

Company Registration Number: 09952066 (England & Wales)

PORTICO ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

PORTICO ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

| | Page |
|---|---------|
| Reference and administrative details | 1 |
| Trustees' report | 2 - 13 |
| Governance statement | 14 - 17 |
| Statement on regularity, propriety and compliance | 18 |
| Statement of Trustees' responsibilities | 19 |
| Independent auditors' report on the financial statements | 20 - 23 |
| Independent reporting accountant's report on regularity | 24 - 25 |
| Statement of financial activities incorporating income and expenditure account | 26 |
| Balance sheet | 27 |
| Statement of cash flows | 28 |
| Notes to the financial statements | 29 - 58 |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | David Amess MP (Deceased 15 October 2021) Robert Hellen Garry Lowen Steven Levy |
| Trustees | Katherine Baynes, Trustee Robert Hellen, Chair of Trustees Graham Lane, Trustee Cheryl Woolf, Accounting Officer Steven Levy (resigned 15 October 2020) Alan Murkin, Trustee Frances Gretton, Trustee Heather Oram, Trustee Claire Smith, Trustee (appointed 15 October 2020) Sue Hay, Trustee (appointed 15 October 2020) Karen Packer, Trustee (appointed 15 October 2020) Ros Sanders, Trustee (appointed 15 October 2020) Ronald Wright, Trustee (appointed 15 October 2020) David Struthers, Trustee (appointed 15 October 2020) |
| Company registered number | 09952066 |
| Company name | Portico Academy Trust |
| Principal and registered office | 59 Ronald Hill Grove Westcliff-On-Sea SS9 2JB |
| Chief executive officer | Cheryl Woolf |
| Senior management team | Cheryl Woolf, Chief Executive Officer Richard Queenborough, Head of Learning & Teaching Christine Farrell, Headteacher of Hamstel Junior School Lisa Clark, Headteacher of Hamstel Infant School and Nursery Jonathon Lear, Head of School of West Leigh Junior School Christopher McClay, Head of School of Friars Primary School and Nursery Deborah Henley, Head of School of Porters Grange Primary School and Nursery |
| Independent auditors | MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-On-Sea Essex SS0 9PE |
| Bankers | Lloyds Bank 77 High St Southend-On-Sea Essex SS1 1HT |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

d. Method of recruitment and appointment or election of Trustees

The arrangements are as set out in the Memorandum and articles of association and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees.

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees are required to attend a training programme. The induction programme will involve a tour of the relevant Academy/Academies, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

f. Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trustees of Portico Academy Trust are responsible for the strategic direction of the Trust. They are also responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets, making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. With the disbandment of LGBs the Trustees are also responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for each Academy and monitoring performance against the budget and authorised capital limits.

The Senior Leadership Teams (SLT'S) control the Academies at an executive level implementing policies and reporting to the Trustees. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The Trust's CEO is the Accounting Officer.

Starting in September 2021, the Trust has centralised the main budget through General Annual Grant (GAG) pooling, to allow for cost savings and efficiencies to be made. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. As a result, reserves have been pooled to one main Portico fund.

PORTICO ACADEMY TRUST
(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

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, Individual School Range (ISR), the pay scales for each role and the level of experience of each staff member, all of which are in accordance with the Trust's appointment and pay policies. In addition, pay levels may be affected by nationally agreed pay awards and the ability to recruit and retain in post.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations, and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have pecuniary interest in is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy's equal opportunities policy, the Academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.

j. Engagement with suppliers, customers and others in a business relationship with the Academy

Close working relationships with our suppliers and key stakeholders allow efficient services and best value for money for the Trust. Procurement panels are tailored wherever possible to ensure that the best suppliers are appointed that suits the Trusts needs. Once appointed, we aim to maintain strong contract management by having key personnel in the Trust responsible for monitoring specific suppliers and the services that they provide.

k. Trade union facility time

The Trust had no staff who were relevant union officials during the year.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

I. Risk Management

The Trustees regularly undertake a comprehensive assessment of possible risks to the future of the Academy (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Academy has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the school has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement). The Risk Register is regularly reviewed by the Trustees.

Objectives and activities

a. Objects and aims

The Academy Trust's objects ('the Objects') are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- 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.

b. Objectives, strategies and activities

The principal object and aim for the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

The main objectives, strategies and activities for the year ended 31st August 2021 were to:

- narrow the gap between all pupils and dis-advantaged pupils;
- start the road of COVID recovery as we start to come through the pandemic;
- improve progress measures in all schools;
- increase the level of good/better/outstanding teaching;
- share subject leader expertise across the Trust through collaboration;
- continue to explore further partnerships with a view to growing the Trust.

c. Public benefit

The Trust provides educational opportunities to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report

Achievements and performance

a. Achievements

Due to the continuing COVID-19 pandemic and subsequent lockdown and closure of schools, there was no significant testing, and therefore no results available for the year.

All of the schools within the Trust remained open throughout the whole of lockdown, with staff remaining committed to providing for our pupils as much as the restrictions could allow.

As pupils came back from lockdown, there has been extensive internal assessments on the catch up required within the schools, which is being conducted and actioned upon where identified.

Some specific achievements from the schools for the year:

Friars Primary School:

- We tailored our school curriculum to enable the children's recovery from lost learning due to the school closures. This included providing experiences that they had missed.
- We developed how we use technology – none more so than during the school closure when we relied upon remote learning and teaching
- We ensured our children and staff had well-rounded support in what were very difficult times for mental health and wellbeing. We maintained contact with every family in the school during the spring closure and our children settled back quickly on their return.
- Where it was possible, we enabled events for children and for parents and carers. For children this included a visit from Father Christmas, school visits and visitors, parties on the school field and in place of our planned residential, an overnight camp on the school field. For parents and carers we had summer book looks with refreshments, outside on our extensive grounds.

Hamstel Infant School:

- We have been recredited for the Inclusion Quality Mark and have retained our National Flagship Centre of Excellence Status for the third year for our commitment to and excellence in the delivery of fully inclusive educational provision for children identified with SEND. To support this the school hosts two Autism Assessment Bases, one of which is DfE approved.
- We have been recredited for the National Whole School Nurture Award for our commitment to our child centred nurture approach and excellence in the delivery of Nurture Base provision that can be accessed by all children in need. We have a whole school approach to nurture and commitment in providing specialist bases to support children and families. This provision has proved to be even more crucial during a time of national pandemic.
- As a school we are very proud to have taken part in the Race for Life national event. All the children ran or walked with such excitement and determination showing us they are true 'Hamstel' children determined to succeed the 8 laps of the 2km course around our playing fields, especially on such a hot day. The total raised was over £7,500 which, given COVID pressures was an incredible amount. There must be recognition for an individual in Year 1 who set up his own Just Giving Page to support his fundraising for the event and raised a fantastic amount of £1,380 to date. His family were so proud!

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

Hamstel Junior School:

- Hamstel Junior School re-opened successfully in September 2020 and adapted to the changes needed in the remote learning provisions, based on national guidance and views from parents which enabled a more comprehensive provision when school shut in January for the second time.
- The school participated in the 'Hares about Town' project submitting their own Leverette which was displayed in Southend Forum.
- The school's attendance despite the difficulties around COVID, was 95.3% for the year, and for those pupils receiving pupil premium, it was 93.4%.
- The school was successful in receiving two grants of £500 each from Southend Emergency Fund to support families who have financially been affected by COVID and need additional on-off support.

Porters Grange Primary School:

- Improved use of technology due to increase in hardware and staff training. Good impact in lessons as well as during remote teaching
- The fully decodable reading books are really supporting the progress of the younger children in their reading. The teaching of phonics is highly targeted and consistent across the school.
- The children returned from lockdown and quickly settled into the routines of school. Behaviour has been very good and the children are all engaged in their learning.
- Despite another turbulent year, the school staff remain resilient and morale is high. The staff team are stronger than ever with very little change. They are all determined to strive to do the best for the children and families in our communities.

West leigh Junior School:

- During the pandemic, the school continued with its drive for high-quality education for all. All curriculum subjects were delivered during remote learning with the school not engaging with any transitional plans. The quality of the remote education provision was commented regularly on by parents and carers and the school was one of eight in the country to be nominated for a TES Award in the 'Best Use of Technology' category in which it received a "Highly Commended" acknowledgement.
- Although there was no statutory assessment for the end of Key Stage 2, the school administered the 2019 SATs papers to all Year 6 pupils in May under usual test conditions to enable them to gain the opportunity to demonstrate their knowledge and understanding on their journey to becoming 'secondary-ready'. Their results compared very favorably with the results in 2019.

| | Combined | | Reading | | GPS | | Maths | |
|-----------|----------|------|---------|------|------|------|-------|------|
| | 2019 | 2021 | 2019 | 2021 | 2019 | 2021 | 2019 | 2021 |
| % EXS | 79% | 77% | 82% | 91% | 92% | 88% | 90% | 88% |
| % HS/GDS | 30% | 32% | 27% | 59% | 62% | 51% | 48% | 51% |
| AVE Score | | | 108 | 110 | 112 | 109 | 109 | 107 |

- The school successfully rolled out the new RSE curriculum as a part of the 'Early Adopters' programme. Our good practice involved us working with the UK Health Security Agency to develop materials for use in schools across the country.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

c. Promoting the success of the company

The Trust works towards its future strategic aims in close collaboration with Senior Management Teams within the Schools. There is a strong focus on Teaching and Learning within the Trust to enable the best education and wellbeing of the pupils within it, which is the ultimate ambition of the Trust.

d. Key performance indicators

The key performance indicators are used by Portico Academy Trust to monitor progress against the Schools Development Plan, whilst monitoring the net incoming and outgoing resources for the year, prior to any depreciation charge and other recognised gains and losses. Portico Academy Trust complies with all terms and conditions of its Funding Agreement.

The following KPI's were monitored by the Trust for the year ended 31st August 2021:

| | 2021 | 2020 |
|---|--------|--------|
| GAG as % of total operational income | 73% | 74% |
| Total Income per pupil | £5,615 | £5,785 |
| Total GAG per pupil | £4,087 | £3,943 |
| Staff costs as a % of total expenditure | 81% | 88% |

Financial review

a. Overview and principal source of funding

The principal source of funding for the Trust is the GAG and other grants that is received from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2021 the Trust received £12,554,184 (2020: £12,002,537) of GAG and other funding, as well as £249,537 (2020: £461,607) of self-generated income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.

During the year the Trust spent £679,956 and transferred £283,923 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 2019-20, £674,974 restricted funds and £2,317,942 unrestricted funds. No new academies joined in the year. The carry forward for 2020-21 is £450,756 restricted funds and £2,635,318 unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £8,941,000 (2020: £7,799,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The deficit has been guaranteed by the Department of Education.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

b. Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Finance Director. The budget plan identifies how any carry forward will be allocated for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,635,318. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools. It is the Trust's intention that reserves should never fall below six weeks of total salary costs.

During the year, the Trustees decided to allocate reserve funds towards a rolling program for Capital and IT investment, £150,000 and £50,000 respectively. This allows the Trust to begin to build up a contingency as well as allowing for a rolling programme to begin to ensure that all schools remain well-resourced and maintained.

The Trustees are holding unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust plans to have a sufficient carry forward to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was £3,086,074.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £3,746,753. A significant proportion of this cash is held against specific projects and is not available for meeting normal recurring expenditure. The Trustee's Finance Committee monitors cash flow as part of the Finance Director reports to ensure sufficient coverage of short term cash flow variances.

c. Investment policy

There are no investments held beyond cash deposits retained with the major UK banks. Speculative investments are not permitted.

For the year ended 31 August 2021, the charitable company's cash balances generated a return of £273 (2020: £16,384)

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

d. Principal risks and uncertainties

The Trust works to maintain a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees with a formal review of the process undertaken on an annual basis. The internal audit control systems and the exposure to identified risks were monitored by an internal audit report commissioned by the Trustees. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by their systems and by internal financial and other controls.

The Trustees report that that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of the individual Academies is dependent upon continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed.
- Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing – the success of the Academies is reliant upon the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – the Trust appointed Price Bailey Chartered Accountants to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practise requirements and develop their skills in this area.
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit, Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Fundraising

Financing of equipment and services from funds outside the Trust's normal revenue budgets is becoming increasingly important in maintaining the quality of education for our students.

Currently the majority of the additional income from fundraising comes from voluntary donations, through Parent Association and other parental contributions for trips and clubs, and a small level of Grant fundraising. This has been impacted this year due to the disruption and restrictions imposed due to the COVID pandemic.

Fundraising is seen by the Trust as a legitimate means of improving our ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting schools within the Trust.

The Board of Trustees is responsible for ensuring that:

1. correct procedures are in place and followed for fundraising procedures;
2. expenditure is properly validated;
3. all funds raised are properly accounted for and audited;
4. the money is expended in accordance with the objectives agreed with the fundraisers.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

| | 2021 | <i>2020</i> |
|---|------------------|------------------|
| Energy consumption breakdown (kWh): | | |
| Gas | 2,658,885 | <i>2,604,369</i> |
| Electricity | 1,965,622 | <i>1,886,655</i> |
| Scope 1 emissions (in tonnes of CO2 equivalent): | | |
| Gas consumption | 1,236 | <i>1,101</i> |
| Total scope 1 | 1,236 | <i>1,101</i> |
| Scope 2 emissions (in tonnes of CO2 equivalent): | | |
| Purchased electricity | 802 | <i>798</i> |
| Total gross emissions (in tonnes of CO2 equivalent): | 2,038 | <i>1,899</i> |
| Intensity ratio: | | |
| Tonnes of CO2 equivalent per pupil | 0.81 | <i>0.76</i> |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Streamlined energy and carbon reporting (continued)

Quantification and Reporting Methodology

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

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

Measures taken to improve energy efficiency

The COVID-19 pandemic has continued the usage of conferencing technology for staff meetings, as there is reduced travel between schools.

The Trust is looking at lighting across all schools to ensure that we are being as energy efficient as possible. Whilst unsuccessful, the Trust put in a bid to replace the Heating Distribution system at Hamstel Infants and Hamstel Junior School. This will be applied for again in 2021/22

Plans for future periods

The Trustee's priorities for the next year are

- continue to explore the third sector for additional funding sources through fundraising and grant applications;
- narrow the gap between all pupils and dis-advantaged pupils;
- improve progress measures in all schools;
- continue to explore further partnerships with a view to growing the trust.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Auditors

The auditors, MWS, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors 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 10 December 2021 and signed on its behalf by:

Robert Hellen - Chair of Trustees

.....
Robert Hellen
Chair of Trustees

Cheryl Woolf - Accounting Officer

.....
Cheryl Woolf
Accounting Officer

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 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 |
|----------------------------------|-------------------|-------------------|
| Katherine Baynes, Trustee | 10 | 11 |
| Robert Hellen, Chair of Trustees | 11 | 11 |
| Graham Lane, Trustee | 11 | 11 |
| Cheryl Woolf, Accounting Officer | 11 | 11 |
| Steven Levy | 0 | 4 |
| Alan Murkin, Trustee | 10 | 11 |
| Frances Gretton, Trustee | 11 | 11 |
| Heather Oram, Trustee | 8 | 11 |
| Claire Smith, Trustee | 5 | 7 |
| Sue Hay, Trustee | 6 | 7 |
| Karen Packer, Trustee | 7 | 7 |
| Ros Sanders, Trustee | 6 | 7 |
| Ronald Wright, Trustee | 5 | 7 |
| David Struthers, Trustee | 5 | 7 |

No formal review of the effectiveness of the board has been undertaken in the year. There is currently a skills and effectiveness assessment being carried out with the Trustees.

This will be reviewing the current skills and contributions made by individual trustees over the last year, incorporating all training and development completed by Trustees. The impact of this exercise is to ensure that the work of the Trustees continue to be impactful and offer appropriate challenge to the Trust as well as identifying any gaps in knowledge that may need to be addressed through training or appointing additional Trustees.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by:

Educational outcome

Educational standards in the academies within the Trust continue to improve. Strong use of data has enabled targeted improvement to specific curriculum areas and individual pupils.

Finance governance and oversight

The Trustees, Accounting Officer and Executive Team maintain a strong oversight of the finance system within the academies. All purchase orders and payments are reviewed prior to authorisation so that budget holders can be challenged on the effectiveness of their spending proposals and that they are in line with budget plans previously submitted. Trustees receive regular management accounts which are discussed and challenged at the Finance Committee meetings.

Better purchasing

Centralisation of much of the Trust budget has allowed us to exercise significant economies of scale across the Trust. We also continue to exercise a stronger buying power over suppliers to secure Trust wide discounts to ensure value for money. We will continue to seek central procurement where possible to ensure best value of services for the Trust.

Reviewing controls and managing risks

The Trust has in place a balanced budget and a three year forecast. We also have a long term asset replacement plans and a building maintenance programme which is continually developed. These will be regularly reviewed by Trustees to ensure the long term viability of the Trust and its objectives.

Regular reports are provided to budget holders, while detailed management accounts are provided to Trustees to assist in ensuring effective use of resources and minimising waste.

Assets are used effectively to generate additional income, such as hire of premises and movement of surplus funds to interest paying accounts.

The Trust has a risk register in place which is reviewed annually to ensure risks are mitigated effectively.

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 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 Portico Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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'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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to employ an internal auditor, but instead to engage Price Bailey, an internal audit specialist firm, to perform a comprehensive internal control review during the year at all Academies.

The appointee's role includes giving advice on financial and non-financial matters and performing a range of checks on the Academy Trust's internal control systems. It is the Trust's opinion that utilising the skills of this third party best enables the Trust to ensure a robust and well tested internal audit function.

On an annual basis, the reviewer reports to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report.

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 reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 10 December 2021 and signed on their behalf by:

Robert Hellen - Chair of Trustees

.....
Robert Hellen
Chair of Trustees

Cheryl Woolf - Accounting Officer

.....
Cheryl Woolf
Accounting Officer

PORTICO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Portico Academy Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.

Cheryl Woolf - Accounting Officer

.....
Cheryl Woolf
Accounting Officer
Date: 10 December 2021

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 10 December 2021 and signed on its behalf by:

Robert Hellen - Chair of Trustees

.....
Robert Hellen
Chair of Trustees

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST**

Opinion

We have audited the financial statements of Portico Academy Trust (the 'academy') 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's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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'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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' 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 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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'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 or to cease operations, or have no realistic alternative but to do so.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST (CONTINUED)**

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Academy Trust and the industry in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material noncompliance with laws and regulation or matters in relation to fraud.

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;

- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;

- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- the specialist skills required, and
- knowledge of the industry in which the client operates.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST (CONTINUED)**

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Academy'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's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Danny McCartney

Danny McCartney FCA (senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Registered Auditors

Kingsridge House

601 London Road

Westcliff-On-Sea

Essex

SS0 9PE

Date: 20 December 2021

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated November 2018 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 Portico Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Portico Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2016 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- assessing the risk of material irregularity in the Academy Trust;
- commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook;
- investigating any areas of significant risk identified;
- consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment;
- a review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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

MWS

Reporting Accountant
MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff-On-Sea
Essex
SS0 9PE

Date: 20 December 2021

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 81,296 | - | 377,007 | 458,303 | 1,281,058 |
| Other trading activities | 5 | 249,537 | - | - | 249,537 | 461,607 |
| Investments | 6 | 273 | - | - | 273 | 16,384 |
| Charitable activities | 4 | - | 12,554,184 | - | 12,554,184 | 12,002,537 |
| Total income | | 331,106 | 12,554,184 | 377,007 | 13,262,297 | 13,761,586 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 11,575 | 13,131,479 | 616,315 | 13,759,369 | 12,905,073 |
| Other expenditure | 9 | 2,156 | - | - | 2,156 | 7,787 |
| Total expenditure | | 13,731 | 13,131,479 | 616,315 | 13,761,525 | 12,912,860 |
| Net income/(expenditure) | | 317,375 | (577,295) | (239,308) | (499,228) | 848,726 |
| Transfers between funds | 19 | - | (283,923) | 283,923 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 317,375 | (861,218) | 44,615 | (499,228) | 848,726 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 27 | - | (505,000) | - | (505,000) | (933,000) |
| Net movement in funds | | 317,375 | (1,366,218) | 44,615 | (1,004,228) | (84,274) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 2,317,943 | (7,124,026) | 21,410,137 | 16,604,055 | 16,688,329 |
| Net movement in funds | | 317,375 | (1,366,218) | 44,615 | (1,004,228) | (84,274) |
| Total funds carried forward | | 2,635,318 | (8,490,244) | 21,454,752 | 15,599,826 | 16,604,055 |

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

The notes on pages 29 to 58 form part of these financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09952066

BALANCE SHEET
AS AT 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 16 | 21,444,561 | 21,097,628 |
| | | 21,444,561 | 21,097,628 |
| Current assets | | | |
| Debtors | 17 | 565,428 | 510,383 |
| Cash at bank and in hand | | 3,746,753 | 3,836,487 |
| | | 4,312,181 | 4,346,870 |
| Creditors: amounts falling due within one year | 18 | (1,215,916) | (1,041,444) |
| Net current assets | | 3,096,265 | 3,305,426 |
| Total assets less current liabilities | | 24,540,826 | 24,403,054 |
| Net assets excluding pension liability | | 24,540,826 | 24,403,054 |
| Defined benefit pension scheme liability | 27 | (8,941,000) | (7,799,000) |
| Total net assets | | 15,599,826 | 16,604,054 |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 21,454,752 | 21,410,137 |
| Restricted income funds | 19 | 450,756 | 674,974 |
| | | 21,905,508 | 22,085,111 |
| Restricted funds excluding pension asset | 19 | 21,905,508 | 22,085,111 |
| Pension reserve | 19 | (8,941,000) | (7,799,000) |
| Total restricted funds | 19 | 12,964,508 | 14,286,111 |
| Unrestricted income funds | 19 | 2,635,318 | 2,317,943 |
| Total funds | | 15,599,826 | 16,604,054 |

The financial statements on pages 26 to 58 were approved by the Trustees, and authorised for issue on 10 December 2021 and are signed on their behalf, by:

Robert Hellen - Chair of Trustees

.....
Robert Hellen
Chair of Trustees

Cheryl Woolf - Accounting Officer

.....
Cheryl Woolf
Accounting Officer

The notes on pages 29 to 58 form part of these financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 22 | 271,420 | 1,229,695 |
| Cash flows from investing activities | 23 | (361,154) | (306,555) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | (89,734) | 923,140 |
| Cash and cash equivalents at the beginning of the year | | 3,836,487 | 2,913,347 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 24, 25 | 3,746,753 | 3,836,487 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 29 to 58 form part of these financial statements

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, 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.

Portico Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy 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 has provided the goods or services.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Taxation

The Academy 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 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.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

| | |
|------------------------------|---|
| Long-term leasehold property | - Straight line 50 years for buildings, land is depreciated over the life of the lease. |
| Fixtures and fittings | - Straight line 5 years |
| Plant and machinery | - Straight line 5 years |
| Computer equipment | - Straight line 3 years |

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

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

1.7 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.

1.8 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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 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 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.

1.10 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 17. 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 18. 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.

1.11 Operating leases

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Academy 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 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 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.

1.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

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.

3. Income from donations and capital grants

| | Unrestricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | | | | |
| DFE Donated assets | - | 99,798 | 99,798 | - |
| Subtotal detailed disclosure | - | 99,798 | 99,798 | - |
| Donations | 81,296 | - | 81,296 | 113,962 |
| Government grants | - | 277,209 | 277,209 | 1,167,096 |
| Subtotal | 81,296 | 277,209 | 358,505 | 1,281,058 |
| | 81,296 | 377,007 | 458,303 | 1,281,058 |
| <i>Total 2020</i> | 113,962 | 1,167,096 | 1,281,058 | |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

4. Funding for the Academy's educational operations

| | Restricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|---|--|---------------------------------------|---------------------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 9,653,099 | 9,653,099 | 9,380,008 |
| Other DfE/ESFA grants | | | |
| Other DfE/ESFA grants | 607,880 | 607,880 | 569,796 |
| Local authority grants | 793,218 | 793,218 | 842,575 |
| Universal infant free school meals | 314,474 | 314,474 | 237,265 |
| Pupil premium | 998,345 | 998,345 | 966,466 |
| | - | 12,367,016 | 11,996,110 |
| Other Government grants | | | |
| Other | 2,928 | 2,928 | 6,427 |
| | 2,928 | 2,928 | 6,427 |
| COVID-19 additional funding (DfE/ESFA) | | | |
| Catch-up Premium | 184,240 | 184,240 | - |
| | 184,240 | 184,240 | - |
| | 12,554,184 | 12,554,184 | 12,002,537 |
| <i>Total 2020</i> | <i>12,002,537</i> | <i>12,002,537</i> | |

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy'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 Trust received £184,240 of funding for catch-up premium and costs incurred in respect of this funding totalled £84,667, with the remaining £99,573 to be spent in 2021/22.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

5. Income from other trading activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|--------------------|--|---------------------------------------|---------------------------------------|
| Hire of facilities | 47,045 | 47,045 | 130,305 |
| Catering income | 125,623 | 125,623 | 150,569 |
| Services provided | 64,058 | 64,058 | 156,376 |
| School sales | 5,738 | 5,738 | 9,650 |
| Fundraising | 7,073 | 7,073 | 12,575 |
| Training income | - | - | 2,132 |
| | <u>249,537</u> | <u>249,537</u> | <u>461,607</u> |
| <i>Total 2020</i> | <u>461,607</u> | <u>461,607</u> | |

6. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|---------------------|--|---------------------------------------|---------------------------------------|
| Interest receivable | 273 | 273 | 16,384 |
| | <u>16,384</u> | <u>16,384</u> | |
| <i>Total 2020</i> | <u>16,384</u> | <u>16,384</u> | |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

7. Expenditure

| | Staff Costs 2021 £ | Premises 2021 £ | Other 2021 £ | Total 2021 £ | <i>Total 2020 £</i> |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Educational Operations: | | | | | |
| Direct costs | 8,473,816 | - | 296,199 | 8,770,015 | 8,707,073 |
| Allocated support costs | 2,653,833 | 1,292,428 | 1,043,094 | 4,989,355 | 4,197,999 |
| Other expenditure | - | - | 2,156 | 2,156 | 7,787 |
| | <u>11,127,649</u> | <u>1,292,428</u> | <u>1,341,449</u> | <u>13,761,526</u> | <u>12,912,859</u> |
| <i>Total 2020</i> | <u><u>10,470,080</u></u> | <u><u>1,227,900</u></u> | <u><u>1,214,879</u></u> | <u><u>12,912,859</u></u> | |

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|------------------------|--|--|---------------------------------------|---------------------------------------|
| Educational Operations | 11,575 | 13,747,794 | 13,759,369 | 12,905,073 |
| | <u>11,575</u> | <u>13,747,794</u> | <u>13,759,369</u> | <u>12,905,073</u> |
| <i>Total 2020</i> | <u><u>32,078</u></u> | <u><u>12,872,995</u></u> | <u><u>12,905,073</u></u> | |

9. Other expenditure

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| School Sales | 2,156 | 2,156 | 7,787 |
| | <u>2,156</u> | <u>2,156</u> | <u>7,787</u> |
| <i>Total 2020</i> | <u><u>7,787</u></u> | <u><u>7,787</u></u> | |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

10. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|------------------------|--|---|---------------------------------------|---------------------------------------|
| Educational Operations | 8,770,015 | 4,989,355 | 13,759,370 | 12,905,072 |
| <i>Total 2020</i> | <u>8,707,073</u> | <u>4,197,999</u> | <u>12,905,072</u> | |

Analysis of direct costs

| | Educational Operations 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 8,473,816 | 8,473,816 | 8,365,209 |
| Technology costs | 69,942 | 69,942 | 45,937 |
| Educational supplies | 159,066 | 159,066 | 203,697 |
| Staff development | 17,265 | 17,265 | 56,740 |
| Educational consultancy | 35,001 | 35,001 | 26,940 |
| Other direct costs | 14,925 | 14,925 | 8,550 |
| | <u>8,770,015</u> | <u>8,770,015</u> | <u>8,707,073</u> |
| <i>Total 2020</i> | <u>8,707,073</u> | <u>8,707,073</u> | |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational Operations 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-----------------------------|--|---------------------------------------|---------------------------------------|
| Net pension finance charge | 120,000 | 120,000 | <i>112,000</i> |
| Staff costs | 2,653,833 | 2,653,833 | <i>2,104,871</i> |
| Depreciation | 616,316 | 616,316 | <i>587,662</i> |
| Technology costs | 2,593 | 2,593 | <i>17,885</i> |
| Maintenance of premises | 232,546 | 232,546 | <i>209,005</i> |
| Cleaning | 334,077 | 334,077 | <i>233,283</i> |
| Rent and rates | 78,580 | 78,580 | <i>77,802</i> |
| Energy costs | 149,827 | 149,827 | <i>120,148</i> |
| Insurance | 42,858 | 42,858 | <i>42,912</i> |
| Security and transport | 6,251 | 6,251 | <i>11,929</i> |
| Catering | 489,811 | 489,811 | <i>340,367</i> |
| Bank interest and charges | 3,316 | 3,316 | <i>6,121</i> |
| Indirect staff costs | 32 | 32 | <i>2,854</i> |
| Legal and professional fees | 196,971 | 196,971 | <i>222,602</i> |
| Other support costs | 62,344 | 62,344 | <i>108,558</i> |
| | <u>4,989,355</u> | <u>4,989,355</u> | <u><i>4,197,999</i></u> |
| <i>Total 2020</i> | <u><u>4,197,999</u></u> | <u><u>4,197,999</u></u> | |

During the year ended 31 August 2021, the Academy Trust incurred the following governance costs:

£19,600 (2020: £17,000)

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2021 £ | <i>2020 £</i> |
|---------------------------------------|----------------------|----------------------|
| Operating lease rentals | 4,554 | <i>5,698</i> |
| Depreciation of tangible fixed assets | 616,316 | <i>587,662</i> |
| Fees paid to auditors for: | | |
| - audit | 17,000 | <i>17,000</i> |
| | <u><u>17,000</u></u> | <u><u>17,000</u></u> |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

12. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2021 | <i>2020</i> |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 8,143,147 | 7,793,603 |
| Social security costs | 707,456 | 659,214 |
| Pension costs | 2,277,046 | 2,017,263 |
| | 11,127,649 | <i>10,470,080</i> |

b. Staff numbers

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

| | 2021 | <i>2020</i> |
|--|-------------|-------------|
| | No. | No. |
| Teachers | 150 | 132 |
| Administration and educational support (including part time) | 200 | 219 |
| Management | 7 | 8 |
| | 357 | <i>359</i> |

c. Higher paid staff

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

| | 2021 | <i>2020</i> |
|--------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 1 | 2 |
| In the band £70,001 - £80,000 | 5 | 5 |
| In the band £80,001 - £90,000 | 1 | 1 |
| In the band £90,001 - £100,000 | 1 | 1 |

d. Key management personnel

The key management personnel of the Academy 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 was £772,269 (2020 - £749,019).

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

13. Central services

Starting in September 2020, the Trust has centralised the main budget through GAG pooling, to allow for cost savings and efficiencies to be made. As a result there is no top slice charge per central services. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. As a result, reserves have been pooled to one main Portico fund.

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

- Leadership staff
- Administration supplies
- Legal and professional fees
- Central support staff

In the previous year the amounts charged as follows:

| | 2021 | <i>2020</i> |
|---|-------------|----------------|
| | £ | £ |
| West Leigh Junior School | - | 92,001 |
| Porters Grange Primary School and Nursery | - | 85,182 |
| Hamstel Infant School and Nursery | - | 90,904 |
| Hamstel Junior School | - | 114,117 |
| Friars Primary School and Nursery | - | 86,796 |
| Total | - | 469,000 |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

14. Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the Academy. The value of Trustees' remuneration and other benefits was as follows:

| | | 2021 | <i>2020</i> |
|----------------------------------|----------------------------|-----------------|-----------------|
| | | £ | £ |
| Cheryl Woolf, Accounting Officer | Remuneration | 95,000 - | <i>95,000 -</i> |
| | | 100,000 | <i>100,000</i> |
| | Pension contributions paid | 20,000 - | <i>20,000 -</i> |
| | | 25,000 | <i>25,000</i> |

During the year, retirement benefits were accruing to 1 Trustee (*2020 - 1*) in respect of defined benefit pension schemes.

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

15. Trustees' and Officers' insurance

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

16. Tangible fixed assets

| | Long-term leasehold property £ | Assets under construction £ | Furniture and equipment £ | Plant and machinery £ | Computer equipment £ | Total £ |
|---------------------------|---|-----------------------------------|------------------------------------|-----------------------------|----------------------------|-------------------|
| Cost or valuation | | | | | | |
| At 1 September 2020 | 22,333,642 | 171,289 | 336,033 | 18,912 | 477,147 | 23,337,023 |
| Additions | 397,276 | 271,021 | 87,662 | - | 207,290 | 963,249 |
| Transfers between classes | 442,310 | (442,310) | - | - | - | - |
| At 31 August 2021 | <u>23,173,228</u> | <u>-</u> | <u>423,695</u> | <u>18,912</u> | <u>684,437</u> | <u>24,300,272</u> |
| Depreciation | | | | | | |
| At 1 September 2020 | 1,616,943 | - | 234,098 | 10,091 | 378,263 | 2,239,395 |
| Charge for the year | 452,849 | - | 61,488 | 3,782 | 98,197 | 616,316 |
| At 31 August 2021 | <u>2,069,792</u> | <u>-</u> | <u>295,586</u> | <u>13,873</u> | <u>476,460</u> | <u>2,855,711</u> |
| Net book value | | | | | | |
| At 31 August 2021 | <u>21,103,436</u> | <u>-</u> | <u>128,109</u> | <u>5,039</u> | <u>207,977</u> | <u>21,444,561</u> |
| At 31 August 2020 | <u>20,716,699</u> | <u>171,289</u> | <u>101,935</u> | <u>8,821</u> | <u>98,884</u> | <u>21,097,628</u> |

17. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| VAT repayable | 305,015 | 77,593 |
| Prepayments and accrued income | 260,413 | 432,790 |
| | <u>565,428</u> | <u>510,383</u> |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

18. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Trade creditors | 1,091 | 5,799 |
| Other taxation and social security | 6,820 | - |
| Other creditors | 885,250 | 830,587 |
| Accruals and deferred income | 322,755 | 205,058 |
| | 1,215,916 | 1,041,444 |
| | 1,215,916 | 1,041,444 |
| | 2021 £ | 2020 £ |
| Deferred income at 1 September 2020 | 124,101 | 159,502 |
| Resources deferred during the year | 119,692 | 124,101 |
| Amounts released from previous periods | (124,101) | (159,502) |
| | 119,692 | 124,101 |
| | 119,692 | 124,101 |

Deferred income includes amounts received as follows:

Universal Infant Free School Meals received in advance of entitlement £119,692 (2020: £124,101)

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---------------------------------|--|----------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Capital designated funds | - | - | - | 150,000 | - | 150,000 |
| IT designated funds | - | - | - | 50,000 | - | 50,000 |
| | - | - | - | 200,000 | - | 200,000 |
| General funds | | | | | | |
| General Funds | 2,317,943 | 331,106 | (13,731) | (200,000) | - | 2,435,318 |
| Total Unrestricted funds | 2,317,943 | 331,106 | (13,731) | - | - | 2,635,318 |
| Restricted general funds | | | | | | |
| Central funds | 197,171 | - | (197,171) | - | - | - |
| General Annual Grant (GAG) | 316,391 | 9,653,099 | (9,469,249) | (283,923) | - | 216,318 |
| Other DfE/ESFA grants | 161,412 | 1,920,699 | (1,947,246) | - | - | 134,865 |
| Local Authority grants | - | 793,218 | (793,218) | - | - | - |
| Covid catch up | - | 184,240 | (84,667) | - | - | 99,573 |
| Other non gov | - | 2,928 | (2,928) | - | - | - |
| Pension reserve | (7,799,000) | - | (637,000) | - | (505,000) | (8,941,000) |
| | (7,124,026) | 12,554,184 | (13,131,479) | (283,923) | (505,000) | (8,490,244) |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

Restricted fixed asset funds

| | | | | | | |
|--|--------------------------|--------------------------|----------------------------|-----------------|-------------------------|--------------------------|
| Assets inherited on conversion | 17,276,626 | - | (382,493) | - | - | 16,894,133 |
| DfE/ESFA grants | 312,505 | - | - | (302,162) | - | 10,343 |
| Assets purchased from grants and other funds | 3,821,006 | 277,209 | (214,561) | 586,085 | - | 4,469,739 |
| DFE donated assets | - | 99,798 | (19,261) | - | - | 80,537 |
| | <u>21,410,137</u> | <u>377,007</u> | <u>(616,315)</u> | <u>283,923</u> | <u>-</u> | <u>21,454,752</u> |
| Total Restricted funds | <u>14,286,111</u> | <u>12,931,191</u> | <u>(13,747,794)</u> | <u>-</u> | <u>(505,000)</u> | <u>12,964,508</u> |
| Total funds | <u><u>16,604,054</u></u> | <u><u>13,262,297</u></u> | <u><u>(13,761,525)</u></u> | <u><u>-</u></u> | <u><u>(505,000)</u></u> | <u><u>15,599,826</u></u> |

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

Restricted general funds

These funds relate to the Academy's development and operational activities.

Restricted pension funds

These funds represent the LGPS obligation to the employees of the Academy Trust.

Restricted fixed asset fund

These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

Unrestricted funds

These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

Designated funds

These funds have been set up to set aside unrestricted funds designated by the trustees for specific projects.

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

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

| | <i>Balance at 1 September 2019 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2020 £</i> |
|--|--|--------------------------|----------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds | 2,073,563 | 576,320 | (39,864) | (308,735) | - | 2,301,284 |
| Central funds | 1,027 | 15,632 | - | - | - | 16,659 |
| | <u>2,074,590</u> | <u>591,952</u> | <u>(39,864)</u> | <u>(308,735)</u> | <u>-</u> | <u>2,317,943</u> |
| Restricted general funds | | | | | | |
| Central funds | 172,502 | - | (444,331) | 469,000 | - | 197,171 |
| General Annual Grant (GAG) | - | 9,380,009 | (8,752,656) | (310,963) | - | 316,390 |
| Other DfE/ESFA grants | 164,233 | 1,773,527 | (1,776,347) | - | - | 161,413 |
| Local Authority grants | - | 842,575 | (842,575) | - | - | - |
| Pupil Premium | - | 6,426 | (6,426) | - | - | - |
| Pension reserve | (6,403,000) | - | (463,000) | - | (933,000) | (7,799,000) |
| | <u>(6,066,265)</u> | <u>12,002,537</u> | <u>(12,285,335)</u> | <u>158,037</u> | <u>(933,000)</u> | <u>(7,124,026)</u> |
| Restricted fixed asset funds | | | | | | |
| Assets inherited on conversion | 17,671,390 | - | (394,764) | - | - | 17,276,626 |
| DfE/ESFA grants | 32,957 | 1,167,096 | - | (887,548) | - | 312,505 |
| Assets purchased from grants and other funds | 2,975,657 | - | (192,897) | 1,038,246 | - | 3,821,006 |
| | <u>20,680,004</u> | <u>1,167,096</u> | <u>(587,661)</u> | <u>150,698</u> | <u>-</u> | <u>21,410,137</u> |
| Total Restricted funds | <u>14,613,739</u> | <u>13,169,633</u> | <u>(12,872,996)</u> | <u>308,735</u> | <u>(933,000)</u> | <u>14,286,111</u> |
| Total funds | <u><u>16,688,329</u></u> | <u><u>13,761,585</u></u> | <u><u>(12,912,860)</u></u> | <u><u>-</u></u> | <u><u>(933,000)</u></u> | <u><u>16,604,054</u></u> |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

| | 2021 £ | 2020 £ |
|--|--------------------|-------------------|
| West Leigh Junior School | 33,055 | 444,527 |
| Porters Grange Primary School and Nursery | 66,030 | 427,242 |
| Hamstel Infant School and Nursery | 50,850 | 798,295 |
| Hamstel Junior School | 98,752 | 487,468 |
| Friars Primary School and Nursery | 37,867 | 621,560 |
| Central funds | 2,799,520 | 213,825 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 3,086,074 | 2,992,917 |
| Restricted fixed asset fund | 21,454,752 | 21,410,137 |
| Pension reserve | (8,941,000) | (7,799,000) |
| | <hr/> | <hr/> |
| Total | 15,599,826 | 16,604,054 |
| | <hr/> <hr/> | <hr/> <hr/> |

Starting in September 2021, the Trust has centralised the main budget through GAG pooling, to allow for cost savings and efficiencies to be made. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. As a result, reserves have been pooled to one main Portico fund.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

19. 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 £ |
|---|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| West Leigh Junior School | - | - | 40,189 | 18,205 | 58,394 | 2,422,078 |
| Porters Grange Primary School and Nursery | - | - | 19,823 | 21,631 | 41,454 | 1,990,530 |
| Hamstel Infant School and Nursery | - | - | 39,037 | 31,308 | 70,345 | 2,504,285 |
| Hamstel Junior School | - | - | 44,546 | 90,615 | 135,161 | 2,739,114 |
| Friars Primary School and Nursery | - | - | 22,491 | 29,172 | 51,663 | 2,201,214 |
| Central funds | 8,473,816 | 2,653,833 | 131,647 | 1,528,897 | 12,788,193 | 467,977 |
| Academy | 8,473,816 | 2,653,833 | 297,733 | 1,719,828 | 13,145,210 | 12,325,198 |

Starting in September 2020, the Trust has centralised the main budget through GAG pooling, to allow for cost savings and efficiencies to be made. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. As a result, reserves have been pooled to one main Portico fund.

20. Transfers between funds

£283,923 has been transferred from restricted funds to restricted fixed asset funds representing fixed assets purchased using unrestricted funds.

£200,000 has been transferred from unrestricted funds. £150,000 has been transferred to a designated fund for capital works and £50,000 to a designated fund for IT.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

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 | - | - | 21,444,561 | 21,444,561 |
| Current assets | 2,635,318 | 1,666,672 | 10,191 | 4,312,181 |
| Creditors due within one year | - | (1,215,916) | - | (1,215,916) |
| Provisions for liabilities and charges | - | (8,941,000) | - | (8,941,000) |
| Total | 2,635,318 | (8,490,244) | 21,454,752 | 15,599,826 |

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2020 £</i> | <i>Restricted funds 2020 £</i> | <i>Restricted fixed asset funds 2020 £</i> | <i>Total funds 2020 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 21,097,628 | 21,097,628 |
| Current assets | 2,317,942 | 1,716,419 | 312,509 | 4,346,870 |
| Creditors due within one year | - | (1,041,444) | - | (1,041,444) |
| Provisions for liabilities and charges | - | (7,799,000) | - | (7,799,000) |
| Total | 2,317,942 | (7,124,025) | 21,410,137 | 16,604,054 |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

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

| | 2021 £ | 2020 £ |
|--|------------------|-----------|
| Net (expenditure)/income for the year (as per statement of financial activities) | (499,228) | 848,726 |
| Adjustments for: | | |
| Depreciation | 616,316 | 587,662 |
| Capital grants from DfE and other capital income | (602,410) | (990,785) |
| Interest receivable | (273) | (16,384) |
| Defined benefit pension scheme cost less contributions payable | 517,000 | 351,000 |
| Defined benefit pension scheme finance cost | 120,000 | 112,000 |
| Decrease/(increase) in debtors excluding capital | (280,448) | 213,431 |
| (Increase) in capital debtors | 225,402 | 300,356 |
| Increase in creditors excluding capital | 175,061 | (176,311) |
| Net cash provided by operating activities | 271,420 | 1,229,695 |

23. Cash flows from investing activities

| | 2021 £ | 2020 £ |
|--|------------------|-------------|
| Dividends, interest and rents from investments | 273 | 16,384 |
| Payments for fixed asset purchases | (864,039) | (1,313,724) |
| Capital grants from DfE Group | 502,612 | 990,785 |
| Net cash used in investing activities | (361,154) | (306,555) |

24. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|------------------|-----------|
| Cash in hand and at bank | 3,746,753 | 3,836,487 |
| Total cash and cash equivalents | 3,746,753 | 3,836,487 |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

25. Analysis of changes in net debt

| | At 1 September 2020 £ | Cash flows £ | At 31 August 2021 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 3,836,487 | (89,734) | 3,746,753 |
| | <u>3,836,487</u> | <u>(89,734)</u> | <u>3,746,753</u> |

26. Capital commitments

At 31 August 2021 the Academy Trust had capital commitments as follows

| | 2021 £ | 2020 £ |
|---|---------------|----------------|
| Contracted for but not provided in these financial statements | <u>24,530</u> | <u>215,818</u> |

27. Pension commitments

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

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

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

Teachers' Pension Scheme

The 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.

PORTICO ACADEMY TRUST
(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 £1,083,420 (2020 - £1,047,032).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 £792,000 (2020 - £783,000), of which employer's contributions totalled £641,000 (2020 - £631,000) and employees' contributions totalled £ 151,000 (2020 - £152,000). The agreed contribution rates for future years are 25.0 per cent for employers and 5.5 per cent to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, 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 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.

PORTICO ACADEMY TRUST
(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 |
| Commutation of pensions to lump sums | 50 | 50.0 |
| Inflation assumption (RPI) | 3.20 | 3.05 |

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 |
| <i>Retiring today</i> | | |
| Males | 21.6 | 21.8 |
| Females | 23.6 | 23.8 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.9 | 23.2 |
| Females | 25.1 | 25.2 |

Sensitivity analysis

| | 2021 | 2020 |
|--|---------------|--------|
| | £000 | £000 |
| Discount rate +0.1% | 16,695 | 13,592 |
| Discount rate -0.1% | 17,558 | 14,295 |
| Mortality assumption - 1 year increase | 17,798 | 14,445 |
| Mortality assumption - 1 year decrease | 16,470 | 13,451 |
| Salary increase +0.1% | 17,166 | 13,978 |
| Salary increase -0.1% | 17,077 | 13,900 |

PORTICO ACADEMY TRUST
(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's share of the assets in the scheme was:

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Equities | 5,236,000 | 3,804,000 |
| Gilts | 206,000 | 263,000 |
| Corporate bonds | 380,000 | 345,000 |
| Property | 571,000 | 477,000 |
| Cash and other liquid assets | 228,000 | 166,000 |
| Alternative assets and other managed funds | 1,559,000 | 1,085,000 |
| Total market value of assets | 8,180,000 | 6,140,000 |

The actual return on scheme assets was £1,475,000 (2020 - £154,000).

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

| | 2021 £ | 2020 £ |
|---|--------------------|--------------------|
| Current service cost | (1,270,000) | (1,099,000) |
| Settlement gains | 116,000 | 122,000 |
| Interest income | 103,000 | - |
| Interest cost | (223,000) | (112,000) |
| Administrative expenses | (4,000) | (5,000) |
| Total amount recognised in the Statement of financial activities | (1,278,000) | (1,094,000) |

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

| | 2021 £ | 2020 £ |
|------------------------------------|-------------------|-------------------|
| At 1 September | 13,939,000 | 11,908,000 |
| Current service cost | 1,270,000 | 1,099,000 |
| Interest cost | 223,000 | 220,000 |
| Employee contributions | 151,000 | 152,000 |
| Actuarial losses | 1,877,000 | 859,000 |
| Benefits paid | (119,000) | (71,000) |
| Effects of non-routine settlements | (220,000) | (228,000) |
| At 31 August | 17,121,000 | 13,939,000 |

PORTICO ACADEMY TRUST
(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's share of scheme assets were as follows:

| | 2021 | <i>2020</i> |
|------------------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 6,140,000 | <i>5,505,000</i> |
| Interest income | 103,000 | <i>108,000</i> |
| Actuarial gains/(losses) | 1,372,000 | <i>(74,000)</i> |
| Employer contributions | 641,000 | <i>631,000</i> |
| Employee contributions | 151,000 | <i>152,000</i> |
| Benefits paid | (119,000) | <i>(71,000)</i> |
| Effects of non-routine settlements | (104,000) | <i>(106,000)</i> |
| Administrative expenses | (4,000) | <i>(5,000)</i> |
| At 31 August | 8,180,000 | <i>6,140,000</i> |

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2021.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

It is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it was assumed that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust but as the worst case scenario for the scheme as whole is expected to be in the region of be 0.025% no provision has been included within these financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

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

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

West Leigh Swim School

West Leigh Swim School Limited a registered charity of which C J Woolf is a Director and Trustee leased a swimming pool from the Academy Trust during the reporting period. The rental charged is considered a fair market rent for the use of the swimming pool.

Rent charged during the accounting period amounted to £12,000 (2020: £32,000) and £nil (2021: £nil) was outstanding at the end of the reporting period. The pool was closed due to COVID restrictions for a significant portion of the year.

30. Controlling party

There is no ultimate controlling party.