and active lives whilst gaining an understanding of the factors that can impact on their mental and physical health and what they can do to improve their own situation.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Objectives and activities (continued)

The PCLC academies ensure that they contribute to school improvement in terms of raising the standards of attainment of vulnerable children and young people through:

- aspiring to be judged as good or outstanding using the Ofsted criteria;
- understanding the issues related to underperformance of different groups of children and implementing intervention strategies;
- sharing knowledge and expertise through the local partnership of schools as well as within the PCLC family of schools; and
- using tried and proven systems for effective intervention and support.

Each school continues to exist in its own right maintaining its own unique characteristics and individual identity.

The PCLC schools will always be distinctive in their own right as each school needs to meet the needs of its local community and each community is different.

The PCLC expects each Headteacher and their team of leaders to ensure that the work of their school is of the highest standard allowing children and young people to have high aspirations.

Our philosophy is to keep things simple yet focused. Schools can make rapid progress by concentrating on the basics. For instance in the primary sector we have to make sure that teachers and support staff are trained to effectively teach reading, writing, spelling and mathematics systematically as well as knowing how best to assess in a rigorous manner every young person's progress.

Whilst each school retains and continues to develop its own ethos, there are a number of principles and practices which run throughout PCLC schools which, in essence, set us apart from other academy chains.

a. Leadership

We are a group of schools rooted in providing the best possible education for children and we are not motivated by 'making a profit'. We wish to widen the impact of our exceptional leaders by creating change within classrooms and schools to raise aspirations and achievement of our young people.

We recognise the requirement for each school to be led by its own leader. We recognise that each school cannot rely solely on that one leader to bring about sustainable change and increased success. No one Head alone can achieve this. The PCLC is set up so that Heads and their leadership teams can work with each other, share good practice and be a central part of a wider team aspiring for the best for our young people whichever PCLC school they attend.

b. Learning and Teaching

This is the most important aspect for all who work in the PCLC schools. Learning and teaching are the core purpose of our schools.

Our approach to teaching is to instil a sense of challenge, enjoyment and passion for learning that will equip our young people to achieve their potential and raise their expectations as to what they believe they can achieve. Teachers who do this have a passion for their subjects, make it interesting and lively and, very importantly, build positive relationships with their students. This must be our aspiration across all teachers across all PCLC schools.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Objectives and activities (continued)

Learning and teaching make the difference. We aim to deliver inspiring learning and support students to enable them to achieve their potential. This reminds us of the reasons for the existence of the PCLC and the criteria by which we are judged. It is focused, uncompromisingly, upon the needs of our young people.

We aspire for all PCLC schools to be high achieving. Our drive to ensure that our young people achieve at the highest level and that this is derived from the high quality of teaching and the importance placed by each school on learning, teaching, progress and achievement.

Our approach to learning is founded on key principles:

- Our unconditional positive regard ensures that every young person is highly valued and expected to achieve their potential;
- every young person has the right to be successful and has ability to achieve, no matter what their socioeconomic background;
- there is no limit to achievement – intelligence can be developed;
- each student must know what to do in order to improve and how to do it, high expectations on their own are not enough;
- consistency of experience is fundamental; each school has a team and consistency makes us greater than the sum of our parts; and
- employment opportunities in PCLC schools should allow all colleagues to inspire a love for learning; not simply process and record what we find.

b. Objectives, strategies and activities

Leadership

To provide strong leadership through governance focused on student progress and day to day leadership that does not accept artificial limits set according to factors outside the control of our young people. Leadership must be developed in others across the PCLC to ensure that the partnership can sustain the growth that is already taking place.

Teaching

To ensure that all our young people are given the access to and experience of great teaching.

Growth Mindset

To ensure that all systems/structures are designed and used to help our young people have high aspirations for what they are able to achieve and to make good choices regarding developing positive relationships with their peers and the adults that strive to help them. It is important that failure is seen as the first step in learning and not as a negative experience.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Objectives and activities (continued)

Stakeholder Development

To ensure that our robust appraisal procedures are focused on developing the workforce to continually strive for self-improvement. Once individual development priorities are agreed we must deliver the opportunities for growth, for each person, based on their role within the organisation and the resources available.

Community Engagement

To ensure that the schools remain at the heart of the community it serves by engaging with local community leaders and developing an ethos of partnership for the improvement of Harlow both now and in the future.

c. Public benefit

The Charitable Company's aims are set out in this report. The Trustees have complied with their duty under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the Charitable Company should undertake.

Strategic report

Achievements and performance

Primary

Due to continued disruption in the year and SATS not taking place there is no external assessment data. Blended learning was offered with online teaching being accessed by all, with support during the lockdown periods. All primary schools remained operational throughout.

Secondary Results

Teacher Assessed Grades were used for the GCSE/BTEC outcomes. The school administered a process that allowed all students to show what they know and to achieve the outcome their ability and effort deserved. Despite having 12 single grade appeals start Stage 1 of the process none continued to Stage 2. The lack of exams did lead to the students that often fail to complete them getting a higher grade than they would have and therefore slightly raising the P8 score.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

i) Percentage salary against income

Trustees felt that an upper limit of 80% of salary costs against income would be appropriate although the CEO suggested, and the Trustees approved that 'investing in quality staff' was essential to raise pupil performance and improve standards. The Trust has been able to achieve this target for 2020/21, due to restructuring over the last two academic years.

Actual Salary Expenditure (excl. LGPS adjustments) for year ended 31 August 2021	£11,272,292
Actual Income including all Grants for year ended 31 August 2021	£14,038,840
Percentage Salary against Income for year ended 31 August 2021	80%

ii) Pupils in each school year

At the end of the academic year the pupil numbers were:

	31/08/2021
Nursery	40
Reception	98
Year 1	112
Year 2	115
Year 3	115
Year 4	124
Year 5	141
Year 6	129
Year 7	241
Year 8	245
Year 9	238
Year 10	242
Year 11	234
Total	2074

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, although budgets/reserves will have to be carefully managed due to unknown future impact of the pandemic. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The potential impact of the pandemic includes but is not limited to the following;

- Loss of Lettings and Catering income.
- Increased supply costs as and when staff need to self-isolate.
- Additional cleaning staff required to meet requirements.
- Increased costs of cleaning materials, e.g. hand sanitisers, anti-viral wipes, surface cleaners.

Whilst uncertainties exist, the Trustees are content that future forecasts demonstrate that the Trust remains a going concern for the foreseeable future.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the Company

The Trust's success is the driving factor behind all decisions made by the Board. Decision making processes are structured to enable Trustees to evaluate the merit of decisions and the likely consequences of its decisions over the short, medium and long-term. The Board carefully considers the impact of decisions on the communities and environments in which they operate. Due consideration is paid to PCLC's stakeholders, including but not limited to our customers, suppliers, business partners, employees, students and parents.

In all its activities the Board requires that our employees and partners conduct business to the highest ethical and professional standards.

Financial review

a. Results for the year

The Statement of financial activities shows that the Trust has seen an increase in income compared to 2020, with the total income increasing from £13,232,105 (2020) to £14,038,840 (2021).

Expenditure has increased from £14,923,901 (2020) to £15,610,238 (2021). The increase in expenditure is mainly due to the increase in the: staff costs of the Trust from £11,708,714 (2020) to £12,155,292 (2021); and repairs and maintenance expenditure from £453,645 (2020) to £844,911 (2021).

The Trust ended the financial year with an overall funds' deficit of £2,201,398 (2021), which is very similar to the deficit shown last year, of £2,241,796 (2020). This is because of an in-year deficit of £1,571,398 (2020: £1,691,796), and an actuarial pension loss of £630,000 (2020: £550,000). Passmores Academy have seen an increase in their surplus from £52,475 (2020) to a surplus of £74,502 (2021), Potter Street have seen a decrease from a surplus of £140,676 (2020) to a deficit of £51,731 (2021), Purford Green have seen a decrease from a surplus of £92,545 (2020) to a deficit of £22,029 (2021), the Downs Primary School and Nursery School have seen an increase from £8,410 (2020) to a surplus of £39,278 (2021) and finally, the Central Services have seen a decrease from a surplus of £8,715 (2020) to a deficit of £6,408 (2021).

The financial position of the trusts primary schools has been significantly impacted by the current pandemic. During the national lockdown, laptops and other home learning resources were required and this was particularly difficult for single form entry primary schools, as there were limited savings to be made. The Trust was able to reduce spend in other areas at Passmores Academy to compensate the financial impact, however reserves have been used to cover the loss of income and additional costs at the primaries.

Throughout the financial year the Trust has had to reduce the staff headcount and full-time equivalents to achieve these financial results, and this has had a significant impact on the work load of staff. This is particularly in the primary schools as a restructure has taken place over the last two years, where the Trust has had to reduce Teaching assistants/support staff numbers to balance current and future budgets.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

b. Reserves policy

The purpose of the reserves policy for the PCLC is to ensure the stability of the Academy's operations. Maintaining an appropriate level of financial reserves is considered essential in protecting the School from financial risk. The policy will be reviewed annually or sooner if warranted by internal or external events or changes. The Trust Board must approve all changes.

The pension reserve is in deficit due to the Trusts share of the LGPS liabilities exceeding its share of the assets. Plans to eliminate the deficit are incorporated into the Academy's plans by making contributions as recommended by the actuary.

At 31 August 2021, the total funds comprised:

Unrestricted		£229,080
Restricted:	Fixed asset funds	£36,034,280
	General Annual Grant (GAG)	£107,353
	Pension reserve	(£9,400,000)
		£26,970,713

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 27.

The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Unrestricted funds represent the Trust's free reserves and are for use on the general purposes of the Trust, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements. The Trust aspires to having a reserve equivalent to 3% (£400,000) of revenue income, however we currently have reserves of £229,080. We note that this is lower than the policy but is due to the increased costs and lost of income relating to the pandemic.

c. Investment policy

The Trustees approved the Investment Policy in October 2020 and the objectives of this are;

- To provide a means by which the Trust can meet its commitments
- To ensure that sufficient sums are available at short or no notice to meet foreseeable requirements
- To earn an acceptable rate of return on surplus funds without undue risk
- To spread risk between differing types of investment and institutions

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

d. Principal risks and uncertainties

The Finance Audit & Risk Committee regularly reviews the Risk Register, which is maintained by key management personnel, risks with the highest level of threat are then discussed during Trustee meetings.

The Passmores Co-operative Learning Community practices through its Board of Trustees, and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the Board of Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Trustees accept managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

Risk: Major ICT Failure

Mitigations:

- Daily backups taken.
- Insurance in place.
- Asset Register.

Risk: Financial Failure / Funding Shortfall

Mitigations:

- Finance Regulations and Academy Handbook.
- Budgetary process and Monitoring.
- Annual Accounts by external auditor and yearly supplementary work carried out on internal controls.
- Finance and Audit Committee on a half-termly basis.
- Review of budget and resources if changes in external or internal environment.

Risk: Major / Catastrophic incident e.g. fire, flood, storm, terrorism, extreme weather

Mitigations:

- Insurance in place.
- Communications with staff and pupils including School Comms, website and text messaging.
- Evacuation procedures – regular fire drills.
- Disaster Recovery Plan.
- Regular reviews of policies and procedures.
- Business Continuity Plan.

Risk: Covid 19

Mitigations:

- Individual school risk assessments to manage the operational demands during the pandemic.
- Regular reviews of budgets to assess the ongoing impact on resources.

Fundraising

The Trust only fundraises for third party registered charities and this is usually in the form of non-uniform days, cake sales and lunch time or after school shows/events. The Trust does not work with any commercial participators or professional fundraiser to receive funds. Each school within the Trust does have an independently run Parent Teacher Association or Friend of Association that fundraises money for their individual school, this is from events such as, Christmas/Summer Fayres, selling snacks and drinks at other school events. The Trust has not received any fundraising complaints during the year and manages any funds raised to the standards required. No pressure is put on any parent/carer or student to donate and is completely voluntary.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	Current Reporting Year 2020/21	Comparison Reporting Year 2019/20
Energy consumption used to calculate emissions (kWh)	2,522,834	2,310,537
Energy <u>consumption</u> break down (kWh) (optional):		
• gas	1,664,429	1,223,247
• electricity	854,930	959,786
• transport fuel	3,475	20,697
Voluntary Emissions		
Biomass	-	82,487
Renewable energy generated on site	31,530	24,320
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	304.86	224.90
Owned transport – mini-buses	0.76	4.40
Biomass	-	1.30
Total Scope 1	305.62	229.30
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	181.53	223.80
Scope 3 emissions in metric tonnes CO2e		
Business travel in <u>employee owned</u> vehicles	0.07	0.60
Total gross emissions in metric tonnes CO2e	487.21	455.00
Intensity ratio Tonnes CO2e per pupil	0.235	0.225

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions. For 3 months of the year the schools were open to critical worker's children only.

Nevertheless, this year has seen the implementation of the following energy efficiency measures:

- Potter Street Academy has been awarded a condition improvement grant, to replace two boilers that are over 15 years old and therefore not running efficiently.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2021

Plans for future periods

The PCLC will continue to work to improve the performance and achievement of its students in all aspects of school life. This will include continuing to make every effort to ensure all students enter higher education, further education, employment or training when they leave the school. The Trust will continue working to maintain its recruitment of students.

The PCLC will continue to work with partner schools to improve the literacy of its students in the local area, particularly those of primary age and those attending main feeder schools.

The PCLC continues to be looking to expand the schools within the Trust and is hoping to add a local secondary school during the 2021/22 academic year.

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.

Auditor

The auditor, Kreston Reeves LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on Friday 10th December 2021 and signed on its behalf by:



Neil Lawson
Chair of Trustees

The Passmores Co-Operative Learning Community

(A company limited by guarantee)

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Passmores Co-Operative Learning Community 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 Passmores Co-Operative Learning Community and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 11 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Paul Adams	9	11
Paul Beashel, Chair to 13 September 2021	11	11
Vic Goddard, CEO and Accounting Officer	11	11
Christine Kirk (resigned 24 June 2021)	6	10
Neil Lawson, Vice Chair to 13 September 2021 and Chair from 14 September 2021	9	11
Deanne Morgan	8	11
Sue Walker	6	11
Frank Woods	11	11

Governance Reviews

The Trust Board and local governing bodies of Passmores Academy, Purford Green Primary and Potter Street Academy all undertook external reviews of governance in 2018/2019 and subsequently achieved the Effective School Governance Award in June 2019. The Downs Primary School had already achieved the Award in 2018.

As a result of the review, local Governors and Trustees have increased their awareness of their statutory responsibilities and are more efficient in their working practices. This has led to greater confidence in carrying out their role. Governor training has further supported local governors and trustees in areas which included how to question, challenge and hold leaders to account, and training in safeguarding/child protection procedures.

The Trust Board has pledged to carry out external reviews of governance every 3-5 years, in line with recommendations made by the National Governance Association. The next review will take place between September 2022 and July 2024.

The **Finance, Audit & Risk Committee** is a sub-committee of the main Board of Trustees. Its purpose is to ensure that academy financial control systems are robust by monitoring income and expenditure against the budget, proposing the annual budget, review and approval of the Trust's finance policies and regularly reporting to the Trust Board. The Committee also provides assurance to the Board over the suitability of, and compliance with, its financial systems and operational controls to ensure risks are being adequately identified and managed.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

The Committee met five times during the 2020-2021 academic year. Over the course of the year, the Committee discussed three main areas:

- Effectiveness of the internal control system.
- Pursuit of value for money.
- Assurance on risk management.

The Committee spent a considerable amount of time discussing value for money and the need for the Trust to operate as efficiently as possible. Through the review of PCLC's Finance Regulations, the Committee has ensured that there are sufficient procurement procedures and decision-making processes in place to achieve value for money.

Vic Goddard stepped down as a member of the Finance Committee in May 2020 but continued to attend all meetings of the Finance, Audit & Risk Committee in 2020/21 in an advisory capacity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Paul Adams (Chair)	5	5
Paul Beashel	5	5
Daniel Farmer (LGB representative)	4	5
Deanne Morgan	4	5
Geoff Smith	5	5
Frank Woods (Vice Chair)	5	5

Review of value for money

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

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

Reviewing controls and managing risks

- All contracts are reviewed on an annual basis to ensure they are fit for purpose and best value, with longer term agreements being consistently reviewed prior to expiry dates.
- As contract's expiry we are aligning them across the Trust so that future savings can be made.
- Centralised procurement is allowing the Trust to bulk purchase items and therefore make savings, this was particularly evident during the national lockdown, for cleaning products/materials, PPE etc.
- Financial Governance and oversight is robust, the FA&R committee receive regular reports and recommendations from the external/internal auditors and CFO identifying internal checks and balances.
- The Academy obtains 3 quotes before incurring any expenditure above £5,000 and full tendering is applied to contracts whose annual or total value exceeds £50,000.
- Management accounts are circulated to Trustees monthly, expenditure is monitored against budget and any significant variances are reported accordingly.
- Passmores actively supports local sport and community groups by letting out facilities during the weekend and evening. The income is used to maintain the facilities and improve the resources for our students and hirers.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Governance Statement (continued)

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the Finance, 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.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- identification and management of risks.

The Board of Trustees has decided to employ Griffin Chapman as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchases systems
- testing of control accounts

On a semi-annual basis, the internal auditor 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.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

As part of the internal scrutiny work the committee also appointed Secure Schools to carry out an audit on cyber security risk, which included the following areas;

- Managing cloud services.
- Cybersecurity policy.
- Security testing audit and assurance.
- Incident management, continuity, and recovery.

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

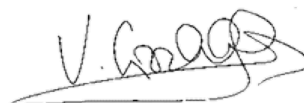
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on Friday 10th December 2021
their behalf by:

and signed on



Neil Lawson
Chair of Trustees



Vic Goddard
Accounting Officer

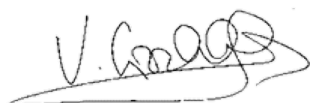
The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Passmores Co-Operative Learning Community I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of 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.



Vic Goddard
Accounting Officer
Date:

Friday 10th December 2021

The Passmores Co-Operative Learning Community
(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 income 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 on Friday 10th December 2021 and signed on its behalf by:



Neil Lawson
Chair of Trustees

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of The Passmores Co-Operative Learning Community

Opinion

We have audited the financial statements of The Passmores Co-Operative Learning Community (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its income 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, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of The Passmores Co-Operative Learning Community (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of The Passmores Co-Operative Learning Community (continued)

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. 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, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated 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 inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of The Passmores Co-Operative Learning Community (continued)

- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of The Passmores Co-Operative Learning Community (continued)

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

Use of our report

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

A handwritten signature in dark ink, appearing to read 'Kreston Reeves LLP', is positioned above the printed name of the auditor.

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

Date: 10 December 2021

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Passmores Co-Operative Learning Community and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 July 2020 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 Passmores Co-Operative Learning Community 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 Passmores Co-Operative Learning Community and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Passmores Co-Operative Learning Community 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 Passmores Co-Operative Learning Community and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Passmores Co-Operative Learning Community's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Passmores Co-Operative Learning Community's funding agreement with the Secretary of State for Education dated 28th August 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewed expenditure against specific terms of grant funding within the funding agreement.
- Reviewed grants have been applied for the purposes intended.
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards.
- Confirmed items claimed on cash and credit cards are not for personal benefit.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Passmores Co-Operative Learning Community and the Education & Skills Funding Agency (continued)

- Reviewed expenditure and considered whether any supplies are from related parties.
- Reviewed Trustee Board minutes for declaration of interests.
- Considered whether other income activities are permitted within the Academy Trust's charitable objects.
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook.
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.
- Considered if the Trust's governance arrangements and composition are in-line with the Academies Financial Handbook 2020.

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.



Reporting Accountant
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Date: 10 December 2021

The Passmores Co-Operative Learning Community
(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	4	18,773	-	602,201	620,974	221,916
Other trading activities	6	527,656	-	-	527,656	662,896
Investments	7	110	-	-	110	795
Charitable activities	5	-	12,890,100	-	12,890,100	12,346,498
Total income		546,539	12,890,100	602,201	14,038,840	13,232,105
Expenditure on:						
Raising funds	8	13,168	-	-	13,168	5,273
Charitable activities	8,9	510,915	13,791,950	1,294,205	15,597,070	14,918,628
Total expenditure		524,083	13,791,950	1,294,205	15,610,238	14,923,901
Net income/(expenditure)		22,456	(901,850)	(692,004)	(1,571,398)	(1,691,796)
Transfers between funds	20	(96,197)	6,203	89,994	-	-
Net movement in funds before other recognised gains/(losses)		(73,741)	(895,647)	(602,010)	(1,571,398)	(1,691,796)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(630,000)	-	(630,000)	(550,000)
Net movement in funds		(73,741)	(1,525,647)	(602,010)	(2,201,398)	(2,241,796)

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	302,821	(7,767,000)	36,636,290	29,172,111	31,413,907
Net movement in funds	(73,741)	(1,525,647)	(602,010)	(2,201,398)	(2,241,796)
Total funds carried forward	229,080	(9,292,647)	36,034,280	26,970,713	29,172,111

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 64 form part of these financial statements.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)
Registered number: 07736246

Balance sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	36,034,280	36,634,960
Current assets			
Debtors	18	575,176	746,696
Cash at bank and in hand		714,563	270,855
		1,289,739	1,017,551
Creditors: amounts falling due within one year	19	(953,306)	(713,400)
Net current assets		336,433	304,151
Net assets excluding pension liability		36,370,713	36,939,111
Defined benefit pension scheme liability	27	(9,400,000)	(7,767,000)
Total net assets		26,970,713	29,172,111
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	36,034,280	36,636,290
Restricted income funds	20	107,353	-
Pension reserve	20	(9,400,000)	(7,767,000)
Total restricted funds	20	26,741,633	28,869,290
Unrestricted income funds	20	229,080	302,821
Total funds		26,970,713	29,172,111

The financial statements on pages 30 to 64 were approved by the Trustees, and authorised for issue on Friday 10th December 2021 and are signed on their behalf, by:



Neil Lawson
Chair of Trustees

The notes on pages 34 to 64 form part of these financial statements.

The Passmores Co-Operative Learning Community
(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 used in operating activities	22	(26,551)	(756,316)
Cash flows from investing activities	23	470,259	195,681
Change in cash and cash equivalents in the year		443,708	(560,635)
Cash and cash equivalents at the beginning of the year		270,855	831,490
Cash and cash equivalents at the end of the year	24, 25	714,563	270,855

The notes on pages 34 to 64 form part of these financial statements

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

1. General information

The Passmores Co-operative Learning Community is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Passmores Academy, Tracys Road, Harlow, Essex, CM18 6JH. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

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 Academy 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 Passmores Co-Operative Learning Community meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest pound.

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

2. Accounting policies (continued)

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 Intangible assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	- 3 years
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The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.8 Tangible fixed assets

Assets costing £5,000 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:

Freehold property	- 60 - 70 years straight line
Leasehold buildings	- 70 years straight line or over the lease term
Leasehold land	- 125 years straight line or over the lease term
Fixtures and fittings	- 4 years straight line
Computer equipment	- 3 years straight line
Leasehold improvements	- 20 years 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.

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

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.12 Provisions

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

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

2.13 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.15 Pensions

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

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

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

2.16 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Investment income, gains and losses are allocated to the appropriate fund.

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

Multi-employer benefit pension scheme

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 27, 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.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £36,034,280 at the reporting date (see note 17). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 27 for further details.

4. Donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations				
Donated fixed assets	-	72,218	72,218	-
Subtotal detailed disclosure	-	72,218	72,218	-
Other donations	18,773	-	18,773	3,715
Capital grants	-	529,983	529,983	218,201
Subtotal	18,773	529,983	548,756	221,916
	18,773	602,201	620,974	221,916
Total 2020	3,715	218,201	221,916	

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

5. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE / ESFA grants			
General Annual Grant (GAG)	10,454,086	10,454,086	10,182,767
Other DfE/ESFA grants			
UIFSM	193,269	193,269	124,761
Pupil Premium	686,561	686,561	673,344
Others	623,992	623,992	641,218
	-	11,957,908	11,622,090
Other Government grants			
Local authority grants	656,107	656,107	574,146
	656,107	656,107	574,146
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	137,252	137,252	150,262
Other DfE/ESFA COVID-19 funding	106,370	106,370	-
	243,622	243,622	150,262
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	32,463	32,463	-
	32,463	32,463	-
	12,890,100	12,890,100	12,346,498
Total 2020	12,346,498	12,346,498	

The academy received £137,252 of funding for catch-up premium and costs incurred in respect of this funding totalled £137,252.

The academy furloughed some of its non-teaching staff, under the government's Coronavirus Job Retention Scheme. The funding received of £32,463 relates to staff costs in respect of these staff members, which are included within note 11 below as appropriate.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy 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.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

6. Other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	67,477	67,477	96,683
Other income - self-generated, sales of other goods and service, after school and breakfast clubs	119,356	119,356	132,770
Catering income	282,158	282,158	276,433
Trip income	58,665	58,665	157,010
	<u>527,656</u>	<u>527,656</u>	<u>662,896</u>
Total 2020	<u>662,896</u>	<u>662,896</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	110	110	795
	<u>795</u>	<u>795</u>	
Total 2020	<u>795</u>	<u>795</u>	

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising funds:					
Allocated support costs	-	-	13,168	13,168	5,273
Academy's educational operations:					
Direct costs	8,808,866	-	495,880	9,304,746	9,117,930
Allocated support costs	3,346,426	1,106,307	1,839,591	6,292,324	5,800,698
	<u>12,155,292</u>	<u>1,106,307</u>	<u>2,348,639</u>	<u>15,610,238</u>	<u>14,923,901</u>
Total 2020	<u>11,708,714</u>	<u>622,645</u>	<u>2,592,542</u>	<u>14,923,901</u>	

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	9,304,746	6,292,324	15,597,070	14,918,628
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2020	9,117,930	5,800,698	14,918,628	
	<u> </u>	<u> </u>	<u> </u>	

Analysis of direct costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational supplies	-	222,280	222,280	248,490
Alternative curriculum	-	71,100	71,100	133,205
Recruitment fees	-	8,592	8,592	12,217
Examination fees	-	77,295	77,295	69,572
Staff travel costs	-	22,452	22,452	24,916
Computer costs	-	94,161	94,161	9,566
Staff costs	24,916	8,783,950	8,808,866	8,619,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	24,916	9,279,830	9,304,746	9,117,930
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2020 as restated	1,833	9,116,097	9,117,930	
	<u> </u>	<u> </u>	<u> </u>	

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

Analysis of support costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs (note 12)	-	120,000	120,000	116,000
Staff costs	-	3,346,426	3,346,426	3,088,750
Depreciation and amortisation	-	660,294	660,294	619,492
Repairs and maintenance	-	844,911	844,911	453,645
Unrecoverable debts	-	-	-	17,500
Computer costs	-	332,324	332,324	342,565
Auditor's remuneration	-	18,950	18,950	19,322
Auditor's remuneration - other audit	-	2,750	2,750	2,750
Auditor's remuneration - non audit	-	2,900	2,900	-
Internal audit fees	-	4,950	4,950	1,400
Trips and activities costs	53,745	-	53,745	151,370
Light, heat and water charges	65,415	195,981	261,396	277,529
Printing, postage, stationery and photocopying	-	93,803	93,803	107,479
Hospitality	686	-	686	226
Insurance	-	48,454	48,454	58,612
Professional fees - non-educational	-	99,892	99,892	96,224
Telephone	-	28,249	28,249	24,603
Catering costs	366,153	6,441	372,594	423,231
	<u>485,999</u>	<u>5,806,325</u>	<u>6,292,324</u>	<u>5,800,698</u>
Total 2020	<u>670,564</u>	<u>5,130,134</u>	<u>5,800,698</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	125,749	120,889
Depreciation of tangible fixed assets	660,294	613,373
Amortisation of intangible assets	-	6,119
Unrecoverable debts	-	17,500
Fees paid to auditor for:		
- audit	18,950	19,322
- other services	2,750	2,750

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	8,580,909	8,527,613
Social security costs	814,680	771,787
Pension costs	2,708,058	2,303,540
	12,103,647	11,602,940
Agency staff costs	26,487	15,779
Staff restructuring costs	25,158	89,995
	12,155,292	11,708,714

Staff restructuring costs comprise:

	2021	2020
	£	£
Redundancy payments	25,158	85,495
Severance payments	-	4,500
	25,158	89,995

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £3,590 (2020: £41,185). Individually the payments made were: £955 and £2,635.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

11. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	109	121
Administration and Support	235	277
Management	18	15
	362	413

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	102	105
Administration and Support	133	146
Management	18	15
	253	266

d. 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	5	5
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £360,549 (2020: £340,987).

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

12. Other finance expenditure

	2021	2020
	£	£
Interest on pension scheme liabilities	120,000	116,000

13. Central services

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

- Strategic Leadership
- Finance / H.R.
- Data
- Catering
- Premises

The Academy Trust charges for these services on the following basis:

5% (2020 - 5%) of General Annual Grant (GAG) income.

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Passmores Academy	350,822	337,295
Potter Street Academy	50,220	52,999
Purford Green Primary School	43,359	41,259
The Downs Primary School and Nursery	78,304	77,588
Total	522,705	509,141

14. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Vic Goddard, CEO and Accounting Officer	Remuneration	115,000 -	105,000 -
		120,000	110,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000

During the year ended 31 August 2021, expenses totalling £39 were reimbursed or paid directly to 1 Trustee (2020 - £340 to 1 Trustee) for travel expenses.

Other related party transactions involving the Trustees are set out in note 30.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost as it cannot be separately identified.

16. Intangible assets

	Computer software £
At 1 September 2020	37,915
Disposals	(37,915)
	<hr/>
At 31 August 2021	-
	<hr/>
At 1 September 2020	37,915
On disposals	(37,915)
	<hr/>
At 31 August 2021	-
	<hr/>
Net book value	
At 31 August 2021	-
	<hr/> <hr/>
At 31 August 2020	-
	<hr/> <hr/>

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

17. Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2020	35,777,382	3,254,450	1,235,234	458,458	1,018,440	41,743,964
Additions	-	-	-	-	59,614	59,614
Disposals	-	-	-	(130,051)	(120,539)	(250,590)
At 31 August 2021	<u>35,777,382</u>	<u>3,254,450</u>	<u>1,235,234</u>	<u>328,407</u>	<u>957,515</u>	<u>41,552,988</u>
Depreciation						
At 1 September 2020	3,280,052	183,410	261,561	446,213	937,768	5,109,004
Charge for the year	503,589	34,399	52,327	7,296	62,683	660,294
On disposals	-	-	-	(130,051)	(120,539)	(250,590)
At 31 August 2021	<u>3,783,641</u>	<u>217,809</u>	<u>313,888</u>	<u>323,458</u>	<u>879,912</u>	<u>5,518,708</u>
Net book value						
At 31 August 2021	<u>31,993,741</u>	<u>3,036,641</u>	<u>921,346</u>	<u>4,949</u>	<u>77,603</u>	<u>36,034,280</u>
At 31 August 2020	<u>32,497,330</u>	<u>3,071,040</u>	<u>973,673</u>	<u>12,245</u>	<u>80,672</u>	<u>36,634,960</u>

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

The freehold and leasehold properties for Passmores Academy, Purford Green Academy and Potter Street Academy were valued at conversion by Hilbery Chaplin and the Downs Primary School and Nursery was valued at conversion by Academy Mass & Co Chartered Surveyor, who are both RICS Registered Valuers. The schools have been valued using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

Passmores Academy

From the date of conversion on 1 September 2011, the Academy held a 125 year leasehold interest in school land and buildings. On 28 August 2018, the freehold interest of this property was transferred to the Trust by Harlow Education Trust. In this process it was identified that two houses held under leasehold interests had not been recognised in the value of properties received on local authority conversion. The fair value of these properties was therefore recognised as donated assets in the year ended 31 August 2018.

Potter Street Academy

The freehold property was donated on local authority conversion on 1 September 2013 and is owned by the Trust. During the previous year a valuation was carried out by Mass & Co Chartered Surveyor on Potters Street Academy and it was identified that a school house had not been recognised in the value of the properties received on local authority conversion. The fair value of the school house of £197,000 has therefore been recognised a leasehold building with a useful economic life of 42 years unexpired on the lease. This was shown as a clarification addition during 2019 with the corresponding entry shown as donated assets.

Purford Green Academy

The freehold land and buildings is owned by Essex County Council. The Trust holds a 125 year leasehold on a peppercorn rent from 1 October 2013. During the previous year a valuation was carried out by Mass & Co Chartered Surveyor on Purford Green Academy and it was identified that a school house had not been recognised in the value of the properties received on local authority conversion. The fair value of the school house of £200,000 as has therefore been recognised as a leasehold building with a useful economic life of 46 years unexpired on the lease. This was shown as a clarification addition during 2019 with the corresponding entry shown as donated assets.

The Downs Primary School and Nursery

On 1 September 2018, the Downs Primary School and Nursery converted to an academy and joined the Trust. The tangible fixed assets donated on conversion were valued by Mass & Co Chartered Surveyor using the Depreciated Replacement cost method. The Report provided a value of the total land and buildings at £7,065,000. Of this the building was valued at £5,050,000 and has been recognised as Freehold land and buildings. The buildings had a remaining useful economic life of 60 years as per this report. The land was valued at £1,700,000. 67% of the land (£1,350,050) has been classified as Freehold land of which no depreciation has been charged. The remaining 33% of the land (£664,950) has been classified as Leasehold land which has been depreciated over the useful economic life of 125 years as per this Trust's accounting policy.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

18. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	8,245	14,790
Prepayments and accrued income	539,271	649,990
VAT recoverable	27,660	81,916
	<u>575,176</u>	<u>746,696</u>

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	168,323	97,800
Other taxation and social security	205,299	189,215
Other creditors	228,214	217,302
Accruals and deferred income	351,470	209,083
	<u>953,306</u>	<u>713,400</u>

	2021 £	2020 £
Deferred income at 1 September 2020	96,355	149,700
Resources deferred during the year	178,766	96,355
Amounts released from previous periods	(96,355)	(149,700)
Deferred income at 31 August 2021	<u>178,766</u>	<u>96,355</u>

At the Balance Sheet date the Trust was holding funds received in advance of the 2021/22 academic year in respect of government funding, school trips and other income.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

20. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	<u>302,821</u>	<u>546,539</u>	<u>(524,083)</u>	<u>(96,197)</u>	<u>-</u>	<u>229,080</u>
Restricted general funds						
General Annual Grant (GAG)	-	10,454,086	(9,702,936)	(643,797)	-	107,353
UIFSM	-	193,269	(193,269)	-	-	-
Pupil Premium	-	686,561	(686,561)	-	-	-
Other DfE/ESFA Grants	-	623,992	(623,992)	-	-	-
Catch-Up Premium	-	137,252	(137,252)	-	-	-
Other DfE/ESFA COVID-19 funding	-	106,370	(106,370)	-	-	-
Other Government Grants	-	656,107	(656,107)	-	-	-
Coronavirus Job Retention Scheme grant	-	32,463	(32,463)	-	-	-
Pension reserve	(7,767,000)	-	(1,653,000)	650,000	(630,000)	(9,400,000)
	<u>(7,767,000)</u>	<u>12,890,100</u>	<u>(13,791,950)</u>	<u>6,203</u>	<u>(630,000)</u>	<u>(9,292,647)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	36,634,960	-	(660,294)	59,614	-	36,034,280
DfE/ESFA Capital Grants	1,330	529,983	(561,693)	30,380	-	-
Donated DfE/ESFA Assets	-	72,218	(72,218)	-	-	-
	<u>36,636,290</u>	<u>602,201</u>	<u>(1,294,205)</u>	<u>89,994</u>	<u>-</u>	<u>36,034,280</u>
Total Restricted funds	<u>28,869,290</u>	<u>13,492,301</u>	<u>(15,086,155)</u>	<u>96,197</u>	<u>(630,000)</u>	<u>26,741,633</u>

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

20. Statement of funds (continued)

Total funds	29,172,111	14,038,840	(15,610,238)	-	(630,000)	26,970,713
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The specific purposes for which the funds are to be applied are as follows:

GAG represents funds to be used to cover normal running costs of the Academy Trust.

Other DIE/ESFA grants represent those grants provided for specific purposes, such as pupil premium funding, which is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

Other government grants represent those grants provided for specific purposes, such as early years and SEN funding, to provide additional support to the pupils where required.

The restricted fixed asset fund represents the tangible fixed assets including depreciation to the Balance Sheet date. Capital grants are also represented and provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

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

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						
General Funds	612,788	667,406	(677,670)	(299,703)	-	302,821
Restricted general funds						
General Annual Grant (GAG)	-	10,182,767	(9,897,470)	(285,297)	-	-
UIFSM	-	124,761	(124,761)	-	-	-
Pupil Premium	-	673,344	(673,344)	-	-	-
Other DfE/ESFA Grants	-	641,218	(641,218)	-	-	-
Catch-Up Premium	-	150,262	(150,262)	-	-	-
Other Government Grants	-	574,146	(574,146)	-	-	-
Pension reserve	(6,474,000)	-	(1,328,000)	585,000	(550,000)	(7,767,000)
	<u>(6,474,000)</u>	<u>12,346,498</u>	<u>(13,389,201)</u>	<u>299,703</u>	<u>(550,000)</u>	<u>(7,767,000)</u>

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

20. Statement of funds (continued)

**Restricted fixed
asset funds**

Restricted Fixed Asset Fund	37,232,727	-	(619,492)	21,725	-	36,634,960
DFE/ESFA Capital Grants	42,392	218,201	(237,538)	(21,725)	-	1,330
	<u>37,275,119</u>	<u>218,201</u>	<u>(857,030)</u>	<u>-</u>	<u>-</u>	<u>36,636,290</u>
Total Restricted funds	<u>30,801,119</u>	<u>12,564,699</u>	<u>(14,246,231)</u>	<u>299,703</u>	<u>(550,000)</u>	<u>28,869,290</u>
Total funds	<u>31,413,907</u>	<u>13,232,105</u>	<u>(14,923,901)</u>	<u>-</u>	<u>(550,000)</u>	<u>29,172,111</u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Passmores Academy	126,977	52,475
Potter Street Academy	88,945	140,676
Purford Green Primary School	70,516	92,545
The Downs Primary School and Nursery	47,688	8,410
Central services	2,307	8,715
Total before fixed asset funds and pension reserve	336,433	302,821
Restricted fixed asset fund	36,034,280	36,636,290
Pension reserve	(9,400,000)	(7,767,000)
Total	<u>26,970,713</u>	<u>29,172,111</u>

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Passmores Academy	5,402,248	1,579,718	396,483	965,743	8,344,192	8,688,032
Potter Street Academy	1,069,279	176,124	30,629	491,392	1,767,424	1,708,115
Purford Green Primary School	754,086	172,834	22,781	147,366	1,097,067	1,123,428
The Downs Primary School and Nursery	1,436,573	243,220	54,608	443,325	2,177,726	2,260,070
Central services	146,680	1,174,530	4,547	237,778	1,563,535	524,764
Academy Trust	8,808,866	3,346,426	509,048	2,285,604	14,949,944	14,304,409

21. 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	-	-	36,034,280	36,034,280
Current assets	340,533	916,486	32,720	1,289,739
Creditors due within one year	(111,453)	(809,133)	(32,720)	(953,306)
Provisions for liabilities and charges	-	(9,400,000)	-	(9,400,000)
Total	229,080	(9,292,647)	36,034,280	26,970,713

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

21. Analysis of net assets between funds (continued)

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	-	-	36,634,960	36,634,960
Current assets	303,245	683,154	31,152	1,017,551
Creditors due within one year	(424)	(683,154)	(29,822)	(713,400)
Provisions for liabilities and charges	-	(7,767,000)	-	(7,767,000)
Total	302,821	(7,767,000)	36,636,290	29,172,111

22. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(1,571,398)	(1,691,796)
Adjustments for:		
Amortisation	-	6,119
Depreciation	660,294	613,373
Capital grants from DfE and other capital income	(529,983)	(218,201)
Interest receivable	110	795
Defined benefit pension scheme cost less contributions payable	883,000	627,000
Defined benefit pension scheme finance cost	120,000	116,000
Decrease/(increase) in debtors	171,520	(235,161)
Increase in creditors	239,906	25,555
Net cash used in operating activities	(26,551)	(756,316)

23. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	(110)	(795)
Purchase of tangible fixed assets	(59,614)	(21,725)
Capital grants from DfE Group	529,983	218,201
Net cash provided by investing activities	470,259	195,681

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	714,563	270,855
Total cash and cash equivalents	714,563	270,855

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	270,855	443,708	714,563
	270,855	443,708	714,563

26. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements	350,977	644,536

27. Pension commitments

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

Contributions amounting to £215,163 were payable to the schemes at 31 August 2021 (2020 - £204,381) and are included within creditors.

Teachers' Pension Scheme

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

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

27. 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 £1,190,177 (2020 - £1,100,949).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £827,000 (2020 - £754,000), of which employer's contributions totalled £650,000 (2020 - £585,000) and employees' contributions totalled £ 177,000 (2020 - £169,000). The agreed contribution rates for future years are between 19.8 and 21.4 per cent per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy 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 Academy Trust at the balance sheet date.

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

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

27. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25

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	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(444)	(350)
Discount rate -0.1%	456	359
Mortality assumption - 1 year increase	680	492
Mortality assumption - 1 year decrease	(654)	(473)
CPI rate +0.1%	421	330
CPI rate -0.1%	(410)	(321)

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

27. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	4,956,000	3,548,000
Gilts	195,000	245,000
Other bonds	360,000	320,000
Property	540,000	445,000
Cash and other liquid assets	216,000	155,000
Alternative assets	859,000	665,000
Other managed funds	616,000	346,000
Total market value of assets	7,742,000	5,724,000

The actual return on scheme assets was £1,387,000 (2020 - £131,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(1,529,000)	(1,210,000)
Interest income	97,000	96,000
Interest cost	(217,000)	(212,000)
Administrative expenses	(4,000)	(2,000)
Total amount recognised in the Statement of financial activities	(1,653,000)	(1,328,000)

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

	2021 £	2020 £
At 1 September	13,491,000	11,133,000
Current service cost	1,529,000	1,210,000
Interest cost	217,000	212,000
Employee contributions	177,000	169,000
Actuarial losses	1,920,000	797,000
Benefits paid	(192,000)	(30,000)
At 31 August	17,142,000	13,491,000

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

27. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	5,724,000	4,659,000
Interest income	97,000	96,000
Actuarial gains	1,290,000	247,000
Employer contributions	650,000	585,000
Employee contributions	177,000	169,000
Benefits paid	(192,000)	(30,000)
Administrative expenses	(4,000)	(2,000)
At 31 August	7,742,000	5,724,000

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	117,573	119,633
Later than 1 year and not later than 5 years	106,215	88,736
	223,788	208,369

29. 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.

The Passmores Co-Operative Learning Community
(A company limited by guarantee)

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

30. Related party transactions

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

The following related party transactions took place in the financial year:

Expenditure Related Party Transactions

During the year the Trust purchased consultancy work from Trevor Goddard Associates, totalling £1,500 (2020 - £1,500). The brother of the CEO is a Director of the company. The CEO had no involvement in any discussions after the initial introduction. No amounts were outstanding at the Balance Sheet date (2020 - £Nil).

During the year the Trust paid £Nil (2020 - £2,200) to Harlow College for the provision of lunch meals for students on a visit to the college. K Spencer, Member, is the Principal at Harlow College and D Morgan, Trustee, is the executive director of financial services. There were no amounts outstanding at the Balance Sheet date (2020 - £Nil).

During the year the Trust paid £21,074 (2020 - £21,016) to Harlow Education Consortium for memberships and training courses. The CEO is a Trustee of both the Trust and Harlow Education Consortium. At the Balance Sheet date the Trust owed £125 (2020 - £180). On 11 May 2021, the Trust received a letter from the ESFA in respect of the 'reconsideration of related party transaction RP1002423'. This letter acknowledged that the Trust had sought approval of the transactions, from the ESFA, but concluded that the request was not approved due to the following:

- Board minutes did not demonstrate how conflicts of interest were to be managed
- No evidence could be provided of further investigation of alternative services being available
- No demonstration of the justification for non-competitive procurement being undertaken

Based on the evidence provided, the ESFA therefore determined that the rejection determination be upheld, whilst also expressing that no further action will be taken in respect of these transactions.

All transactions involving such organisations, except where stated above, 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 Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transactions:

The CEO and CFO, considered as Key Management Personnel are Trustees of No Child Without. During the year, the Trust received income of £40 (2020 - £3,867). There were no amounts outstanding at the Balance Sheet date (2020 - £Nil).

The CEO is a Trustee of Friends of Passmores. During the year the Trust received donations totalling £Nil (2020 - £49). There were no amounts owed to the Trust at the Balance Sheet date (2020 - £Nil).

During the year the Trust received £Nil (2020 - £255) from Epping Forest Education Consultancy Ltd, a company of which P Beashel, a Trustee, is a Director, for room hire. There were no amounts owed to the Trust at the Balance Sheet date (2020 - £Nil).

31. Controlling party

There is no ultimate controlling party.