



Smales Goldie Group
CREATING ADVANTAGE

**Smales Goldie
Copy**

Registration Number: 07542211



The Education Alliance
(A company limited by guarantee)

Annual Report and Financial Statements

31 August 2021

The Education Alliance

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The Education Alliance

Reference and Administrative Details

Members Mr J Buckley (Lead Member)
 Mr L Whiting
 Mr R Swain
 Ms N Hornsby
 The Diocese of York Educational Trust

Trustees (Directors) Mr R Swain (Chair)
 Mr P Hall (Vice Chair)
 Mr A Bradley
 Ms N Clark (resigned 7 September 2021)
 Mr A Steele
 Mrs A Barker
 Mrs C Graham-Brown
 Mr S Whitaker
 Mrs R Miller

Mr A Bradley, Mr J Fielder, Mr S Whitaker, Mr C Wicks are members of the Audit and Risk committee. All of the above, with the exception of Mr C Wicks and Mr J Fielder, are members of the Board of Trustees.

Accounting Officer Mr J Uttley

Company Secretary Mrs L Longstaff

Senior Management Team Mr J Uttley, Chief Executive Officer
 Mr S Ratheram, Executive Principal
 Mr P Sprakes, Headteacher
 Miss M Blackledge, Headteacher
 Mrs L Hudson, Headteacher
 Mr R Williman, Headteacher
 Mr R Winks, Headteacher
 Mrs J Jewitt, Director of Finance and Capital
 Mrs L Longstaff, Director of HR and Governance
 Mrs A Fletcher, Director of Yorkshire Wolds Teacher Training
 Mr J Loftus, Vice Principal of Achievement and Timetable
 Mrs V Bromley, Vice Principal of Curriculum
 Mrs C Hadfield, Director of Business and Operations
 Mr M Wadsworth, Director of ICT
 Mrs F Roper, Director of Trust Development and Compliance (from 1 September 2021)
 Mrs L Cunningham, Head of Finance and Procurement (from 11 October 2021)
 Mrs S Heptinstall, Head of HR (from 1 September 2021)

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Reference and Administrative Details (continued)

Principal and Registered Office	South Hunsley School & Sixth Form College East Dale Road Melton North Ferriby East Yorkshire HU14 3HS
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Registration Number	07542211
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Auditor	Smailes Goldie Regent's Court Princess Street Hull East Yorkshire HU2 8BA
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Bankers	HSBC Bank plc Merit House Priory Park West Saxon Way Hessle HU13 9PB
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Solicitors	Browne Jacobson LLP 1 Spinningfields 1 Hardman Square Spinningfields Manchester M3 3E
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The Education Alliance

Trustees' Report for the Year Ended 31 August 2021

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

The Trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education & Skills Funding Agency.

The Trust operates six academies;

- South Hunsley School and Sixth Form College for pupils aged 11 to 18 serving a catchment area in the East Riding of Yorkshire. It has a roll of 2113 as included in the school census in October 2021;
- Malet Lambert for pupils aged 11 to 16 serving a catchment area in the east of Kingston upon Hull. It has a roll of 1578 as included in the school census in October 2021;
- Hunsley Primary School for pupils aged 4 to 11 serving a catchment area in the East Riding of Yorkshire. It has a role of 211 as included in the school census in October 2021.
- Driffield School and Sixth Form for pupils aged 11 to 18 serving a catchment area in the East Riding of Yorkshire. It has a roll of 1371 as included in the school census in October 2021.
- The Snaith School for pupils aged 11 to 16 serving a catchment area in the East Riding of Yorkshire. It has a roll of 861 as included in the school census in October 2021.
- North Cave C of E Primary School for pupils aged 4 to 11 serving a catchment area in the East Riding of Yorkshire. It has a roll of 108 as included in the school census in October 2021.

In addition, the Trust operates School Centred Initial Teacher Training (SCITT), Yorkshire Wolds Teacher Training, an organisation that trains new entrants to the teaching profession.

Structure, governance and management

Constitution

The Trust is a private company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Education Alliance and trades as South Hunsley School and Sixth Form College, Malet Lambert, The Wolds Teaching Alliance, Hunsley Primary School, Driffield School and Sixth Form, The Snaith School, North Cave C of E Primary School and Yorkshire Wolds Teacher Training.

Details of the Members and Trustees who served throughout the year are included in the Reference and Administrative Information details on page 1.

Members' liability

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

The Education Alliance

Trustees' Report for the Year Ended 31 August 2021 (continued)

Trustees' indemnities

During the year the Trust had in place third party indemnity provisions for the benefit of the Trust's Members and Trustees.

Method of recruitment and appointment or election of Trustees

The number of Trustees shall not be less than eight. All Trustees, at appointment, sign a written undertaking to uphold the object of the Trust and protect the Church of England designation and ethos of Church academies. Members appoint a minimum of six Trustees. The DYET appoints at least two Trustees, and has the discretion to appoint more than two Trustees, as long as the total number of Trustees appointed by the DYET does not exceed 25% of the total number of Trustees. The Chair and Vice-Chair are elected by the Board on an annual basis. The Trustees are registered Directors with Companies House. They are personally responsible for the actions of the Trust and are accountable to the Members, the Secretary of State for Education and to the wider community for the quality of education received by all students of the academies in the Trust and for the expenditure of public money. The Trustees are required, as trustees and pursuant to the Funding Agreements, to have systems in place through which they can assure themselves of the quality, safety and good practice of the affairs of the Trust. The Trust Board signs off the annual accounts and is responsible for adherence to the Trust's funding agreement with the Secretary of State.

The Chair of the Board can come from the existing Trustees. There may be occasions where the Board decides to recruit a highly skilled chair from outside its current membership. The successful candidate would need to be appointed to a vacant position on the Board prior to being elected as Chair in accordance with the regulations.

Trustees have a maximum term of office of 4 years, and they can be re-appointed to a second term of office. There may be occasions where it is appropriate and necessary for a Trustee to be re-appointed for a further term.

Rather than having parent Trustees, each Local Governing Body has two parent governors.

When a vacancy arises, the Trust assesses any gaps in specialisms in the Trust Board, ensuring the Board reflects a mix of specialisms (e.g. finance, HR and strategic leadership) and the recruitment process enables the Chair of the Board to assess candidates against the requirements.

The current articles require the Trust Board holds at least three meetings in every school year.

Policies and procedures adopted for the induction and training of Trustees

The Trust has developed an onboarding platform, which new Trustees have access to. This includes information regarding the history of the Trust, the culture and ethos, policies and procedures, our schools and corporate induction information (such as data protection, health and safety and safeguarding training). The Trust facilitates governance training sessions, which are well attended by Members, Trustees and Governors, and they normally take place three times per year, providing opportunities for refresher training alongside strategic updates. Trustees also complete e-learning modules and have access to recorded training sessions to enable them to complete key training flexibly (e.g. safeguarding and data protection) and the Trust undertakes an annual skills audit, whereby Trustees complete the NGA's skills audit template and the results are shared with the Chairs of the Trust Board and the Local Governing Bodies by receipt of a summary of the skills audit. The outcomes influence future training and development plans.

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Trustees' Report for the Year Ended 31 August 2021 (continued)

Organisational structure

The Trust Board delegates appropriately through sub-committees, including Local Governing Bodies, the Finance Committee and the Audit and Risk Committee. Decision-making powers, roles and responsibilities are clearly articulated in the Governance Framework, which includes the Scheme of Delegation, Terms of Reference and a roles and responsibilities matrix.

Arrangements for setting pay and remuneration of key management personnel

The Trust's Pay Policy provides that every teacher, including senior leaders and the CEO, automatically progress to the top of their pay scale, unless the individual is in receipt of a live support package as part of either a pre-capability or formal capability process. The Director of HR and Governance pay progression of teachers and senior leaders towards the end of the performance cycle, ensuring there is a consistent, fair and transparent approach across the trust. The Director of HR and Governance meets with the CEO annually to review the Trust senior leadership team's pay progression, and drafts reports for Local Governing Bodies and the Trust Board, advising on teaching and leadership pay progression, each year.

The Pay Policy is reviewed at least annually, and the Chair and Vice-Chair of the Trust Board meet regularly with the CEO to ensure regular and effective monitoring of the CEO's performance throughout the year.

Trade union facility time

Each year our schools pay into pooled trade union arrangements with each of our local authorities, and we currently employ a number of those trade union representatives in our schools who undertake paid trade union duties. We also have several school-based representatives who are staff working in our schools. They undertake a range of full-time and part-time roles, whilst also undertaking trade union activities, working closely with their local and regional representatives.

Each year, we are required to submit a trade union facility time report to the government, and for the period 1 April 2020 to 31 March 2021, our submission details the following:

- We have between 50 to 1,500 employees in our trust (we currently employ 1100 staff), and of those staff, eight of our employees are in-school trade union representatives and four are paid trade union representatives. The full-time equivalent is 2.4.
- The percentage of working hours spent on facility time for the period the submission relates is:
 - Five in-school representatives have not undertaken trade union activities during working hours. Four representatives spent between 1-50%, including one paid trade union representative. Two paid trade union representatives spent between 51-99%, and one paid representative spent 100% on trade union duties.

Previously the submission was more restrictive and did not allow the trust to reflect additional trade union facility time information in relation to local authority pooled arrangements. The submission for 2020/21 is inclusive of the total cost of staff related facility time (£118,623) and the total cost of pooled arrangements (£19,132), total £137,755.

Our total pay bill for the period was £28,125,166. The percentage of pay spent on paid facility time is 0.49%. The total hours the paid trade union representatives spent on facility time is 3546, no hours were spent on paid trade union representatives' activities. The percentage of total paid facility time hours spent on paid trade union representatives' activities is 0%. The school-based representatives spent 24.8 hours on paid trade union activities during working hours, total cost £254.45 (included in total cost of staff related facility time).

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Trustees' Report for the Year Ended 31 August 2021 (continued)

The cost of paid facility time to the organisation is £118,623. We are able to claim back £97,983 from East Riding and Hull local authorities, leaving a shortfall of £20,640. The total cost of local authority pooled arrangements is £19,132. Total trade union cost to the organisation £39,772.

Connected organisations, including related party relationships

The Trust has a 100% owned subsidiary, Education Alliance Social Value Limited. This is detailed in note 15.

As a Trust that includes a Church of England school in the Diocese of York, the Diocese of York Educational Trust (DYET) is included as one of the Trust Members. DYET is also entitled to appoint a limited number of Trustees (please see above). The York Diocesan Board of Finance Limited (company number 00225234) provides services to the Church of England school in the Trust, being in relation to essential functions fundamental to the religious character and ethos of those schools, under the YDBE Service Level Agreement (SLA).

A substantial part of the site occupied by North Cave C of E Primary School is occupied under a two year rolling licence from The York Diocesan Board of Finance Limited which is not recognised in the financial statements on the basis the Trust does not have control over the associated land and buildings.

The Trust currently has no other connected organisations or related party relationships.

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Objectives and activities

Objects and aims

The Trust's objectives are set to reflect the educational aims and ethos of each Trust school. In setting the objectives and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The main objects of the Trust are:

a. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which:

- (i) shall include Church of England Academies ("Church Academies" and each a "Church Academy") designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and
- (ii) may include other Academies whether with or without a designated religious character;
 - But in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
 - Where an Academy is designated as or recognised as a Church Academy, in relation to the ethos and religious education provided at the Academy the Trustees shall have regard to any advice and follow any directives issued by the Diocesan Board of Education;

b. 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, provided that any such use of facilities at Church Academies will not facilitate a breach of the trusts upon which the Site Trustees hold the school site.

The main objectives between 1 September 2020 and 31 August 2021 were:

- We want consistent, collective practice across the Trust and to reduce the replication of effort.
- We want to incubate best practice by encouraging innovation.
- We want our Trust to be an employer of choice.
- We want to develop the next generation of ethical trust leaders.
- We want governance that is effective, socially just and ethically sound.
- We want all our resources to be used effectively, efficiently and transparently to make our schools better.
- We want a deep commitment to our environment to be at the heart of everything we do.
- We want to make a significant contribution to the broader school system.
- We want good schools to see the benefit to their communities of working with the Trust

Throughout the period, the schools in the trust were operating in the context of a global pandemic which included an extended period of national school "closures" and shifting government policy. This has made 2020-21 one of the most challenging periods strategically for all schools and trusts across England.

The Education Alliance

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Public benefit

We have referred to the public benefit guidance contained in the Charity Commission general guidance when reviewing the Trust's aims and objectives and in planning future activities. The availability and access to the public of the Trust's facilities is a key object within the Articles of Association.

Achievements and performance

By the end of 2020-21, there were six academies in the Trust. Five of the six are judged Good by Ofsted and one is judged Outstanding. Yorkshire Wolds Teacher Training is judged to be Outstanding in all areas. It is the only SCITT based in Hull, East Riding, York or North Yorkshire to be judged outstanding

Due to the Coronavirus, there were no external examinations for GCSE or A level or end of key stage assessments for primary schools for the second year in succession. In secondary schools, grades were awarded using Teacher Assessed Grades, with staff in all schools showing extraordinary commitment and professionalism in developing and brand-new system for awarding grades at very short notice. There were no league tables published this summer and therefore it is once again not possible or appropriate to provide commentary on the exam performance. Student destinations were strong in all four secondary schools.

Impact of Covid-19

The biggest challenge all schools and trusts continue to face is operating schools during a global pandemic. We had to restructure our school days and implement a range of measures to ensure the safe operation of schools. The Trust invested heavily in providing IT equipment to all students who need it to access high quality remote learning when required. The investment we made was necessary because of the numerous shortcomings of the DfE's scheme, delays in delivery of the scheme and significant cuts in the numbers of available devices. Without this additional investment, far too many students would be left behind and gaps in achievement would widen further. The positive impact of the trust's investment was that during the national lockdown between January and March 2021, all our schools were able to offer a full timetable of live online lessons.

Measuring the performance of the Trust in a conventional way is not possible this year, but the collective response to Covid-19 continues to be nothing short of phenomenal. Schools remained open to key students throughout the pandemic, including school holidays and bank holidays. As the pandemic has continued, schools face challenges from parents and interest groups who oppose various aspects of government policy and focus their opposition on local schools. The toll of all of this on school leaders has been significant and our trusts, like all trusts and schools, faces risks around leader burnout and the potential for leaders to leave the profession.

Financial impact of Covid-19

The financial performance and position of the Trust remains strong, despite the pandemic, thanks to strong financial planning and controls. However, trustees have deployed reserves to support a range of actions academy leaders were compelled to take, including purchase of additional IT equipment for students at home, the purchase of additional resources, supporting the provision of free school meals when government schemes have fallen short and granting additional funding to support revision and preparation for exams.

The Education Alliance

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Individual academies have provided additional non-contact time for teachers in the first two years of their career to provide additional support and training following the disruption to their training and/or NQT years caused by national lockdown. This has added to total staffing costs in all academies.

The trust has set aside £300,000 to support additional catch up for the cohorts of students taking exams in 2022 to provide a level of support government funding has not allowed. The trust has deployed all additional government funding for the purposes intended and details of that spend can be found on individual academy websites.

Key non-financial performance indicators

The Trust produces monthly budget to actual reports to monitor its on-going progress against target. For the year ended 31 August 2021 total income was 3% higher than expected, staff costs were also 3% higher than expected and overheads were as expected.

The Trust understands that its biggest expense is staff costs and that this must be carefully monitored. The Trust expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2021 staff costs were 78.2% (2020: 78.1%) of incoming resources.

Going concern

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

Financial review

The financial results for the year were in line with expectations, even given the impact of Covid.

The Trust's main source of income (the General Annual Grant (GAG)) consists mainly of the funding for pupils aged between 4 and 16. This income is based on the "replication model" of the Local Authority's funding formula; the funding for post 16 pupils which is based on a formula administered by the ESFA; and ESGG (Education Services Grant) which is a grant to cover responsibilities transferred from the Local Authority to the Trust.

In addition to the educational operations of the Trust, five other related operations have been performed, these are:

- A Teaching School Alliance (including outreach work at other schools). Teaching School status ceased on 31 August 2021, following a change in government policy around Teaching Schools and the development of a new Teaching School Hub system.
- A SCITT, which was judged in 2019 as outstanding.
- A Catering Service, which provides meals to students and staff.
- Sports facilities, which when not used by the Trust, are made available to the public, and
- Hosting of three Public Sector Frameworks with Value Added Portal Limited t/a PAGABO (this activity is held in a 100% owned trading subsidiary, Education Alliance Social Value Limited. Its income is used to fund mental health and sustainability projects across the Trust and any remaining income is gift aided to the Trust. Further detail is provided in note 15 to the financial statements).

Careful financial management has enabled the Trust to operate with a surplus balance. Because of this surplus balance and significant cash reserves, a decision was taken to invest in building conditions works during the year and utilise the surplus and some brought forward reserves. This has resulted in a planned in-year deficit on general reserves of £159,000 (excluding depreciation charges). At 31 August 2021 balances on the unrestricted and restricted funds excluding pension reserve and fixed asset reserves of £4,146,000 surplus (2020: £5,044,000 surplus) and £4,989,000 surplus (2020: £4,250,000 surplus) were carried forward.

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Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The balance at 31 August 2021 was a net liability of £21,486,000. This had increased from the balance 31 August 2020 which was £15,345,000. We are currently reviewing our long term LGPS position and what safeguards, if any, we would be able to adopt to reduce the effect that current market volatility is having on the financial results. The employers' contribution rate is currently 17.2% at South Hunsley School and Sixth Form College, 26.8% at Malet Lambert, 18.8% at Driffield School and Sixth Form, 17.8% at Hunsley Primary School, 19.1% at The Snaith School and 21.6% at North Cave C of E Primary School. The LGPS pension liability is underwritten by the DfE.

Reserves policy

The Trustees review the reserve levels of the Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The Trustees need to ensure that the Trust has sufficient working capital to cover delays between receipt of grants and spending and are able to deal with unexpected emergencies that may arise such as emergency maintenance. The Trust's current level of general reserves (Restricted and Unrestricted reserves excluding Fixed Asset and Pension Funds) is £9,135,000 (2020: £9,294,000). Taking into account the nature of the Trust's income streams, the Trustees are of the view that reserves at this level are sufficient to cover its working capital needs. At 31 August 2021, the Trust carried forward unspent capital funding of £839,000 (2020: £464,000). This is to be spent on capital projects in the academic year to August 2022. The carry forward is larger than expected as a £800,000 heating upgrade project across the Trust had to be delayed due to the lead time on materials. This project, because of the disruption caused, can only take place during the summer holidays.

For a number of years, the Trust did not receive automatic SCA funding for capital works and therefore needed to carry significant reserves to manage any risks around the schools' estates. As the Trust now qualifies for SCA funding, this risk reduced, and the Trust Board sought to develop a new approach to reserves and plans were developed by a working party and the executive board. Going forward, each school in the Trust will be required to operate within a lower and upper limit per pupil for reserves to ensure that schools and the trust remain financially strong, but that annual GAG funding is spent more effectively in current cohorts of pupils. Where a school is above their upper per pupil limit for reserves, these additional amounts will be set aside into a Trust Development Fund and used, expeditiously, for improvement priorities across a number of schools, for example, to support teacher development. It is expected that cash reserves will reduce over coming years, but the Trust will remain in a strong financial position, enabling all students in our academies to benefit from the best teaching and resources to improve their life chances. The details of this new approach have been shared with the Regional Schools Commissioner for East Midlands and the Humber and with the ESFA.

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is minimal risk to the loss of these cash funds.

The main purpose of the Trust's investment policy is to:

- ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- ensure there is no risk of loss in the capital value of any cash funds invested
- protect the capital value of any invested funds against inflation
- optimise returns on invested funds

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Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Principal risks and uncertainties

The Trust has identified principal risks and uncertainties including:

- A broad range of risks associated with operating schools during a global pandemic. These include health and HR risks, risks to student performance and financial risk associated with increasing costs that remain unmet by central government.
On-going national curriculum changes and educational reforms and the resumption of Ofsted inspection "post pandemic".
- Financial risks around school funding that is facing all schools nationally. Cost pressures are increasing, particularly around associate staff pay, increased National Insurance contributions and general inflationary increases. Costs associated with Covid -19 mean any funding "gains" are likely to be wiped out. There remains uncertainty about future funding settlements and how any future increases in teachers' pay will be funded.
- Fluctuations in student numbers across the trust with increases at Malet Lambert, falls in roll at Snaith and potential further development of housing in South Hunsley's catchment area.

The Trustees have introduced systems and internal financial controls in order to minimise risk. The Trust has a Risk Policy and a Risk register that is reviewed and updated by the Audit and Risk Committee at least three times per year but more frequently by the Executive Management Team.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Trustees have reviewed current examples of best practice and have:

- set policies on internal controls which cover the following:
- the type of risks the Trust faces
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Trust's ability to reduce the incidence and impact on the Trust's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained.
- Continued to build further capacity in leadership teams across the Trust;
- Revised Trust school level policies and procedures;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the risk management practice in the Trust's operations so that it becomes part of the culture of the Trust and
- included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period:	1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
Energy consumption used to calculate emissions (kWh)	10,779,487	11,947,476
Energy consumption breakdown (kWh) optional		
• Gas	7,992,112	8,526,884
• Electricity	2,462,738	3,095,974
• Fuel Oil	303,884	296,133
• Transport fuel	20,753	28,485
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	1,470	1,568
Fuel oil consumption	81	79
Owned transport – Fleet vehicles	1	7
Refrigerant released from air conditioning systems	12.3	12.5
<u>Total scope 1</u>	1,564	1,667
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	574	791
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business mileage – passenger vehicles	4.4	16.6
<u>Total gross emissions in metric tonnes CO₂e</u>	2,142.5	2,474
<u>Total pupils on roll</u>	6,215	6,176
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.340	0.400

Quantification and Reporting Methodology:-

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. PEM Ltd. have assessed The Education Alliance's GHG emissions in accordance with the HM Government's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance' (March 2019). Specific reference was made to the academy trust guidance.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector. The intensity ratio has decreased from 0.4 tCO₂e/pupil/yr in 2019/20 to 0.34 tCO₂e/pupil/yr in this period. This equates to a reduction of 15%. This decrease is due to the school closures due to the COVID-19 lockdown periods occurring April 2020 - July 2020 and January 2021

The Education Alliance

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Measures taken to improve energy efficiency

The Education Alliance already employs good environmental stewardship. In 2019 The Education Alliance commissioned PEM to develop an energy baseline, PEM compiled a table of technological interventions that could be used to reduce the carbon footprint of The Education Alliance. In addition, The Education Alliance ran a sustainability strand throughout its curriculum during the 2019/20 academic year. Energy efficiency measures have been primarily based on behavior change.

Energy reduction is one of The Education Alliance's seven strategic estates priorities. The Education Alliance has committed to developing and delivering a trust wide sustainability, carbon, energy reduction and waste strategy to deliver a 10% reduction in scope 1 and 2 carbon emissions, zero landfill, a 20% increase in recycling rates and a removal of the sale of single use plastics by 2025. The baseline in respect of the scope 1 & 2 carbon emissions is 2,458 tCO_{2e} (this reports scope 1 & 2 emissions). The scope 1 & 2 emissions for 2020/21 were 2,138 tCO_{2e} compared to the 2025 target of $(2,458 \times 0.9 = 2,212 \text{ tCO}_{2e})$. However, caution should be taken here since this has been achieved with significant reduction in occupancy levels compared to 2019/20. A more realistic judgement of progress against targets will be produced in 2021/22.

The Education Alliance has committed to purchase its electricity from renewable sources. Our aspiration is to have all our electricity procured from renewable sources by the end of 2021.

The UK Government launched the Public Sector Decarbonisation Scheme (PSDS) towards the end of 2020. The Education Alliance compiled a grant bid to reduce the site's reliance on gas-fired heating systems. Unfortunately, the scheme was quickly oversubscribed, and the alliance was unsuccessful with its bid.

Nevertheless, the alliance was able to compile a series of energy conservation projects. It is hoped that further grant funding will be made available towards the end of 2021 and these projects will be used to inform a quick response to the grant funding application.

The Education Alliance intends to complete heating upgrades at four of the schools in summer 2021, this includes moving to more efficient boilers and adding a Building Management System (BMS) which will reduce gas usage and be more efficient.

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Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Plans for future periods

In 2021-22, our main strategic aim for Trust growth is to expand the positive impact we have on more lives.

This can come from:

- new schools joining the Trust; we continue to develop partnerships to develop our primary arm further;
- improving the performance of our schools;
- contributing significantly to the regional supply of new entrants to the profession through the SCITT;
- improving the quality of teaching through the Associate Research School; building our system influence regionally and nationally.

SCITT Development

We have finalised plans for a potential merger of 2 School Direct programmes into our SCITT for 2021. This will increase numbers of trainees to at least 60 and will address the imbalance of primary and secondary numbers and will secure us as the provider of choice for the East Riding. The final stage in our growth plan was to create new accommodation for the SCITT and the Trust to accommodate the growth and to continue to attract the best candidates for teacher training. Work on this project will be completed in early 2022. Will will respond strategically to the government's review of the ITT market and ensure that we continue to lead teacher training for the East Riding.

Teacher and Staff Development

We continue to work on our plan to bring total coherence to our staff development offer for everyone who works in the Trust. Starting with ITT and Early Career Framework, new colleagues would be supported to develop into great teachers and future leaders. Our vision is to develop a TEAL development pathway which will operate alongside the SCITT and will provide the highest quality CPD for all trust staff, in partnership with the highest quality external partners and providers.

Potential New Schools

We expect at least one school to join the trust by September 2022 (see note 35) and will continue to respond to any changes in DfE policy and local interest in academisation. The RSC is aware of our willingness to consider new schools joining and we are keen to prioritise developing our primary arm. We continue to build positive relationships with primaries through the SCITT, the Research School and the CEO's NLE work.

Estates and SCA Funding

Delivery of the new 5 Year estates plan to use SCA funding to deliver on our agreed estates priorities. In addition to SCA funding, some academies will be moving forward with additional estates priorities, deploying some reserves and/or section 106 funding where housing developments are taking place.

Sustainability

The trust developed a sustainability strategy in 2019, but the pandemic has meant that progress has slowed significantly. We are on track to make significant reduction in our carbon footprint as we move into year 2 of a three-year project to replace all lighting with LED. We will review our plan to develop a ten-year strategy to ensure all areas of operation, estates and supply chains move towards net zero.

The Education Alliance

Trustees' Report for the Year Ended 31 August 2021 (continued)

Promoting the success of the Trust

The Board of Trustees have considered the matters set out in section 172 (1) (a) to (f) when performing their duty to promote the success of the Trust.

The Board of Trustees continue to ensure that any business decisions consider the long-term impact on all key stakeholders. During the period there has been a strong focus on the continued integration with all academies within the Trust to ensure that the Trust continues to function in a single consistent manner going forward. This integration promotes employee development and allows supplier and customer relationships to be elevated to a MAT level.

Environmental issues continue to be a major focus of the Trust and are a key consideration as the Board compiles its strategy. The Board of Trustees encourage sharing of best practices between all academies within the Trust to ensure it operates at the highest possible standard and endeavours for all members to be treated fairly.

The Board of Trustees meet regularly to oversee implementation of the Trust's strategy. This includes, but is not limited to, reviewing the performance against forecasts, authorising and monitoring capital investment, assessing compliance with regulations and maintaining a high level of active training to promote a safe working environment, all of which contribute directly to the long term success of the Trust.

Engagement with employees (including disabled persons)

The Board of Trustees consider the Trust's employees to be integral to its continued success. The Board of Trustees makes use of the Senior Management Teams throughout the Trust to ensure that all employees are kept up to date with key and relevant information which may concern them as employees. Each academy location consults its employees as necessary when making material decisions which may affect them. Employees are encouraged to have an interest in the performance and success of the Trust. The Trust invests heavily in training to allow staff members to meet the needs of the Trust and deliver on its obligations to the UK educational sector and the Secretary of State for Education

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. New buildings and improvements to existing buildings all recognise the need to be fully DDA compliant. The Trust is reviewing its Equality and Diversity Policy and a draft Equality, Diversity and Inclusion (EDI) Policy has been drafted, and the Director of HR and Governance is working with an associate member of staff who is leading on the student aspects of the EDI Policy, the Trust's objectives and its public sector duty.

Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to maintain equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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

The Board of Trustees continuously consider key stakeholder relationships and develops them through the Senior Management Team. The Trust considers relationships with customers and suppliers on a local and national scale and maintains strong relationships at a local and national level.

The Education Alliance


Trustees' Report for the Year Ended 31 August 2021 (continued)

Auditor

In so far as the Trustees are aware:

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

The Trustees' Report was approved by the Board of Trustees on 14 December 2021 and signed on its behalf by:


.....
Mr R Swain
Trustee

The Education Alliance

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Mr J Uttley, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Education Alliance 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 7 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
Mr R Swain (Chair)	7	7
Mr P Hall (Vice Chair)	7	7
Mrs A Barker	6	7
Mrs N Clark (resigned 7 September 2021)	5	7
Mr A Steele	6	7
Mr A Bradley	7	7
Mrs C Graham-Brown	7	7
Mr S Whitaker	7	7
Mrs R Miller	6	7

Governance reviews

The financial oversight of the Trust remains with the Board of Directors (on which A Steele is a Chartered Accountant) or the Audit and Risk Committee (see below). There is a separate Finance Committee which meets adhoc to discuss specific financial issues. The Finance Committee met once during the academic year to 31 August 2021.

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain oversight of the Trust's governance, risk management, internal control and value for money framework. The membership of the Audit and Risk Committee is noted below. Mr C Wicks is an external representative to the Trust with significant financial and risk management experience. This committee meets at least three times per year. Attendance at meetings during the year was as follows:

The Education Alliance

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr A Bradley Chair	4	4
Mr C Wicks	2	4
Mr J Fielder	3	4
Mr S Whitaker	4	4

Impact of Covid-19 on Governance arrangements

Consideration has been given to the effect of COVID-19 on the trust's governance arrangements during the year and have conducted reviews to ensure the suitability and effectiveness of the trust's risk and control framework in the context of Covid-19 and the ongoing global pandemic.

Review of value for money

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

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

- Completing a detailed tendering process where required
- Aligning policies, procedures, systems and contracts where possible within the Trust
- Continually reviewing staffing costs and structures and monitoring staff costs as a percentage of income

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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Education Alliance for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

The Education Alliance

Governance Statement (continued)

- regular reviews by the Board of Trustees and Local Governing Bodies 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 appointed Forrester Boyd from 1 September 2020.

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

1. Procurement and banking controls and procedures
2. Payroll controls and procedures
3. Income recognition procedures
4. Fixed asset controls and procedures

On a quarterly basis, the internal auditors produce a report to the Board of Trustees and the Audit and Risk Committee regarding the operation of the systems of control and on the discharge of the governing body's financial responsibilities. There have been no material control issues identified by the internal auditors during the year. Any non-material recommendations have been addressed on a timely basis by the Trust's Finance Director.

Review of effectiveness

As Accounting Officer, Mr J Uttley has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by the Board of Trustees on 14 December 2021 and signed on its behalf by:


Mr R Swain
Trustee


Mr J Uttley
Accounting Officer

The Education Alliance

Statement on Regularity, Propriety and Compliance

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

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

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



Mr J Uttley
Accounting officer

14 December 2021

The Education Alliance

Statement of Trustees' Responsibilities

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

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


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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 the Board of Trustees on 14 December 2021 and signed on its behalf by:


Mr R Swain
Trustee

The Education Alliance

Independent Auditor's Report on the Financial Statements to the Members of The Education Alliance

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

The Education Alliance

Independent Auditor's Report on the Financial Statements to the Members of The Education Alliance (continued)

Other information

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

We have nothing to report in this regard.

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

We have nothing to report in this regard.

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 (incorporating the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

The Education Alliance

Independent Auditor's Report on the Financial Statements to the Members of The Education Alliance (continued)

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP 2019, Academies Accounts Direction 2020 to 2021, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence as necessary.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

The Education Alliance

Independent Auditor's Report on the Financial Statements to the Members of The Education Alliance (continued)

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and relevant regulators.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



Luke Taylor BSc(Hons) ACA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie ,
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

14 December 2021

Note:

The maintenance and integrity of The Education Alliance website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Education Alliance

Independent Reporting Accountant's Report on Regularity to The Education Alliance and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 November 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Education Alliance during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Education Alliance's accounting officer and the reporting accountant

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the academy, including those procured from related parties of the academy.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE
- Ensuring that expenditure incurred through the academy bank account and debit card is appropriate for the purposes of the academy and that there has been no personal expenditure from the academy's funds.

The Education Alliance

Independent Reporting Accountant's Report on Regularity to The Education Alliance and the Education & Skills Funding Agency (continued)

- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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.



Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

14 December 2021

The Education Alliance

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

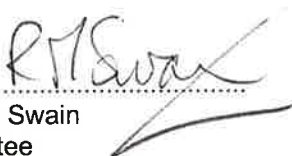
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	11	20	1,792	1,823	1,555
Transfer from local authority on conversion		-	-	-	-	(156)
<i>Charitable activities:</i>						
Funding for the Trust's educational operations	3	1,020	35,221	-	36,241	34,140
Teaching schools	2	2	372	-	374	287
Other trading activities	4	676	-	-	676	826
Investments	5	25	-	-	25	61
Total		1,734	35,613	1,792	39,139	36,713
Expenditure on:						
Raising funds	6	420	-	-	420	430
<i>Charitable activities:</i>						
Trust educational operations	7	1,321	36,489	3,602	41,412	39,175
Teaching schools	34	2	398	-	400	372
Total		1,743	36,887	3,602	42,232	39,977
Net expenditure		(9)	(1,274)	(1,810)	(3,093)	(3,264)
Transfers between funds		(889)	280	609	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	31	-	(4,408)	-	(4,408)	(1,851)
Net movement in deficit		(898)	(5,402)	(1,201)	(7,501)	(5,115)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2020		5,044	(11,095)	121,915	115,864	120,979
Total funds/(deficit) carried forward at 31 August 2021		4,146	(16,497)	120,714	108,363	115,864

The Education Alliance
(Registration number: 07542211)

Balance Sheet as at 31 August 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Intangible assets	13	-	3
Tangible assets	14	119,875	121,448
Investments	15	-	-
		<u>119,875</u>	<u>121,451</u>
Current assets			
Stocks	16	34	24
Debtors	17	1,591	1,461
Cash at bank and in hand		<u>12,277</u>	<u>10,996</u>
		13,902	12,481
Creditors: Amounts falling due within one year	18	<u>(3,868)</u>	<u>(2,649)</u>
Net current assets		<u>10,034</u>	<u>9,832</u>
Total assets less current liabilities		129,909	131,283
Creditors: Amounts falling due after more than one year	19	<u>(60)</u>	<u>(74)</u>
Net assets excluding pension liability		129,849	131,209
Pension scheme liability	31	<u>(21,486)</u>	<u>(15,345)</u>
Net assets including pension liability		<u>108,363</u>	<u>115,864</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		4,989	4,250
Restricted fixed asset fund		120,714	121,915
Restricted pension fund		<u>(21,486)</u>	<u>(15,345)</u>
		104,217	110,820
Unrestricted funds			
Unrestricted general fund		<u>4,146</u>	<u>5,044</u>
Total funds		<u>108,363</u>	<u>115,864</u>

The financial statements on pages 28 to 61 were approved by the Board of Trustees, and authorised for issue on 14 December 2021 and signed on their behalf by:


 Mr R Swain
 Trustee

The Education Alliance

Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	882	(1,261)
Cash flows from investing activities	26	415	1,368
Cash flows from financing activities	25	(16)	(16)
Change in cash and cash equivalents in the year		1,281	91
Cash and cash equivalents at 1 September		10,996	10,905
Cash and cash equivalents at 31 August	27	12,277	10,996

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation

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

The Education Alliance meets the definition of a public benefit entity under FRS 102.

Business combinations

The Trust formed Education Alliance Social Value Limited, a 100% owned trading subsidiary, on 4th March 2019. The trading subsidiary was established to undertake certain non-charitable trading activities previously undertaken by the Trust. These financial statements present the information about Trust and Education Alliance Social Value Limited as a combined entity using merger accounting as prescribed by the Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The Trustees considered plausible downside scenarios resulting from the impact of the COVID-19 outbreak and its effect on the general position of the Trust and its longer term viability. This has specifically included reviewing the levels of surplus cash and reserves and detailed forecasting using sensitivity analysis to ensure that the worst case scenario situation does not put the going concern concept at risk. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. 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.

Notional donations are recognised along with the matching expense.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

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

Transfer on conversion

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised as transfer on conversion with Donations and capital grant income. Assets

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Transfer of existing academies into the Trust

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

Donated fixed assets (excluding transfers on conversion/into the Trust)

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

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. Amortisation is provided at rates calculated to write off the cost of each asset over its expected useful life, per the table below

Asset class	Amortisation method and rate
Software	Over the life of the licence

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 lives, per the table below.

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.

Asset class	Depreciation method and rate
Long leasehold land	125 years
Long leasehold buildings	Between 40 and 50 years
Leasehold improvements	Between 10 and 20 years
Fixtures, fittings and equipment	Between 3 and 10 years
ICT equipment	Between 3 and 6 years
Motor vehicles	Between 3 and 6 years

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

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

Investments

Fixed asset investments are stated at cost less impairment

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes [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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold education supplies and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Pension benefits

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

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

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

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Agency accounting

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 33.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Other voluntary income				
Capital grants	-	1,721	1,721	1,527
Other donations	11	91	102	28
	11	1,812	1,823	1,555

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	30,601	30,601	28,871
Pupil premium	-	920	920	997
Teachers' Pension Employer Contribution Grant	-	1,199	1,199	1,192
Teachers' Pay Grant	-	423	423	422
Other DfE/ ESFA grants	-	481	481	475
Teaching School/ITT grants	-	79	79	77
	-	33,703	33,703	32,034
Other Government grants				
Local authority grants	-	859	859	792
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	203	203	-
Other DfE/ESFA COVID-19 funding	-	223	223	8
	-	426	426	8
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	23	23	36
COVID-19 Mass testing	-	199	199	-
	-	222	222	36
Non-government grants and other income				
Other income from the Trust's operations	1,020	11	1,031	1,270
Total grants	1,020	35,221	36,241	34,140

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Trust's funding for Pupil Premium, Teachers' Pay and Teachers' Pension Employer Contributions Grants 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.

Other DfE/ESFA grants includes amounts received in respect of Universal Infant Free School Meals, PE and Sports Grants, Year 7 Catch Up Grants and Rates Relief.

The Trust received £400k of funding for catch-up premium and costs incurred in respect of this funding totalled £203k, with the remaining £197k to be spent in 2021/22. The £197k of unspent funding is held within deferred income on the balance sheet and is disclosed in note 18.

The Trust furloughed some of its Sport Centre staff under the government's Coronavirus Job Retention Scheme ('CJRS') where the centre was run for members of the public on a commercial basis. The funding received of £22k (2020: £36K) relates to staff costs in respect of furloughed staff which are included within note 8 below as appropriate.

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Hire of facilities/Sports centre	130	-	130	195
Catering income	81	-	81	67
Wrap around income	17	-	17	17
Framework fees	448	-	448	547
	676	-	676	826

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Short term deposits	25	-	25	61

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure

	Non Pay Expenditure			2020/21	2019/20
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
Expenditure on raising funds					
Direct costs	176	-	244	420	430
Academy's educational operations					
Direct costs	24,692	2,709	2,361	29,762	27,855
Allocated support costs	5,765	3,776	2,109	11,650	11,320
Teaching School	266	-	134	400	372
	30,899	6,485	4,848	42,232	39,977

Net income/(expenditure) for the year includes:

	2020/21 £ 000	2019/20 £ 000
Operating lease rentals	20	13
Depreciation	2,948	2,963
Amortisation of intangible fixed assets	3	42
Fees payable to auditor for audit	12	12
Fees payable to auditor for other services	8	11
(Gain)/loss on disposal of fixed assets	1	1

7 Charitable activities

	2020/21 £ 000	2019/20 £ 000
Direct costs - educational operations	29,762	27,855
Support costs - educational operations	11,650	11,320
	41,412	39,175

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities (continued)

	2020/21 Total £ 000	2019/20 Total £ 000
Analysis of support costs		
Support staff costs	5,765	5,525
Depreciation	287	324
Technology costs	420	319
Premises costs	3,489	3,388
Legal costs - conversion/transfer	-	9
Legal costs - other	11	9
Other support costs	1,652	1,723
Governance costs	26	23
Total support costs	11,650	11,320

8 Staff

Staff costs

	2020/21 £ 000	2019/20 £ 000
Staff costs during the year were:		
Wages and salaries	22,492	20,689
Social security costs	1,984	1,882
Pension costs	6,099	5,857
Apprenticeship levy	95	89
	30,670	28,517
Agency staff costs	127	234
Staff restructuring costs	102	14
	30,899	28,765
	2020/21 £ 000	2019/20 £ 000
Staff restructuring costs comprise:		
Redundancy payments	94	-
Severance payments	8	14
	102	14

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,972 (2020: £14,352), made up of one individual payment (2020: individual payments of £10,625 and £3,727).

Staff numbers

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

	2020/21 No	2019/20 No
Charitable Activities		
Teachers	361	370
Administration and support	499	426
Management	35	41
	<u>895</u>	<u>837</u>

Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	18	14
£70,001 - £80,000	1	-
£90,001 - £100,000	2	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£130,001 - £140,000	1	1

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,488,559 (2020: £1,359,904). The average number of staff included in key management during the year was 14 (2020: 12).

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Central services

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

- Human resources
- Financial services
- Legal services
- Educational support services
- IT services
- Estate, Health & Safety services
- Capital project management
- Others as arising

The Trust charges for these services as a flat percentage of GAG income at 4%, this will rise to 5% from 1 September 2022 for secondary schools.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
South Hunsley Secondary School and Sixth Form	423	387
Hunsley Primary School	28	25
Malet Lambert School	305	294
Driffield School and Sixth Form	267	258
The Snaith School	185	179
North Cave C of E Primary School	18	15
	<u>1,226</u>	<u>1,158</u>

10 Related party transactions - trustees' remuneration and expenses

No Trustees were paid remuneration or have received other benefits from the Trust in the current year or prior year.

During the year ended 31 August 2021, travel and subsistence expenses totalling £67 (2020: £nil) were reimbursed to two Trustees (2020 - 0).

Other related party transactions involving the Trustees are set out in note 32.

11 Trustees' and officers' insurance

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 Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £637 (2020 - £564). The cost of this insurance is included in the total insurance cost.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Statement of financial activities for prior year

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	8	20	1,527	1,555
Transfer from local authority on conversion		53	(224)	15	(156)
<i>Charitable activities:</i>					
Funding for the Trust's educational operations	3	1,214	32,926	-	34,140
Teaching schools		-	287	-	287
Other trading activities	4	826	-	-	826
Investments	5	61	-	-	61
Total		2,162	33,009	1,542	36,713
Expenditure on:					
Raising funds	6	430	-	-	430
<i>Charitable activities:</i>					
Trust educational operations	7	1,524	33,695	3,956	39,175
Teaching schools	34	3	369	-	372
Total		1,957	34,064	3,956	39,977
Net income/(expenditure)		205	(1,055)	(2,414)	(3,264)
Transfers between funds		(100)	31	69	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	31	-	(1,851)	-	(1,851)
Net movement in funds/(deficit)		105	(2,875)	(2,345)	(5,115)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		4,939	(8,220)	124,260	120,979
Total funds/(deficit) carried forward at 31 August 2020		5,044	(11,095)	121,915	115,864

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Intangible fixed assets

	Computer software £ 000	Total £ 000
Cost		
At 1 September 2020	134	134
At 31 August 2021	134	134
Amortisation		
At 1 September 2020	131	131
Charge for the year	3	3
At 31 August 2021	134	134
Net book value		
At 31 August 2021	-	-
At 31 August 2020	3	3

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost					
At 1 September 2020	132,852	2,897	1,782	48	137,579
Additions	945	148	255	28	1,376
Disposals	-	(4)	-	-	(4)
At 31 August 2021	133,797	3,041	2,037	76	138,951
Depreciation					
At 1 September 2020	12,169	2,557	1,364	41	16,131
Charge for the year	2,665	130	144	9	2,948
Eliminated on disposals	-	(3)	-	-	(3)
At 31 August 2021	14,834	2,684	1,508	50	19,076
Net book value					
At 31 August 2021	118,963	357	529	26	119,875
At 31 August 2020	120,683	340	418	7	121,448

A substantial part of the site occupied by North Cave C of E Primary School is occupied under a two year rolling licence from The York Diocesan Board of Finance Limited which is not recognised in the financial statements on the basis the Trust does not have control over the associated land and buildings. The Trust has been granted a 125 lease from East Riding of Yorkshire Council for a small area of land adjoining North Cave C of E Primary School, the value of this land has not been recognised on the basis it is not material to the financial statements.

Included within leasehold land and buildings are assets in the course of construction with a total cost and net book value as at 31 August 2021 of £266,646. Assets in the course of construction are not depreciated until complete, in line with the accounting policies of the Trust. Details of committed expenditure in relation to this project are included at note 22.

Included within leasehold land and buildings are leasehold improvements with a net book value of £681,704.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Investments

The Trust owns 100% of the Ordinary shares of Education Alliance Social Value Limited, a company incorporated in England & Wales. The Trust formed Education Alliance Social Value Limited on 4th March 2019 and this was established to undertake certain non-charitable trading activities previously undertaken by the Trust. The principal activity of the company is the hosting of three Public Sector Frameworks. The income received from this is used to fund mental health and sustainability projects across the Trust. Any unused income at the end of the year is donated to the Trust through Gift Aid.

Turnover for the year ended 31 August 2021 was £448,296, expenditure was £181,362 and the profit/(loss) for the year was £266,934. The assets of the company at 31 August 2021 were £382,839, liabilities were £115,904 and capital and reserves were £266,935.

These financial statements present the information about the Trust and Education Alliance Social Value Limited as a combined entity using merger accounting as prescribed by the Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021. The income and expenditure of the company is recorded within other trading activities in these financial statements.

16 Stock

	2021 £ 000	2020 £ 000
Catering	7	6
School supplies	27	18
	<u>34</u>	<u>24</u>

17 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	235	165
VAT recoverable	305	251
Other debtors	177	274
Prepayments and accrued income	874	771
	<u>1,591</u>	<u>1,461</u>

Included within prepayments is £40,000 (2020: £40,000) relating to the notional rental expense recognised in the financial statements as a result of the licence to occupy land and buildings at North Cave C of E Primary School held by The York Diocesan Board of Finance Limited for period of at least two years.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	956	934
Other taxation and social security	513	458
Other creditors	671	615
Accruals and deferred income	1,728	642
	<u>3,868</u>	<u>2,649</u>

	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	151	273
Resources deferred in the period	402	60
Amounts released from previous periods	(151)	(183)
Deferred income at 31 August 2021	<u>402</u>	<u>150</u>

At the balance sheet date the Trust was holding funds received in advance for educational activities for the 2021/22 academic year of £66,375, rates relief of £71,464, Universal Infant Free School Meals funding of £26,584, PP TLR funding for students of £5,323, unused bursary funding of £22,652, refugee funding of £2,279 and Sports England grant funding of £10,280. The Trust has also deferred £196,811 of unspent Catch-up premium funding which will be utilised during the 2021/22 academic year.

Included within other creditors is £40,000 (2020: £40,000) relating to the notional rental expense recognised in the financial statements as a result of the licence to occupy land and buildings at North Cave C of E Primary School held by The York Diocesan Board of Finance Limited for period of at least two years.

19 Creditors: amounts falling due after one year

	2021 £ 000	2020 £ 000
Other creditors	<u>60</u>	<u>74</u>

Included within other creditors greater than one year is a loan of £60,435 (2020: £74,114) from Salix which is provided interest free, over an 8 year payback period.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	4,244	30,601	(30,116)	180	4,909
Other DfE/ESFA Grants	-	3,102	(3,102)	-	-
Catch-up premium	-	203	(203)	-	-
Other DfE/ESFA COVID-19 funding	-	223	(223)	-	-
Coronavirus Job Retention Scheme Grant	-	23	(23)	-	-
Other COVID-19 funding	-	199	(199)	-	-
Other Restricted Funds	6	1,262	(1,288)	100	80
Pension fund	(15,345)	-	(1,733)	(4,408)	(21,486)
	(11,095)	35,613	(36,887)	(4,128)	(16,497)
Restricted fixed asset funds					
DfE/ESFA capital grants	3,418	1,083	(718)	-	3,783
Other capital grants and donations	-	709	(27)	-	682
Capital expenditure from GAG	2,385	-	(120)	342	2,607
Assets inherited on conversion/transfer	112,788	-	(2,601)	-	110,187
Donated assets	3,324	-	(136)	-	3,188
Other fixed assets acquired	-	-	-	267	267
	121,915	1,792	(3,602)	609	120,714
Total restricted funds	110,820	37,405	(40,489)	(3,519)	104,217
Unrestricted funds					
Unrestricted general funds	5,044	1,734	(1,743)	(889)	4,146
Total funds	115,864	39,139	(42,232)	(4,408)	108,363

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	3,387	28,871	(27,945)	(69)	4,244
Other DfE/ESFA Grants	-	3,163	(3,163)	-	-
Other DfE/ESFA COVID-19 funding	-	8	(8)	-	-
Coronavirus Job Retention Scheme Grant	-	36	(36)	-	-
Other Restricted Funds	-	1,155	(1,249)	100	6
Pension fund	(11,607)	(224)	(1,663)	(1,851)	(15,345)
	(8,220)	33,009	(34,064)	(1,820)	(11,095)
Restricted fixed asset funds					
DfE/ESFA capital grants	2,908	1,527	(1,017)	-	3,418
Capital expenditure from GAG	2,460	-	(144)	69	2,385
Assets inherited on conversion/transfer	115,430	15	(2,657)	-	112,788
Donated assets	3,462	-	(138)	-	3,324
	124,260	1,542	(3,956)	69	121,915
Total restricted funds	116,040	34,551	(38,020)	(1,751)	110,820
Unrestricted funds					
Unrestricted general funds	4,939	2,162	(1,957)	(100)	5,044
Total funds	120,979	36,713	(39,977)	(1,851)	115,864

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2021.

Other DfE/ESFA restricted funds represent grants received from the DfE/ESFA for specific purposes. Other DfE/ESFA grants must be used for the specific for which they are given. These grants are given to fulfil the charitable objectives of the Trust.

COVID-19 catch-up premium and Other DfE/ESFA COVID-19 funds represent grant funding received from the DfE/ESFA to help pupils catch up lost time after school closure and to cover additional costs as a direct impact of the COVID-19 pandemic such as additional health and safety costs and summer school costs.

Other COVID-19 funding includes COVID-19 Mass testing funding used to fund costs incurred conducting on-site testing.

Amounts received under the Coronavirus Job Retention Scheme relates to staff costs in respect of furloughed staff.

Other restricted funds represent all other restricted funds received which must be used for the purpose intended.

Restricted pension fund relates to the deficit on the Local Government Pension Scheme.

Restricted fixed asset funds include assets inherited on conversion of Local Authority schools and transfers of existing academies into the Trust, DfE/ESFA capital grants and expenditure thereof, capital expenditure from GAG funding, donated assets under the DfE/ESFA Free Schools Building Programme and other assets acquired. These funds represent fixed assets transferred on conversion to an academy, assets inherited on the transfer of an existing academy into the Trust, assets funded by capital grants, donated assets and assets purchased from brought forward reserves.

Unrestricted general funds represent the Trusts free reserves which are not restricted for specific purposes.

During the year, the following transfers between funds occurred:

- transfers of £342,000 from General Annual Grants to the restricted fixed asset fund to cover assets purchased out of GAG funding across Trust
- transfers of £267,000 from unrestricted general funds to the restricted fixed asset fund relating to assets in the course of construction for use by the central services function for restricted purposes funded by unrestricted reserves
- transfers of £522,000 from unrestricted general funds to restricted general funds to cover and in year deficit on central services.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£ 000	£ 000
South Hunsley Secondary School and Sixth Form	4,210	3,815
Hunsley Primary School	439	440
Malet Lambert School	1,315	1,449
Driffield School and Sixth Form	1,950	2,064
Snaith School	230	125
North Cave C of E Primary School	2	41
Central Services	722	1,121
Education Alliance Social Value Limited	267	239
Total before fixed assets and pension reserve	9,135	9,294
Restricted fixed asset fund	120,714	121,915
Pension reserve	(21,486)	(15,345)
Total	108,363	115,864

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2021 £ 000	Total 2020 £ 000
South Hunsley Secondary School and Sixth Form	7,934	1,981	568	1,921	12,404	11,610
Hunsley Primary School	590	144	29	105	868	557
Malet Lambert School	5,861	1,269	519	1,166	8,816	8,486
Driffield School and Sixth Form	5,234	1,076	366	1,472	8,148	8,269
The Snaith School	3,880	897	189	666	5,631	5,501
North Cave C of E Primary School	417	141	15	116	689	722
Education Alliance Social Value Limited	-	-	-	181	181	144
Central services	1,005	471	114	955	2,545	1,683
Trust total	24,921	5,979	1,800	6,582	39,282	36,972

The analysis of central services funds and expenditure in the year includes the results of the SCITT. Separate analysis of the SCITT is provided in note 34.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	119,875	119,875
Current assets	4,203	8,426	1,273	13,902
Current liabilities	(57)	(3,377)	(434)	(3,868)
Creditors over 1 year	-	(60)	-	(60)
Pension scheme liability	-	(21,486)	-	(21,486)
Total net assets	4,146	(16,497)	120,714	108,363

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	121,448	121,448
Current assets	5,286	6,731	464	12,481
Current liabilities	(242)	(2,407)	-	(2,649)
Creditors over 1 year	-	(74)	-	(74)
Pension scheme liability	-	(15,345)	-	(15,345)
Total net assets	5,044	(11,095)	121,915	115,864

22 Capital commitments

	2021 £ 000	2020 £ 000
Contracted for, but not provided in the financial statements	1,375	-

The Trust has committed to capital expenditure in relation to a new building extension for use by the central services function. Costs incurred up to 31 August 2021 in relation to this project are included as assets in the course of construction detailed at note 14.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Commitments under operating leases

Operating leases

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

	2021 £ 000	2020 £ 000
Amounts due within one year	23	8
Amounts due between one and five years	26	2
	<u>49</u>	<u>10</u>

24 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020/21 £ 000	2019/20 £ 000
Net expenditure	(3,093)	(3,264)
Amortisation	3	42
Depreciation	2,948	2,964
Capital grants from DfE and other capital income	(1,792)	(1,527)
Interest receivable	(25)	(61)
Interest payable	26	23
Defined benefit pension scheme obligation inherited	-	224
Defined benefit pension scheme cost less contributions payable	1,461	1,432
Defined benefit pension scheme finance cost	272	231
Increase in stocks	(10)	(4)
Increase in debtors	(130)	(699)
Increase/(decrease) in creditors	1,221	(623)
Loss on disposal of tangible fixed assets	1	1
Net cash provided by/(used in) Operating Activities	<u>882</u>	<u>(1,261)</u>

25 Cash flows from financing activities

	2020/21 £ 000	2019/20 £ 000
Repayments of borrowing	<u>(16)</u>	<u>(16)</u>
Net cash used in financing activities	<u>(16)</u>	<u>(16)</u>

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Cash flows from investing activities

	2020/21 £ 000	2019/20 £ 000
Purchase of tangible fixed assets	(1,376)	(202)
Proceeds from sale of tangible fixed assets	-	5
Capital grants from DfE Group	1,083	1,527
Capital funding received from sponsors and others	71	-
Other capital grants	638	-
Interest received	25	61
Bank interest	(26)	(23)
Net cash provided by investing activities	415	1,368

27 Analysis of cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank and in hand	12,277	10,996
Total cash and cash equivalents	12,277	10,996

28 Analysis of changes in net debt

	At 1 September 2020 £ 000	Cash flows £ 000	Other non- cash changes £ 000	At 31 August 2021 £ 000
Cash and cash equivalents	10,996	1,281	-	12,277
Salix loan due within one year	(16)	16	(14)	(14)
Salix loan due within after more than one year	(74)	-	14	(60)
Total	10,906	1,297	-	12,203

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

29 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy serving notice, the Academy shall repay to the Secretary of State for Education sums determined by reference to:

- a) the value at that time of the Trusts site and premises and other assets held for the purpose of the Trust, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State for Education under the funding agreement.

30 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.

31 Pension and similar obligations

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

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

Contributions amounting to £542,585 were payable to the schemes at 31 August 2021 (2020: £503,523) and are included within creditors.

Teachers' Pension Scheme

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

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

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

31 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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 period amounted to £3,422,620 (2020: £3,269,850).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,567,000 (2020 - £1,475,000), of which employer's contributions totalled £1,220,000 (2020 - £1,157,000) and employees' contributions totalled £347,000 (2020 - £318,000). The agreed contribution rates for future years are between 17.2% and 26.8% for employers and between 5.5% and 12.5% for employees.

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

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

31 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.80	3.10
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
Retiring today		
Males	21.0	20.9
Females	23.7	23.3
Retiring in 20 years		
Males	22.2	21.8
Females	25.5	24.8

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate increase to defined benefit obligation	
	2021 £000	2020 £000
0.1% decrease in real discount rate	1,106	869
0.1% increase in salary increase rate	72	61
0.1% increase in pension increase rate (CPI)	1,020	795
Mortality assumption – 1 year increase	1,762	1,334

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

	2021 £ 000	2020 £ 000
Equities	15,565	11,879
Government bonds	4,061	2,880
Property	2,481	2,160
Cash and other liquid assets	451	1,080
Total market value of assets	22,558	17,999

The actual return on scheme assets was a gain of £3,296,000 (2020 - loss (£370,000)).

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

31 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2021 £ 000	2020 £ 000
Current service cost	2,681	2,589
Interest income	(316)	(332)
Interest cost	588	563
Total amount recognised in the SOFA	2,953	2,820

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

	2021 £ 000	2020 £ 000
At start of period	33,344	28,426
Transferred in on conversion of academies joining the Trust	-	578
Current service cost	2,681	2,589
Interest cost	588	563
Employee contributions	347	318
Actuarial loss	7,388	1,149
Benefits paid	(304)	(279)
At 31 August	44,044	33,344

Changes in the fair value of academy's share of scheme assets:

	2021 £ 000	2020 £ 000
At start of period	17,999	16,819
Transferred in on conversion of academies joining the Trust	-	354
Interest income	316	332
Actuarial gain/(loss)	2,980	(702)
Employer contributions	1,220	1,157
Employee contributions	347	318
Benefits paid	(304)	(279)
At 31 August	22,558	17,999

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

32 Related party transactions

J Sprakes, spouse of P Sprakes, a Headteacher, is employed by the Trust as a teacher. J Sprakes appointment was made in open competition and P Sprakes was not involved in the decision making process. J Sprakes is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Headteacher.

E Pipes, daughter of L Longstaff, a member of the Senior Management Team, is employed by the Trust as cleaner. E Pipes' appointment was made in open competition and L Longstaff was not involved in the decision making process. E Pipes is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the Senior Management Team.

V Loftus, spouse of J Loftus, a member of the Senior Management Team, is employed by the Trust as Deputy Headteacher of Drifffield School and Sixth Form. V Loftus' appointment was made in open competition and J Loftus was not involved in the decision making process. V Loftus is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the Senior Management Team.

During the period, the Trust procured services from The York Diocesan Board of Finance Limited totalling £1,440 (2020: £nil). The York Diocesan Board of Finance Limited is related to the Trust by virtue of its direct connection to its related undertaking The Diocese of York Educational Trust, a corporate member of the Trust. The Trust made the purchases in the ordinary course of educational operations, at arms' length and in accordance with its financial regulations. In entering into the transaction, the Trust has complied with the requirements of the Academies Financial Handbook. There were no amounts outstanding at 31 August 2021 (2020: £nil).

During the year, the Trust received Gift-Aid donations totalling £239,185 (2020: £163,943) from its 100% owned subsidiary, Education Alliance Social Value Limited. At 31 August 2021 amounts due from Education Alliance Social Value Limited amounted to £115,904 (2020: £63,162). The financial statements include the combined results of the Trust and Education Alliance Social Value Limited using merger accounting, as such the related intercompany transactions and balances have been eliminated in arriving at the net result.

There were no other related party transactions in the year. Trustees' Remuneration and expenses are already disclosed in note 10.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

33 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the Trust received £42,174 and disbursed £30,281 from the fund. An amount of £22,652 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2020 are £44,372 received, £46,155 disbursed and £10,759 included in other creditors.

The Trust also distributes ITT Bursary Grant Funds to trainee teachers as an agent for the DfE/ESFA. In the accounting period ending 31 August 2021 the Trust received £586,900 and disbursed £579,400 from the fund. An amount of £18,140 is included in creditors relating to undistributed funds that are repayable to the DfE/ESFA. Comparatives for the accounting period ending 31 August 2020 are £511,540 received, £504,400 disbursed and £10,640 included in creditors.

The Education Alliance

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

34 Teaching school trading account for SCITT

	2020/21 £ 000	2019/20 £ 000
Income		
Direct Income		
Other income	374	287
Total Income	374	287
Expenditure		
Direct costs		
Direct staff costs	229	256
Staff development	3	3
Other direct costs	109	73
Total direct costs	341	332
Other costs		
Support staff costs	37	30
Technology costs	2	-
Recruitment and support	15	2
Other support costs	5	7
Total other costs	59	39
Total Expenditure	(400)	(371)
Transfers between funds excluding depreciation	100	100
Surplus from all sources	74	16
Teaching school balances at 1 September 2020	6	(10)
Teaching school balances at 31 August 2021	80	6

35 Events after the end of the reporting period

On 22 September 2021, Howden Junior School voted to convert to academy status and join The Education Alliance. Appropriate due diligence is now taking place with a view to them joining as soon as possible.