

Selby Educational Trust

Registered number: 09950422

**Trustees' Report and Financial Statements
for the year ended 31 August 2021**

SELBY EDUCATIONAL TRUST

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SELBY EDUCATIONAL TRUST

Reference and Administrative Details

Members	J Tupper I C White Rt Rev Dr John Thomson – Bishop of Selby M Green Selby College Corporation (represented by D Kellett)
Trustees	I Clennan M Gent Rev F Loftus P S A Olbison S Pearson J Pick S Slinger A Stewart J Tupper J B Warburton I C White
Senior management team	
Chief Executive and Accounting Officer	I Clennan
Vice Chair	F Loftus (Re-Appointed 11th October 2021)
Trustee	P S A Olbison
Trustee	S Pearson
Trustee	J Pick
Trustee	S Slinger
Trustee	A Stewart
Trustee	I C White
Trustee	J B Warburton
Chair	J Tupper (Re-Appointed 11 th October 2021)
Company secretary	P S A Olbison
Company registered number	09950422 (England and Wales)
Registered office	Abbot's Road Selby North Yorkshire YO8 8AT
Independent auditors	Mazars 5th Floor 3 Wellington Place Leeds LS1 4AP
Bankers	Lloyds Bank plc 5 Market Place Selby North Yorkshire YO8 4NT

SELBY EDUCATIONAL TRUST

Reference and Administrative Details (Continued)

Solicitors

Stone King LLP
4th Floor
One Park Row
Leeds
LS1 5HN

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021

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

The academy trust currently operates two primary academies. Selby Community Primary School joined the trust on 1st December 2017. Selby Community Primary School provides education to pupils aged 2 to 11 serving a catchment area in Selby District. It has a pupil capacity of 420 and a roll of 369 (Summer 2021).

Selby Community Primary school is a designated National Support School and supports schools in order to improve the quality of education for their pupils.

Carlton Primary School joined the trust on 1st January 2021 as a converter academy. Carlton Primary School has a pupil capacity of 196 and a roll of 151 (Summer 2021)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of Selby Educational Trust are the directors of the charitable company for the purposes of company law. The charitable company is known as Selby Educational Trust (SET). Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or trust in relation to the affairs of the Trust.

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of Trust which by virtue of any law would otherwise attach to them. This is in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Trust.

Method of recruitment and appointment or election of Trustees

The Trust has eleven trustees as shown on page 1. Trustees are appointed as set out in the Articles of Association.

Policies and procedures adopted for the induction and training of Trustees

All Trustees are provided with copies of the DfE Governors' Handbook on appointment. When new Trustees are appointed, an analysis of the requirements of their role and their current skills determines their induction process. The induction process is outlined in the Governance Handbook.

All trustees are provided with the Trust handbook which encompasses the ESFA latest Academy handbooks and other documents they require to undertake their role effectively as trustees.

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy to publish information on facility time arrangements for trade union officials at the Academy.

Relevant union officials

Numbers of employees who were union officials during the relevant period	FTE employee number
Ø	Ø

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	Ø
Total pay bill	£2,349,488
Percentage of total bill spent on facility time	Ø

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	Ø
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Organisational structure

During the year the organisational structure of the Trust consisted of 2 levels: the Trust Members and the Board of Trustees.

The Board of Trustees of the Trust shall hold a minimum of three meetings in every school year, including the annual general meeting (AGM).

The ultimate role of the Trust is:

- to be ultimately accountable and responsible for all decisions regarding the strategic running of the Trust and the individual schools within it;
- to have oversight of the curriculum, standards, progress and outcomes across the Trust and the individual schools;
- to have oversight of finances and risk management of the Trust and the individual schools.

The Trust Board of Directors is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions by addressing such matters as policy and strategy development, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the strategic direction of the Trust and senior staff appointments.

The Trust Board's responsibilities are:

1. To provide strategic direction for the Trust including the addition of other new Academies
2. To provide strategic vision and support for school improvement across the Trust
3. To monitor the effectiveness of the Academy Trust's support arrangements and to ensure that the Academies are satisfied with the support and that they are getting value for money
4. To appoint and performance manage Academy Principals, Local Governing Bodies and Interim Executive Boards where deemed necessary
5. To ensure financial accountability to the Department for Education and within the Academies is secure

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

Organisational structure (continued)

At the Academy level, there are Local Governing Bodies (LGB). The main roles and responsibilities are:

1. Help set high standards by planning for the future and setting targets for school improvement
2. Maintain and further develop school improvement
3. Support the Headteacher to respond to the needs of parents and the community
4. Support and engage with the local community
5. Not intervene in the day-to-day management of the school unless there are weaknesses in the school, when it then has a duty to take action.

The Trustees ensure that where items of strategic importance which may overlap, consideration is given in order that an aligned view is taken prior to final consideration and sign off by the Board.

Trustees may delegate matters in relation to the remuneration of Trustees and Officers to the Chief Executive Officer.

Arrangements for setting pay and remuneration of key management personnel;

The Trustees determined its key management personnel as the members of the Trust Board led by its Chief Executive Officer. The Trust Leadership Team has authority and responsibility for (directly or indirectly) planning, directing and controlling the activities of the Academy Trust.

The Academy Trust appointed a Chief Executive and Accounting Officer effective from the 1st February 2017. The post was a Trustee appointment and its remuneration agreed by the Academy Trust Board.

Organisational Structure Roles

The role of the Trust is:

- To be ultimately accountable and responsible for all decisions regarding the strategic running of the Selby Educational Trust and the individual schools within it
- To have oversight of the curriculum, standards, progress and outcomes across the trust and the individual school
- To have oversight of finances and risk management of the trust and the individual school

The role of each LGB is to:

- Ensure clarity of vision, ethos and strategic direction at each school
- Hold Headteachers to account for the educational performance of the school and its pupils, and the performance management of staff
- Oversee the financial performance of the school and making sure its money is well spent
- Advise the Board as required.

The Scheme of Delegation framework sets out the responsibilities of the key roles in relation to each school within the Trust and is reviewed annually. In February 2019 the scheme of delegation was updated to ensure clear levels of delegation were evident between Trustees and Governors.

The Board of Trustees are able to delegate identified functions to any Trustee, committee (including any Local Governing Body), or any other holder of an executive office, to the extent of power or function which they consider desirable to be exercised by them. Any such delegation shall be made subject to any conditions the Trustees may impose, and may be revoked or altered. The Trustees shall appoint Head teachers of the participating schools. The Trustees may delegate such powers and functions as they consider are required to the Chief Executive Officer and the Headteachers for the internal organisation, management and control of the Schools (including the implementation of all policies approved by the Trustees and for the direction of the teaching and curriculum at the Schools).

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

Organisational Structure Roles (continued)

The Board of Trustees are responsible for ensuring that high standards of corporate governance are maintained. It should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the schools within the Trust.

The Local Governing Body is able to delegate identified functions to a committee; where decisions have been delegated these must be reported back to the next Local Governing Body meeting. It is essential that the Local Governing Body delegate sufficient powers to the Headteacher so that they can manage the school effectively. The Board / Local Governing Body delegates general responsibility to incur financial commitments and expenditure in accordance with the approved budget plan and financial regulations.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONS

Related Parties and other Connected Charities and Organisations

Selby Educational Trust was formed in January 2016 and sponsored by Selby College which is a Provider of Further Education and a completely separate entity. The Trust is responsible and accountable for the performance of its academies and has a funding agreement with Education & Skills Funding Agency. Selby College has supplied a range of support services to Selby Educational Trust during the financial year and these have been chargeable at cost.

OBJECTIVES AND ACTIVITIES

The objectives of the Trust are:

To advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

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 objectives of improving the condition of life of the said inhabitants.

Strategic Objectives

The Board of the SET will pursue fulfilment of its vision and mission by focusing on core strategic objectives, measured consistently and annually against a set of core data baselines.

These core objectives are:

- To be transformational and expect outstanding academic achievement and success.
- To set aspirational targets for all.
- To engage and inspire all learners.
- To transform pupil, family & community attitudes to be truly aspirational & fully supportive of their schools.
- To maintain high expectations and a rigorous process of scrutiny at every level.
- To work with all local early years and secondary settings to ensure smooth transition and maximise outcomes.
- To create a culture of challenge, support, mutual benefit and high expectations so that the SET academies are schools that people of all ages are proud to be identified with and others will want to join.

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

Strategic Objectives (continued)

- Engage rapidly with under-performing schools and accelerate the process of their conversion to academies.
- Put in place immediately essential support systems and processes.
- Diagnose speedily the causes of under-performance in the schools it is to sponsor.
- Within a short space of time, set challenging but realistic improvement targets.
- From day one of the commencement of sponsorship seek to generate savings to be reinvested in frontline teaching leading to increased pupil progress and attainment.
- Draw on the support and expertise of SET stakeholders and partners to enhance improvement.
- Establish high quality support services which will enable school staff to concentrate on delivering educational excellence.
- Staff development will be at the heart of our work.

Good progress has been made towards achieving these objectives during the year.

Public benefit

The Trustees have reviewed the outcome and achievements of the Trust's objectives and activities for the year to ensure they remain focused in the charitable aims and activities to deliver benefits to the public. They have also had due regard to public benefit guidance as published by the Charity Commission.

STRATEGIC REPORT

Achievements and performance

The Trust was incorporated on 13 January 2016 with the immediate objective of setting up an academy trust. The Trust received a grant in April 2016 from the Department of Education for this purpose. In the period to 31 August 2021 all activities continued to be geared towards achieving this objective, with significant marketing and promotion of the Selby Educational Trust to local schools.

Selby Community Primary School being the first school to join the Trust converted on 1st December 2017. Other schools in the local area, are at varying stages in assessing the benefits of becoming an academy.

Carlton Primary School (formerly Carlton-in-Snaith Primary School) joined the trust on 1st January 2021. Prior to conversion leaders were working closely with Selby Educational Trust to accelerate school improvement and curriculum developments. Since conversion extensive support has been provided to ensure there is a strong, robust and well-sequenced curriculum in place across the school. Financial support has been given to provide future budget stability so that the academy can live within its budget.

Selby Community Primary School continues to perform well against Selby Educational Trust measures. During the year the school was awarded the NTP Tuition Partners Research Champion status, meaning that the school engagement with the national tutoring programme following the start of the Covid-19 pandemic.

Pupils across Selby Educational Trust were making progress from their different starting points during the course of the year. Due to Covid-19 all national assessments were suspended and there is no comparative outcomes data for 2020/2021.

Covid-19

Covid-19 continued to present problems for both schools this year. The lockdown in spring of 2021 resulted in more children educated in schools with the uptake far stronger than in March 2020. Leaders adapted the curriculum plans and examined their key concepts to ensure that any gaps in learning were carefully tracked. Subsequent planning for 2021/22 reflected the need to change the curriculum to ensure that key knowledge is known and remembered over time. Additional funding is well used by both schools to ensure that interventions are timely and reflect the needs of the different pupils.

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

STRATEGIC REPORT (continued)

Staff across the trust adapted well to the new ways of learning. Additional support has been provided by Google Education and the Ed Tech demonstrator scheme. This support and training will continue into the new academic year so that technology can be used to enhance future learning in terms of retrieval practice, quizzing and reducing staff workload.

The trust has also successfully introduced some networks to improve performance. The SEND network has been set up to ensure close working and moderation of progress for SEND pupils across Selby Educational Trust. Governors and Trustees are also invited to take part in these groups. A Chairs network began and there are future plans for a research network to ensure the latest research informs teaching and learning.

Selby Educational Trust has embedded risk management processes and robust financial management in place, facilitating our ability to act rapidly in response to Covid 19 related risks and deliver a financial surplus of £221k from our operations, prior to FRS102 Local Government pension notional operating expense of £178k, opening academy conversion income of £1,246k, capital grants income of £14k and depreciation expense of £167k.

Reserves policy

Principles

- Broadly speaking, schools should spend the income they receive, on the education of the cohorts of students in the school at that time
- All schools should hold some cash in reserve, but these reserves should be neither too high nor too low. Our schools are not standalone academies and being part of a trust keeps them safe.

Approach

- In the approach below, the board have set an upper and lower acceptable level for cash reserves per student. The limits have been set based on the Trusts appetite for reserves and comparing to current national benchmarks.
- Where reserves go above the upper limit of £1,300 per student, the excess will be pooled in a Trust Improvement Fund. Where reserves go below the lower limit of £750 per student, the school will be required to have a budget plan for how it will achieve a minimum acceptable level.
- All trust central services are about school improvement and schools make an annual contribution (through their head office recharge) to access a quality and level of support they could not otherwise afford.
- Where the Trust Head Office has an excess in cash reserves,(cash balances at year end above £30k) the excess amounts will be moved to the Trust Improvement Fund.
- Reserves pooled within the Trust Improvement Fund will be spent in such a way that will benefit and make use of the funds available in order to better perform within the community we serve and create an improved learning environment for the pupils the Trust services.

Funds Held

The need for day-to-day working capital is met by careful management of short-term liquid resources. The educational obligations that the Academy Trust has on a day to day basis are funded from restricted reserves that were provided for this purpose. The Trustees need to ensure that the Academy has sufficient working capital to cover delays between receipt of grants and spending. At 31 August 2021, the Academy Trust's current level of general reserves (Restricted and Unrestricted reserves excluding Fixed Asset and Pension Funds) is £674,219 (2020 £471,484).

The restricted fixed asset fund has a value of £3,937,356 as at 31 August 2021, the value of this fund will only be realised when disposing of tangible fixed assets.

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

STRATEGIC REPORT (continued)

The Trust is currently recognising a pension fund deficit of £1,369,000 (2020 £1,039,000) trustees understand, that the deficit does not mean an immediate liability for this amount crystallises. The Trustees believe that this funding calculation, which can vary considerably between surplus and deficit according to the assumptions used and market valuations at each period-end, has no material effect on the Trust's cash flows in the short term, but that, in the longer term, its effects might prove challenging. The FRS102 local government pension valuations, is a national issue and continues to have an impact on the entire education sector.

Fundraising

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

Going concern

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

Cash Management is robust with regular review and planning of investment deposits and potential returns. The Trust has a detailed monthly cashflow forecast which is used to monitor headroom and make decisions on whether or not the Trust is going to place funds on deposit. This allows appropriate monitoring of cash in the future to ensure adequate headroom is maintained.

The Trusts prior growth plans in relation to the new Early Years Building have now been completed which helps to maintain and secure its long term financial viability through diversification and growth.

The Going Concern concept has been fully explored within the governors' report and Selby Educational Trust is confident that the Trust has the required resources.

Financial review

The Trustees period is from September 2020 to August 2021.

Most of the Academy income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Academies also receive grants for their major assets from the ESFA and via the Local Authorities. In accordance with the Charities Statement of Recommended Practice, 'Accounts and Report by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities (SOFA), as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. The financial results were as expected.

During the year ended 31 August 2021, total expenditure of £3,041k (2020 £2,275k) was met by recurrent grant funding from the ESFA, other incoming resources and funding carried forward from the previous year. The surplus of income over expenditure for the year was £1,136k with other recognised gains being £48k, totalling a net movement in funds of £1,184k. The Academy Trust understands that its biggest expense is staff costs and that this must be carefully monitored. The Academy 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 £2,349k being 56%.

The total overall cumulative reserves for the year ended 31 August 2021 are £3,243k.

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

Financial review (continued)

At 31 August 2021 the net book value of tangible assets was £3,937k (2020 £2,626k) and movements in Tangible Fixed Assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services for the pupils of the academies within the Trust.

The Academy Trust produces monthly management accounts which include budget to actual reports to monitor its on-going progress against target. For the year ended 31 August 2021, the financial results were as expected. During the year income totalling £4,177,231 was received (2020 - £2,255,999).

Expenditure in the year supported the key objectives of the Trust, with budgets being set in line with operational requirements that supported these. In the course of the year the academies have continued to refine the staffing structure required to deliver their objectives within the funding available.

Key Performance Indicators

The Academy Trusts' Medium Term Business Plan 2017-2021 includes several financial key indicators (KPIs). In summary, the main KPIs are:

1. The Academy Trust is compliant with statutory and ESFA audit requirements which have been achieved.
2. Annual accounts meet regulatory standards and accurately report and forecast financial positions of the Academy Trust. The Trust draft statements, to be considered by Trustees, have achieved this.
3. Student forecasts are accurate.
4. Academy financial management meets probity and regularity standards whilst achieving value for money.

The KPIs are assessed and reviewed against a number of supporting objectives and measures of success. The 2020/21 KPIs will be considered and shared with Trustees during 2020/21.

Achievements Performance and key performance indicators

There is no national performance indicators available for 2020/2021 due to Covid-19.

Plans for future periods

In the immediate future, the Trust will continue the process of growth and development. The objective is to develop a Multi-Academy Trust of local schools that aims to develop each child to increase their learning potential by helping them to succeed in each of their subjects; build their levels of motivation and confidence and raise their aspirations to progress to higher levels of study.

During the academic year Trustees worked with external partners to review the mission, vision and values of the trust. This in turn has led to a new trust 5 year strategy which is to be approved in September 2021. Alongside this plan will be a 12 month development plan which will drive further improvements in Selby Educational Trust, including a governance review and seeking permission to become self-sponsored.

Principal risks and uncertainties

Risk Management

Trustees recognise and support fully the need for informed and effective systems of financial review and risk management. In summary the key risks identifiable include:

Educational standards

Health & safety/safeguarding

Governance and Leadership

Resources – Finance (including Value for Money) and Human Resources

Resource – Academy leadership and effective governance

The Trustees have introduced systems and internal financial controls in order to minimise risk. The Academy Trust has a Risk Register, which records and summarises the main large-scale offensive and systematic risks to the Trust with safeguarding being the underlying principle of assessment. This is reviewed and updated by

SELBY EDUCATIONAL TRUST

Trustees' Report for the year ended 31 August 2021 (continued)

the Trust Audit Committee and Trust Board. The Trustees have assessed the major risks to which the Trust is exposed.

In order to effectively manage these risks the Trust's board of Trustees are accountable for overseeing the implementation of the Risk Management Policy and ensuring the management:

- establishes clear roles, responsibilities and reporting lines for risk management;
- provides a framework for recording and reviewing potential risks and associated actions;
- reinforces the importance of effective risk management by offering training, good practice, and other support

The Accounting Officer is responsible for embedding the risk management culture across the Trust that encourages the identification and management of risk.

The Trustees have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to the operational areas of the Trust and its finances.

Auditor

Mazars has indicated its willingness to continue in office.

Disclosure of information to auditors

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 been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors on 15 December 2021 and signed on its behalf by:

Jane Tupper

Jane Tupper (Dec 17, 2021 09:29 GMT)

J Tupper
Chair

SELBY EDUCATIONAL TRUST

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day to day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Selby Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body 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 seven times during the year. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
I Clennan	6	6
M Gent	5	6
F Loftus	3	6
P S A Olbison	5	6
S Pearson	4	5
J Pick	4	6
S Slinger	6	6
A Stewart	6	6
J Tupper	6	6
J B Warburton	5	6
I C White	5	6
In attendance		
T Searle	4	6

Strategic role

- Consider impact of changes in policy by government, DFE, ESFA and Ofsted and formulate the Academy Trust's responses to the policies.
- Formulate outline strategies, policies and plans for the Trust overall i.e consider and agree strategic objectives
- Consider and approve which requests for schools to join the Trust should be agreed in outline and then receive and approve detailed business cases/due diligence information prior to formal agreement for new academies to join the Trust, Once reviewed by the Audit Committee agree major restructures of academies / groups of academies within the Trust to ensure the strategic impacts of these are fully considered prior to implementation
- Agree all matters in relation to the remuneration of Trustees and Officers that are not delegated to the Chief Executive by the Board /Scheme of Delegation
- Agree the communications and recruitment strategies for the Trust.

SELBY EDUCATIONAL TRUST

Governance Statement (continued)

Governance Reviews

A review of Governance took place in the year and at the point of signing the financial statements concluded with a report to the Trust Board. The review recommended:

- The Trust has completed a review of the mission, vision, values and strategic objectives as part of its ongoing cycle of self-review, continuous improvement and development
- The Trust is currently undergoing an external review of governance with the NGA to ensure governance practices and processes are robust, compliant and scalable in preparation for continued growth
- The membership of the Governing body has been strengthened with 1 new Trustee joining as a specialist in the areas of Special Educational Needs and School Governance to ensure that the Trust has the ability to accommodate further schools joining the Trust.
- The Trust is in the process of an annual skills audit of its governors to ensure we continue to identify and address any skills gaps
- The Trust has established Finance and Standards Committees to support the SET Board in ensuring systems of control are robust
- The committees across the Trust have been reviewed and the Terms of References have been amended where necessary to allow a more focussed approach to Trust governance going forward. The Trust has actively recruited onto the Board and reviewed the make-up and skills of the various sub-committees to improve Trust Governance going forward.

Finance role

- Consider/approve Trust/Academy annual budgets and three year plans making recommendations where necessary
- Consider/approve Trust/Academy capital funding
- Hold Academy Principals and Chairs of Governing Boards to account for financial planning and performance
- Recommend to the Trust, the adoption of a three-year business plan and annual budgets
- Review arrangements for securing value for money, solvency and safeguarding of assets
- Investigate, or commission investigations into variations in financial performance from budgeted targets
- Consider in details reports from the Chief Executive on issues related to assets, liabilities and capital.

Scrutiny role

- Maintain an overview of the Trust's performance management arrangements
- Review selected aspects (both policy development and operation) of the Trust's programmes of improvement
- Review selected aspects of the Trust's systems and organisational effectiveness
- Consider the progress in implementing the Trust's three year business plan against the measures of success
- Review progress on recommendations made.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is as follows:

Overall

- Maintain an oversight of the Trust's governance, risk management, internal control and value for money (vfm) framework. It will report its findings annually to the board and the Chief Executive as a critical element of the Trust's annual reporting requirements.
- The Audit Committee has no executive powers or operational responsibilities/duties.

SELBY EDUCATIONAL TRUST

Governance Statement (continued)

Internal Control

The Committee shall ensure that the internal control systems, including audit activities, of the Trust is monitored actively, independently and objectively in order to:

- Improve the effectiveness of the Trust's internal controls
- Reinforce the independence and effectiveness of the internal controls
- Provide a sounding board for Trust management on issues of concern in connection with the Trust's internal control systems
- Advise on the reliability of the Trust's information systems and processes
- Review Trust financial statements and budgets (Revenue and Capital)
- Advise the Trust Board on the appointment of external auditors and providers of key financial systems ie Bank and General Ledger
- Approve / consider procurement recommendations in line with Financial Regulations
- Underpin the objectivity and independence of the external auditors
- Increase stakeholder confidence in the objectivity and fairness of the Trust's financial reports and in the quality of the Trust's corporate governance
- Provide a medium of communication from the Trust's auditors to the Trust which is seen to be independent of Trust management
- Ensure that financial transactions are undertaken in accordance with the Trust's financial regulations.

Risk Management and Value for Money Framework

- To act as the Trust's Risk Management Group
- Report on value for money of the Trust on a regular basis taking into account relevant comparators, review the timeliness of, and reports on, the effectiveness of corrective action taken by the Trust's management
- Review and approve the statements to be included in the annual report concerning internal controls and risk management, prior to consideration by the board
- Receive reports from external bodies for example the Education & Skills Funding Agency and National Audit Office, and consider any issues raised along with management responses and action plans
- Review the Trust's codes of conduct, ethics and related corporate responsibility policies and how these are communicated and monitored
- To review staff pension arrangements

Whistleblowing

- Review the adequacy and security of the Trust's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

Attendance at Audit & Risk Committee meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
F Loftus	4	4
D Kellett	4	4
S Slinger	4	4
In attendance		
I Clennan	4	4
N Holmes	4	4
P S A Olbison	1	4
T Searle	3	4

SELBY EDUCATIONAL TRUST

Governance Statement (continued)

Attendance at Finance Committee meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
I White	2	2
A Stewart	2	2
J Warburton	1	2
In attendance		
I Clennan	2	2
N Holmes	2	2
P S A Olbison	2	2
T Searle	2	2

Attendance at Standards Committee meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
S Pearson	2	2
A Stewart	2	2
J Tupper	2	2
In attendance		
I Clennan	2	2
T Searle	2	2

Review of value for money

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

The Accounting Officer considers how the Academy Trusts 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, using benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value money during the year by:

- Utilising Selby College resources to procure items
- Aligning policies, procedures, systems and contracts wherever possible within the Academy Trust
- Continually reviewing staffing costs as a percentage of income.

During the period, the Trust has used its resources effectively to sponsor the first school in line with the terms set out by the Department of Education, ensuring value for money.

The purposes of the system of internal control

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

SELBY EDUCATIONAL TRUST

Governance Statement (continued)

Capacity to handle risk

The Board of Trustees will review the key risks to which the Trust is exposed together with the operating, financial and compliance controls that will be 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 2020 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 will be 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 will include:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews of reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- clearly defined purchasing;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided the costs would outweigh the benefits. However, the Trustees have utilised Selby College finance staff to carry out an internal audit role. Selby College finance staff carrying out these reviews are highly experienced qualified accountants with particular strengths in public finance. The role includes at arms' length advice on financial matters and performing a range of checks on the academy trust's financial systems. They report to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. There are no material control issues arising and no remedial action is required.

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

- Testing of purchase systems
- Testing of payroll systems
- Testing of control account/bank reconciliations
- Testing of sales systems

On a quarterly basis, the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Initial scrutiny has been undertaken in the areas of payroll, purchase ledger, sales ledger and bank reconciliations, with an evidence based report provided to the Audit Committee.

Selby College provided support services to the Trust and its Academy in the areas of finance, procurement, network services marketing and estates during the financial year and tested various areas such as payroll and purchase ledger systems and processed items.

Audit Committee reports through to the SET Board of Trustees on the operation of the systems of control and on discharge of the Board of Trustees financial responsibilities.

SELBY EDUCATIONAL TRUST

Governance Statement (continued)

Review of effectiveness

The accounting officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

Review of effectiveness

The Accounting Officer has been advised of the implications of the review of the system of internal control by the audit committee, and plan to address weaknesses and ensure continuous improvement of the system in place.

New academies in the period

The board of Trustees have carefully considered the internal control systems that are now in place within the newly joined academy Carlton Primary School and deem them to be appropriately robust. On joining Selby Educational Trust the existing internal controls used by the Trust and Selby Community Primary School were adopted and maintained by Carlton Primary School. Regular Internal audit scrutiny reports have been produced and no material errors noted.

- Ahead of their conversion to the Trust Carlton Primary School's risks were considered by the board and several committees. The main risks were around financial planning and curriculum outcomes. Each risk was carefully mapped out ahead of conversion and mitigations put in place that have been monitored through regular support plans throughout the year. By the end of the financial year, SET had aligned the budget and reduced the financial concerns.

Approved by order of the Board of Trustees on the 15 December 2021 and signed on its behalf by:

Jane Tupper

Jane Tupper (Dec 17, 2021 09:29 GMT)

J Tupper
Chair



I Clennan
Accounting Officer

SELBY EDUCATIONAL TRUST

Statement on Regularity, Propriety and Compliance for the year ended 31 August 2021

As accounting officer of Selby Educational Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



I Clennan
Accounting Officer

15 December 2021

SELBY EDUCATIONAL TRUST

Statement of Trustees' Responsibilities for the year ended 31 August 2021

The Trustees (who are also the directors of Selby Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

Approved by order of the members of the Board of Trustees on the 15 December 2021 and signed on its behalf by:

Jane Tupper

Jane Tupper (Dec 17, 2021 09:29 GMT)

J Tupper
Chair

SELBY EDUCATIONAL TRUST

Independent auditor's report to the members of Selby Educational Trust

Opinion

We have audited the financial statements of Selby Educational Trust ("the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Selby Educational Trust Selby Educational Trust' affairs 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 charitable company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors 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.

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 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 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.

SELBY EDUCATIONAL TRUST

Independent auditor's report to the members of Selby Educational Trust (continued)

Other information (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 19, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

SELBY EDUCATIONAL TRUST

Independent auditor's report to the members of Selby Educational Trust (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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

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

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

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

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

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

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

SELBY EDUCATIONAL TRUST

Independent auditor's report to the members of Selby Educational Trust (continued)

Use of the audit report

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

Mazars LLP
Mazars LLP (Dec 20, 2021 10:33 GMT)

Dec 20, 2021

Shaun Mullins, (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place

Leeds

LS1 4AP

SELBY EDUCATIONAL TRUST

Independent Reporting Accountant's Assurance Report on Regularity to Selby Educational Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 19 October 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Selby Educational Trust 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 Selby Educational Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Selby Educational Trust and the ESFA those matters we are required to state to it 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 Selby Educational Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Selby Educational Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Selby Educational Trust's funding agreement with the Secretary of State for Education dated 22 February 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

SELBY EDUCATIONAL TRUST

Independent Reporting Accountant's Assurance Report on Regularity to Selby Educational Trust and the Education & Skills Funding Agency (continued)

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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 period 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.

Mazars LLP
Mazars LLP (Dec 20, 2021 10:33 GMT)

Dec 20, 2021

MAZARS LLP

Reporting Accountant

Mazars LLP

SELBY EDUCATIONAL TRUST

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	782	-	13,816	14,598	91,124
Donations - School transferred in from local authority	2	117,882	(199,800)	1,446,210	1,364,292	-
Charitable activities:						
Funding for the academy trust's						
educational operations	3	-	2,645,957	-	2,645,957	2,090,683
Other trading activities	4	152,206	-	-	152,206	71,859
Investments	5	179	-	-	179	2,332
Total		271,048	2,446,157	1,460,026	4,177,231	2,255,998
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	172,696	2,701,332	167,036	3,041,064	2,274,601
Total		172,696	2,701,332	167,036	3,041,064	2,274,601
Net (expenditure) / income		98,352	(255,175)	1,292,990	1,136,168	(18,602)
Transfers between funds		-	(18,242)	18,242	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	23	-	47,800	-	47,800	(2,000)
Net movement in funds		98,352	(225,617)	1,311,232	1,183,968	(20,602)
Reconciliation of funds						
Total funds brought forward		319,232	(886,748)	2,626,124	2,058,608	2,079,210
Total funds carried forward		417,584	(1,112,365)	3,937,356	3,242,576	2,058,608

SELBY EDUCATIONAL TRUST

Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account) for comparative purposes

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020	Total 2019
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	6,449	-	84,675	91,124	1,605,701
Donations - School transferred in from local authority	2	-	-	-	-	-
Charitable activities:						
Funding for the academy trust's						
educational operations	3	-	2,090,683	-	2,090,683	1,922,028
Other trading activities	4	71,859	-	-	71,859	112,622
Investments	5	2,332	-	-	2,332	2,658
Total		80,641	2,090,683	84,675	2,255,999	3,643,008
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	66,503	2,047,612	160,486	2,274,601	2,233,289
Total		66,503	2,047,612	160,486	2,274,601	2,233,289
Net (expenditure) / income		14,138	43,071	(75,811)	(18,602)	1,409,719
Transfers between funds		-	(375,956)	375,956	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	23	-	(2,000)	-	(2,000)	(337,000)
Net movement in funds		14,138	(334,885)	300,145	(20,602)	1,072,719
Reconciliation of funds						
Total funds brought forward		305,094	(551,863)	2,325,979	2,079,210	1,006,491
Total funds carried forward		319,232	(886,748)	2,626,124	2,058,608	2,079,210

SELBY EDUCATIONAL TRUST

Balance Sheet as at 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11	3,937,356	3,937,356		2,626,124
Current assets					
Debtors	12	79,640		80,441	
Cash at bank and in hand		<u>877,077</u>		<u>551,966</u>	
		956,717		632,407	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(264,739)</u>		<u>(140,432)</u>	
Net current assets			<u>691,978</u>		<u>491,975</u>
Total assets less current liabilities			<u>4,629,334</u>		<u>3,118,099</u>
Creditors: Amounts falling due after more than one year			<u>(17,759)</u>		<u>(20,491)</u>
Net assets excluding pension liability			<u>4,611,575</u>		<u>3,097,608</u>
Defined benefit pension scheme liability	23		<u>(1,369,000)</u>		<u>(1,039,000)</u>
Total net assets			<u>3,242,575</u>		<u>2,058,608</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	14	3,937,356		2,626,124	
. Restricted income fund	14	256,635		152,252	
. Pension reserve	14	<u>(1,369,000)</u>		<u>(1,039,000)</u>	
Total restricted funds			2,824,991		1,739,376
Unrestricted income funds	14		<u>417,584</u>		<u>319,232</u>
Total funds			<u>3,242,575</u>		<u>2,058,608</u>

The financial statements on pages 26 to 50 were approved by the trustees, and authorised for issue on 15 December 2021 and are signed on their behalf by:



Ian Clennan
Trustee

SELBY EDUCATIONAL TRUST

Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	16	239,110	401,560
Cash funds transferred on school joining	18	117,882	-
Cash flows used in investing activities	19	(31,880)	(458,299)
Change in cash and cash equivalents in the reporting period		<u>325,112</u>	<u>(56,739)</u>
Cash and cash equivalents at 1 September 2020	21	551,965	608,704
Cash and cash equivalents at the 31 August 2021	21	<u>877,077</u>	<u>551,965</u>

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021

1 Statement of Accounting Policies

General information

Selby Educational Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of the principle place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

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 academy 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Selby Educational Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1.

School transfer

The net assets transferred from the maintained school, Selby Community Primary School to the academy trust have been valued at their fair values. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations- transfer to the Academy trust in the Statement of Financial Activities and analysed under restricted funds, restricted general funds and restricted fixed asset funds.

Going concern

The Trustees assess whether the use of going concern is appropriate. This is whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

1 Statement of 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 entitlement of receipt, 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

Other Income

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

Donated goods, facilities and services

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

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

1 Statement of Accounting Policies (continued)

Donated fixed assets

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

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold buildings	Over the term of the lease
Leasehold buildings	10 to 50 years straight line
Computer hardware	4 years straight line
Fixtures and fittings	5 years straight line

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

1 Statement of Accounting Policies (continued)

Tangible fixed assets (continued)

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

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.

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.

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

1 Statement of Accounting Policies (continued)

Taxation

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

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

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS')

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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

1 Statement of 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 Education and Skills Funding Agency and North Yorkshire County Council.

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.

Local Government Pension Scheme (North Yorkshire Pension Fund)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technology advancements, future investments, economic utilisation and the physical condition of asset

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

2 Donations and capital grants	Unrestricted	Restricted	Total	Total
	Funds	Funds	2020/21	2019/20
	£	£	£	£
Capital grants	-	13,816	13,816	74,925
Other Donations	782		782	
Schools transferred in from local authority:				
Fixed assets		1,446,210	1,446,210	-
Donations	117,882	-	117,882	16,199
Net defined benefit liability		(199,800)	(199,800)	-
	<u>118,663</u>	<u>1,260,226</u>	<u>1,378,889</u>	<u>91,124</u>

3 Funding for the Academy Trust's Educational Operations	Unrestricted	Restricted	Total	Total
	Funds	Funds	2020/21	2019/20
	£	£	£	£
DfE / EFA grants				
. General Annual Grant (GAG)	-	1,884,435	1,884,435	1,467,399
. Other DfE/EFA grants				
UFSM		58,955	58,955	32,768
Pupil Premium		224,750	224,750	193,347
Others	-	237,431	237,431	170,906
	-	<u>2,405,570</u>	<u>2,405,570</u>	<u>1,864,420</u>
Other Government grants				
. Local authority grants	-	179,112	179,112	226,263
Exceptional government funding				
Other Coronavirus funding	-	61,275	61,275	-
	-	<u>2,645,957</u>	<u>2,645,957</u>	<u>2,090,683</u>

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

4 Other Trading activities	Unrestricted	Restricted	Total	Total
	Funds	Funds	2020/21	2019/20
	£	£	£	£
Educational Visits Income	16,136	-	16,136	2,536
Income from facilities and Services	136,070	-	136,070	69,323
	<u>152,206</u>	-	<u>152,206</u>	<u>71,859</u>

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

5 Investment income	Unrestricted	Restricted	Total	Total
	Funds	Funds	2020/21	2019/20
	£	£	£	£
Interest received	179	-	179	2,332
	<u>179</u>	<u>-</u>	<u>179</u>	<u>2,332</u>

6 Expenditure	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2020/21	2019/20
	£	£	£	£	£
Expenditure on raising funds		-		-	-
Academy's educational operations:					
. Direct costs	1,979,767	-	25,807	2,005,574	1,589,625
. Allocated support costs	369,721	68,140	597,628	1,035,490	684,976
	<u>2,349,488</u>	<u>68,140</u>	<u>623,435</u>	<u>3,041,064</u>	<u>2,274,601</u>

Net income/ (expenditure) for the year includes:	Total	Total
	2020/21	2019/20
	£	£
Depreciation	167,036	160,486
Net interest on the defined benefit pension liability	19,000	17,000
Fees payable to auditor for:		
- audit	14,390	9,990
- other services	4,550	2,970

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

7 Charitable Activities

	Total 2019/20 £	Total 2018/19 £
Direct costs – educational operations	2,005,574	1,589,625
Support costs – educational operations	1,035,490	684,976
	3,041,064	2,274,601

Analysis of support costs

	Educational operations £	Total 2020/21 £	Total 2019/20 £
Support staff costs	369,721	369,721	273,710
Depreciation	167,036	167,036	160,486
Premises costs	68,140	68,140	52,705
Other support costs	411,652	411,652	185,114
Governance costs	18,940	18,940	12,960
Total support costs	1,035,490	1,035,490	684,976

8 Staff

a. Staff costs

Staff costs during the year were:

	Total 2020/21 £	Total 2019/20 £
Wages and salaries	1,653,341	1,325,819
Social security costs	139,055	110,907
Pension costs	545,007	400,795
Staff development and other staff costs	3,701	8,577
	2,341,104	1,846,098
Agency staff costs	8,384	-
	2,349,488	1,846,098

b. Staff numbers

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

	2020/21 No.	2019/20 No.
Teachers	60	43
Administration and support	14	7
Management	6	5
	80	55

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

c. Higher paid staff

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

	2020/21	2019/20
	No.	No.
£70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees, the Chief Executive Officer and the Academy Headteachers. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £163,960 (2020: £100,677). The total number of Key management personnel has risen to 6 during the year (2020: 5).

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role under their contract of employment.

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

Trustee	Remuneration	2020/21	2019/20
		£	£
I Clennan (Head Teacher)	Remuneration	79,958	74,103
	Pension contributions paid	18,934	17,548

Professional services were supplied by one Trustee at a value of £nil (2019 £nil).

In entering the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2020.

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy 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 unlimited cover on any one claim and the cost for the year ended 31 August 2021 was £8,086 (2020: £6,318). The cost of this insurance is included in the total insurance cost.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

11 Tangible Fixed Assets

	Leasehold Land and Buildings £	Fixtures and fittings £	Total £
Cost			
At 1 September 2020	2,781,940	212,504	2,994,444
Additions	1,430,000	48,269	1,478,269
Disposals		(823)	(823)
At 31 August 2021	<u>4,211,940</u>	<u>259,950</u>	<u>4,471,890</u>
Depreciation			
At 1 September 2020	216,334	151,986	368,320
Charged in year	130,061	36,976	167,037
Disposals		(823)	(823)
At 31 August 2021	<u>346,395</u>	<u>188,139</u>	<u>534,534</u>
Net book values			
At 31 August 2020	2,565,606	60,518	2,626,124
At 31 August 2021	<u>3,865,545</u>	<u>71,811</u>	<u>3,937,356</u>

The Trust's long leasehold land and buildings represent land and buildings owned by the local authority and leased to Selby Community Primary School and Carlton Primary School under a 125-year lease.

Where the land and buildings of the Trust are operated from is owned by the local authority, the occupancy is made available under the terms of supplemental agreements. The substance of these arrangements is such that Selby Educational Trust is able to obtain future economic benefit of these assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion, during the year Carlton Primary School converted to academy status and joined Selby Educational Trust.

Description	Effective date	Value of land Value of buildings		Carrying value if held under the cost model
		£	£	
Carlton Primary School	1 January 2021	665,000	765,000	-

Carlton Primary School was independently valued by Eddisons using the depreciated replacement cost method.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

12 Debtors

	2021	2020
	£	£
Trade debtors	225	8,369
VAT Recoverable	29,573	27,903
Prepayments and accrued income	49,842	44,169
	<u>79,640</u>	<u>80,441</u>

13 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	52,019	5,078
Other taxation and social security	35,756	25,666
Other creditors	52,477	55,016
Accruals and deferred income	124,487	54,673
	<u>264,739</u>	<u>140,433</u>

Included within other creditors is a Salix loan of £1,366 which is provided interest free for the purpose of roof and boiler replacement. The repayment terms to the Department for Education are £1,366 per annum over a period 8 years.

Deferred income	2021	2020
	£	£
Deferred income at 1 September	16,412	-
Released from previous years	(16,412)	-
Resources deferred in the year	57,042	16,412
Deferred Income at 31 August	<u>57,042</u>	<u>16,412</u>

At the balance sheet date the Academy Trust was holding funds of £31,863 (2020: £16,412) received in advance for universal infant free school meals.

Creditors: Amounts falling due in greater than one year

	2021	2020
	£	£
Other creditors	17,759	20,491

Included within other creditors is a Salix loan of £17,759 which is provided interest free for the purpose of roof and boiler replacement.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

14 Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	152,252	1,884,435	(1,761,810)	(18,242)	256,635
Other DfE/ESFA grants:					
UIFSM		58,955	(58,955)		-
Pupil Premium		224,750	(224,750)		-
Others		237,431	(237,431)		-
Other government grants		240,387	(240,387)		-
Pension reserve	(1,039,000)	(199,800)	(178,000)	47,800	(1,369,000)
	(886,748)	2,446,157	(2,701,333)	29,558	(1,112,365)
Restricted fixed asset funds					
Transfer from Local Authority	1,994,070	1,446,210	(167,036)		3,273,244
DfE/EFA capital grants	155,099	-			155,099
Capital expenditure from GAG	476,955	13,816		18,242	509,013
	2,626,124	1,460,026	(167,036)	18,242	3,937,356
Total restricted funds	1,739,376	3,906,184	(2,868,368)	47,800	2,824,991
Total unrestricted funds	319,232	271,048	(172,696)	-	417,584
Total funds	2,058,608	4,177,231	(3,041,064)	47,800	3,242,575

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

(i) GAG balance carried forward is to be used for recurrent expenditure in the forthcoming period. Under the trust's funding agreement with the Secretary of State the Academy Trust was not subject to a limit GAG which could be carried forward at 31 August 2020.

(ii) Restricted Fixed Asset Funds relate to income received from the DfE, other government grants and transfers from GAG income. The funds balance includes donated capital, being school land and buildings and fixtures and fittings. The depreciation relating to the assets procured is charged against these funds over the life of the assets.

(iii) Unrestricted Funds relate to self-generated funds from the school within the Academy Trust and from self-generated income by the Academy Trust.

(iv) The pension reserve is in deficit to the value of £1,369,000 at the year end which is covered by unrestricted funds and restricted fixed asset fund.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

14 Continued - Comparative information in respect of the preceeding period is as follows :

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	375,137	1,467,399	(1,314,328)	(375,956)	152,252
Other DfE/ESFA grants	-	397,021	(397,021)	-	-
Other government grants		226,263	(226,263)		-
Pension reserve	(927,000)		(110,000)	(2,000)	(1,039,000)
	(551,863)	2,090,683	(2,047,612)	(377,956)	(886,748)
Restricted fixed asset funds					
Transfer from Local Authority	2,144,806	9,750	(160,486)	-	1,994,070
DfE/EFA capital grants	155,099	66,757	-	(66,757)	155,099
Capital expenditure from GAG	26,074	8,168	-	442,713	476,955
	2,325,979	84,675	(160,486)	375,956	2,626,124
Total restricted funds	1,774,116	2,175,358	(2,208,098)	(2,000)	1,739,376
Total unrestricted funds	305,094	80,641	(66,503)	-	319,232
Total funds	2,079,210	2,255,999	(2,274,601)	(2,000)	2,058,608

Total Funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
Carlton Primary School	165,504	-
Selby Community Primary School	484,685	454,721
Trust Central services	24,030	16,763
Total before fixed assets and pension reserve	674,219	471,484
Restricted fixed asset fund	3,937,356	2,626,124
Pension reserve	(1,369,000)	(1,039,000)
Total	3,242,575	2,058,608

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

15 Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets			3,937,356	3,937,356
Current assets	417,584	539,134		956,718
Current liabilities		(264,739)		(264,739)
Non current liabilities		(17,759)		(17,759)
Pension scheme liability		(1,369,000)		(1,369,000)
Total net assets	417,584	(1,112,365)	3,937,356	3,242,575

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets			2,626,124	2,626,124
Current assets	319,232	313,176		632,408
Current liabilities		(140,432)		(140,432)
Non current liabilities		(20,491)		(20,491)
Pension scheme liability		(1,039,000)		(1,039,000)
Total net assets	319,232	(886,747)	2,626,124	2,058,609

16 Reconciliation of Net Income / (Expenditure) to Net Cash Flow from Operating Activities

	2020/21	2019/20
	£	£
Net income / expenditure for the reporting period (as per the statement of financial activities)	1,136,168	(18,602)
Adjusted for:		
Net gain on transfer of school	(1,364,292)	-
Interest receivable	(179)	(2,332)
Defined benefit pension scheme cost less contributions payable	159,000	93,000
Defined benefit pension scheme finance cost	19,000	17,000
Depreciation on tangible fixed assets	167,037	160,486
Loss on sale of fixed assets	-	-
Adjusted for:		
Decrease in debtors	801	157,856
Increase in creditors	121,575	(5,848)
Net cash provided by Operating Activities	239,110	401,560

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

17 Commitments under operating leases

Operating Leases

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

	2020/21	2019/20
	£	£
Amounts due within one year	2,266	1,048
Amounts due between one and five years	7,931	-
Amounts due after five years	-	-
	<u>10,197</u>	<u>1,048</u>

18 Cash Flows transferred on conversion

	2020/21	2019/20
	£	£
Cash transferred on conversion to academy trust	117,882	-
Net cash provided by/(used in) investing activities	<u>117,882</u>	<u>-</u>

19 Cash Flows from Investing Activities

	2020/21	2019/20
	£	£
Interest from investments	179	2,332
Purchase of tangible fixed assets	(32,059)	(460,631)
Net cash used in investing activities	<u>(31,880)</u>	<u>(458,299)</u>

20 Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	877,079	551,966
Total cash and cash equivalents	<u>877,079</u>	<u>551,966</u>

21 Analysis of changes in net debt

	At 1 September 2020	Analysis of changes in net debt	Cash flows	New finance leases	Other non- cash changes	At 31 August 2021
	£	£	£	£	£	£
Cash	551,966	-	325,112	-	-	877,079
Total	<u>551,966</u>	<u>-</u>	<u>325,112</u>	<u>-</u>	<u>-</u>	<u>877,079</u>
Loans falling due within one year	1,366	-	-	-	-	1,366
Loans falling due after more than one year	20,491	-	(2,732)	-	-	17,759
Finance lease obligations	-	-	-	-	-	-
Total	<u>21,857</u>	<u>-</u>	<u>(2,732)</u>	<u>-</u>	<u>-</u>	<u>19,125</u>

22 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.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

23 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the year ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £12,764 were payable to the LGPS at 31 August 2021 (2020: £8,912) and are included within creditors. Contributions amounting to £32,517 were payable to the Teachers' Pension Scheme at 31st August 2021 (2020: £23,190).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £354,072 (2020: £200,831).

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

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

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

23 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2021 was £144,000 (2020:£114,000), of which employer's contributions totalled £113,000 (2020:£89,000) and employees' contributions totalled £31,000 (2020:£25,000) The agreed contribution rates for future years are between 20.5% and 20.4% for employers.

Deficit levels for Selby Community Primary School

There was an annual amount paid in respect of the deficit contribution. The deficit contribution amounts are as follows:

£2,500 (2020 £2,500)

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

Principal Actuarial Assumptions

	2021	2020
Rate of increase in salaries	3.85%	3.55%
Rate of increase for pensions in payment/inflation	2.60%	2.30%
Discount rate for scheme liabilities	1.70%	1.70%
Inflation assumption (CPI)	2.60%	2.30%

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

	2021	2020
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.0	23.9
<i>Retiring in 20 years</i>		
Males	23.6	23.5
Females	25.8	25.7

Sensitivity Analysis

	2021	2020
A change in the following assumptions would lead to the following change in the Defined Benefit obligation		
Discount rate +0.1%	(76)	(65)
Mortality assumption – 1 year increase	116	94
CPI rate +0.1%	258	224

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

23 Pension and Similar Obligations (continued)

The academy trust's share of the assets in the scheme were:	2021	2020
	£	£
Equity instruments	1,291	925
Debt instruments	305	312
Property	130	103
Cash	36	56
Corporate bonds	88	
Other assets	288	166
Total market value of assets	2,138	1,562

The actual return on scheme assets was £281,000 (2020: £245,000).

Amounts recognised in the statement of financial activities

	2020/21	2019/20
	£	£
Current service cost	(272)	(182)
Net interest cost	(19)	(17)
Total amount recognised in the SOFA	(291)	(199)

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

	2020/21	2019/20
	£	£
At 1 September	2,601	2,244
Transfer from Local Authority	405	-
Current service cost	272	182
Interest cost	48	43
Employee contributions	31	25
Actuarial loss	201	119
Benefits paid	(51)	(12)
At 31 August	3,507	2,601

	2020/21	2019/20
	£	£
At 1 September	1,562	1,317
Transfer from Local Authority	202	-
Interest income	29	26
Return on plan assets (excluding net interest on the net defined pension liability)	252	117
Employer contributions	113	89
Employee contributions	31	25
Benefits paid	(51)	(12)
At 31 August	2,138	1,562

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

24 Related Party Transactions

Related party transactions took place with Selby College (a member of the Trust) during the year to the value of £26,458. (2019: £16,691). Of which £8 was outstanding at the year end (2020: £nil) and cleared post year end. The amount paid in respect of the Finance system purchase was £4,370 leaving a balance outstanding of £4,370 (2020: £8,740).

In entering the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2020.

Employee Related Party Transactions

Mrs D Watson spouse of Mr J Watson (a Headteacher) has been subcontracted by the academy trust to provide music lessons to students within the financial year. Mrs D Watson's appointment was made in open competition and Mr J Watson was not involved in the decision-making process regarding appointment. Mrs D Watson is paid within the normal pay scale and receives no special treatment as a result of her relationship to the Headteacher.

25 School transferred into the academy trust

On 1 January 2021 Carlton Primary School converted to academy status and transferred to Selby Educational Trust from North Yorkshire Local Authority for £nil consideration.

The substance of the transfer is that of a gift and it has been accounted for on that basis. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the statement of financial activities.

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

	Total	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds
	£	£	£	£
Tangible fixed assets:				
Leasehold land and buildings	1,430,000			1,430,000
Fixtures and fittings	16,210			16,210
School funds:	-			
School budget surplus from North Yorkshire	117,882	117,882		
Local Authority LGPS pension deficit	(199,800)		(199,800)	
Net assets	1,364,292	117,882	(199,800)	1,446,210

The total income and endowments included within the unrestricted donations and net income/expenditure comprise total income of £117,882 contributed by Carlton Primary School between the date of the transfer and the 31 August 2021. Leasehold Land & Buildings were transferred from the Local Authority on 1 January 2021. A valuation was undertaken by Eddisons with a resulting total value of £1,430,000. Other Fixed Assets with a net book value as at the 1 January 2021 of £16,210 were also transferred. The LGPS pension deficit had a value of £199,800 at the date of transfer of 1 January 2021 and £220,000 deficit as at 31st August 2021.

SELBY EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021 (Continued)

26 Central Services

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

- Chief Executive Officer ;
- Financial Mangement ;
- Audit Services ;
- Provision of insurance ;
- Local Authority pooled budget charges;
- Local Authority SSA charges for HR, Payroll and Other Central Services ;
- Legal and Consultancy costs re Academy Conversion.

The Academy Trust charges for the services provided at a flat 3-4% of General Annual Grant income received.

The amount charged in the year was £59,004.

27 Events after the end of the reporting period

There have been no events after the reporting period with an impact for disclosure in these statements.