

Company Registration Number: 08822760 (England & Wales)

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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CIDARI EDUCATION LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bishop of Blackburn - Rt. Rev. Julian Henderson Bishop of Burnley - Rt. Rev. Philip North Bishop of Lancaster - Rt. Jill Duff Archdeacon of Blackburn - Ven. Mark Ireland Archdeacon of Lancaster - Ven. David Picken Chair of DBF - Canon John Dell Diocese Company Secretary - Graeme Pollard
Trustees	Peter Ashworth, Chief Executive Rev. Nicholas John McKee, Chairman Graeme Pollard, Vice Chair (resigned 31 December 2020) Stephen Whittaker, Trustee Sam Johnson, Deputy Chairman Graham Warnock, Trustee Jo Venn, Trustee Laurence Upton, Trustee Michaela Underwood, Trustee John McClelland, Trustee (appointed 25 March 2021) Rev. Emma Jane Swarbrick, Trustee (appointed 24 March 2021) Gary Sharp, Trustee (appointed 12 April 2021) Rev Simon Christopher Lloyd, Trustee (appointed 12 April 2021)
Company registered number	08822760
Company name	Cidari Education Limited
Principal and registered office	Clayton House Walker Park Blackburn Lancashire BB1 2QE
Company secretary	Ron Matthews (resigned 31/12/20) Lisa Burke (appointed 01/01/21)
Chief executive officer	Peter Ashworth
Senior management team	Head of Operations, Matthew Mclver Head of Finance, Wayne Hope Principle of St George's School, Graham Warnock Principle of St Luke & St Philip's Primary School, Samantha O'Connell Principle of Darwen St James CE Primary Academy, Laura Peckson Principle of St Barnabas' Primary School, Helen Thomas, Rebecca Ham Principle of St Aidan's Primary School, Debbie Greenwood Principle of Great Marsden St John's Primary School, Michaela Underwood Principle of Newchurch St Mary's Primary School, Pauline Nightingale Principle of St Silas Primary School, Michele Battersby Principle of Warton St Pauls, Laura Dean (Joined 1 September 2020)

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Independent auditors Armstrong Watson Audit Limited
Chartered Accountants
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

Bankers Lloyds Bank plc
Blackburn
BB2 1JQ

Solicitors Napthens Solicitors
Greenbank Court
Challenge Way
Greenback Business Park
Blackburn
BB1 5QB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees' Report

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 Trust operates nine primary academies for pupils aged 4 to 11 and one secondary academy for pupils aged 11 to 16 in the Diocese of Blackburn, Lancashire. Its academies have a combined pupil capacity of 3324 and had a roll of 2936 in the school census 7 October 2021.

Structure, Governance and Management

Constitution

The Multi 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 Academy Trust. The Trustees of Cidari Education Limited are also the Directors of the charitable company for the purposes of company law. That charitable company is known as Cidari Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

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

The Multi Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Members are responsible for the appointment of Trustees to fill any vacancies amongst the seven foundation trustees. This may be reflected in the appointment of officers, or former officers, of the Diocese or other individuals in the community recognised for their strong faith beliefs but not necessarily within the Church of England.

Provision is also made for two members of staff to serve on the Board drawn from amongst the Heads within the Trust, one from a secondary academy and one from a primary academy. Such appointments would be considered, following an election process, from amongst their peers, should one be required following the nomination process.

Finally there is provision for the appointment of two members of the Local Governing Committees serving the academies of the Trust. Again such appointments would be considered, following an election process, from amongst their peers, should one be required.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and Induction for Trustees is based on their individual requirements and their level of experience.

The staff and those appointed via the Local Governing Committee will have undergone regular training at network training events run by the Trust.

Foundation Trustees are taken through all necessary processes via the various officers of the Trust.

A formal policy and procedure for the future training and induction of new Directors has been developed.

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Organisation Structure

The Scheme of Delegation developed by the Trust in line with the article of association clearly defines the level of delegation and areas of responsibility. This indicates the delegations to Headteachers, Local Governing Bodies, management of the trust and those responsibilities reserved for Directors and Members.

The Chief Executive Officer is the accounting officer of the Trust.

The Board of Directors, having commenced the year meeting on a termly basis have now drawn up a structure which includes the following Committees:

- Finance and Audit
- Our People; &
- Quality and Standards.

Each Committee has produced and agreed clear Terms of Reference to define their activities.

The Directors are responsible specifically for upholding the Christian Faith, setting general policy, adopting an annual plan and budget, monitoring the academies through the use of their budgets, capital expenditure and senior staff appointments. They also monitor the academic performance of all academies.

The Directors manage the academies at an executive level, whilst the Senior Leadership Teams in each academy implement the policies laid down for them by the Directors. They are also responsible, in line with the Scheme of Delegation, for the authorisation of spending within agreed budgets and Financial Regulations and the appointment of the majority of staff.

Arrangements for setting pay and remuneration of key management personnel

The Cidari Education Trust follows the Pay and Review Policy which is endorsed annually by the Members with regards to setting of Key Management Personnel pay. Headteacher appraisal / performance management is completed by the Head of Education and the Local Governing Committee. The parallel process for Deputy Head and Assistant Headteachers is completed by the Headteacher and the Local Governing Committee. CEO appraisal is completed by the Chair and Vice Chair of the Trust Board and Central Team staff are appraised by the CEO.

Headteachers: After the appraisal / performance management cycle is completed, the recommended (and where appropriate) increase in band is generated by the CEO. This is submitted with evidence of the targets met with evidence from the CEO. Recommendations are endorsed by the 'Our People Committee' / 'Finance & Audit Committee' and reported back to the Trust Board.

Deputy Head and Assistant Headteachers: After the appraisal / performance management cycle is completed, the recommended (and where appropriate) increase in band is sent to the CEO. This is submitted with evidence of the targets met by the CEO. Recommendations are endorsed by the 'Our People Committee' / 'Finance & Audit Committee' and reported back to the Trust Board.

Central Team: After the appraisal cycle is completed, the recommended (and where appropriate) increase in band is sent by the CEO to the 'Our People Committee' (or in the case of the CEO, the Chair of the Board). Recommendations are endorsed by the 'Our People Committee' and reported back to the Trust Board.

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Trade Union Facility Time

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	4

Percentage of time spent on facility time

Percentage of time spent on facility time	Number of employees
0%	4
1% - 50%	
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	14,239
Provide the total pay bill	£14,415,676
Provide the percentage of total bill spent on facility time, calculated as: (total cost of facility time + total pay bill) x 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Related Parties and other Connected Charities and Organisation

The Diocese of Blackburn is the main related party to the Trust through the Diocesan Board of Education and the Diocesan Board of Finance.

The members of the trust are the people as identified on page 3. Their involvement in the day to day activities of the trust are confined to those activities and delegations outlined in the scheme of delegation and those contained within the Article of Association.

They are also responsible for holding the Annual General Meeting of the Company, last held on 8 February 2021.

During the year ended 31 August 2021 one academy joined the trust –Warton St Paul's CE Primary Academy

Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and Board meetings. Staff at regular meetings have been kept informed on specific matters directly by management. The Trust carries out exit interviews for staff leaving the organisation and has adopted a procedure of upward feedback for senior management and Trustees. Throughout 2020-2021 the Trust has held bi-weekly meetings with Headteachers to update on Covid-19 mitigation and management and to ensure that the well-being of all staff was central to all discussions. The CEO has sent a weekly email out to all staff to update any developments and to maintain a positive culture throughout challenging times.

The Trust has implemented a number of detailed policies and systems in relation to all aspects of personal matters including:

- Covid-19 risk assessments, mitigations and protocols
- Cidari employee portal
- Cidari employee surveys
- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trusts Equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust offices.

In addition, the Trust carried out a comprehensive an anonymous tracking of Covid-19 Lateral Flow testing and Covid-19 vaccination take up so as to promote the positive benefits and communicate back to staff.

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

As a key enabler to meeting the objectives of the Trust seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the Trust's operations.

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During the year the Trust has further promoted this engagement through specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending the Trust schools to enhance the understanding of the provision to each student and to fully coordinate support to students from parents and the academy.
- Engagement with other educational Trust's and partners at local and national levels to share best practice and to provide peer support across Trust's and individual academies.
- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each academy.
- Engaging with local businesses to promote career and educational opportunities for academy students for their mutual benefit.
- Seeking all possible opportunities to engage with local suppliers in each academy area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to each school.
- In particular, the Trust has fully adopted the government's policies and guidance during the Covid-19 pandemic and sought to maximise its support to all suppliers through the crisis in order to sustain their support and services in the future.
- Promoting and encouraging student opportunities to engage in local voluntary and other projects to support the community.
- Developing new parental and community engagement channels through mobile app technologies and new social media channels.
- Implementing a supplier expression of interest form on the Trust Website for any businesses who wish to work with the Trust to register and upload details of their services, testimonials and supporting evidence for their company.

Objectives and Activities

Objects and Aims

The principle activities of the trust are set out in its articles of association and mission statement namely:

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

- i. Academies other than those designated Church of England, whether with or without a designated religious character,
- ii. Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Blackburn Diocesan Board of Education,

But in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England, and;

b) Providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the United Kingdom especially those who have need of such facilities by reason of their youth, age, infirmity, disablement or poverty of social and/or economic circumstances.

The Benefits of joining the Cidari Multi Academy Trust

Under the vision statement of "Distinctive Academies, Empowered to work together for excellence through shared Christian values", the board of trustees established the core aims of being a member of Cidari Multi Academy Trust as follows:

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Distinctiveness

To recognise, encourage and promote the distinctiveness of our Academies, and empower them to thrive within the communities they serve.

Achievement

To create a culture that fosters academic achievement, nurtures initiative and rewards success.

Christian Ethos

To prepare our pupils for world citizenship both explicitly and implicitly through core Christian values such as responsibility, acceptance, truth and justice, and for these to be reflected in all aspects of the curriculum offered.

Governance and Accountability

To provide strong and robust Governance and systems to ensure compliance and reassurance around areas of risk.

Our People

To become an employer of choice where all colleagues are supported and encouraged to achieve our mutual ambitions in an environment of equality, accountability and reward.

Aspirational

To achieve excellence in all we do by working collaboratively to deliver world class systems and measures to achieve the aspirations of our pupils, colleagues and leaders.

Safeguarding & Wellbeing

To ensure that our Academies are a safe environment for all who use them with the wellbeing of our pupils and colleagues at the forefront of all we strive to achieve.

Facilities & Resources

To invest in world class facilities by creating key partnerships with industry leaders to deliver end user benefits in buildings, ICT and resources.

Objectives, Strategies and Activities of the Trust

To meet these priorities, the trust has appointed (or seconded) an operational team who have adopted a number of strategies and activities that include:

- Regular Network meetings for Headteachers, Business Managers and Governors;
- Offer central support for recruitment, payroll and financial assistance;
- Encourage sharing of best practice amongst academies;
- Offer support and advice to the Local Governing Bodies and where necessary sourcing additional governors.

This included support from a National Leader of Governance;

- Work in partnership with the Blackburn Diocesan Board of Education to develop the Christian distinctiveness of each academy so they can provide an inspirational and holistic education which enables all children and staff to develop and achieve their full potential.

Public Benefit

Trustees have given consideration to the Charity Commissions general guidance on public benefit and in particular to its supplementary guidance on education. As noted above, the Multi Academy Trust's objectives is to advance, for the public benefit, education in the United Kingdom.

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Strategic Report

Achievements and Performance

The Cidari Multi Academy Trust achievements in 2020-21 include:

- The on-going close working relationship between all academies and the central team to share knowledge and expertise, to seek out best practice and to realise the vision for the trust.
- A close working relationship with the Regional Schools Commissioner and the DfE
- Development of a model membership format for Local Governing Committees
- Development of effective, centralised recruitment processes.
- The on-boarding of a 10th academy during the 2020-21 academic and financial year
- Strong record of Ofsted Inspection Outcomes with a further 2 academies securing an inspection judgement of 'Good'. 8 of the 10 Cidari academies are now judged to be 'Good'
- Strong and effective Covid-19 protocols, procedures and mitigations

COVID 19 Impact and Response

The following changes to normal operating were made by virus control measures:

- The central function of the Trust was moved to a remote working model with continued, minimum physical contact
- All Trust committee and board meetings were moved to a remote working model
- All Trust leadership meetings were moved to a remote working model
- Under the direction of the Secretary of State for Education the scope and nature of academy opening was re- defined and all academies fully opened in September 2020. Following the re-adoption of national lockdown measures in January 2021, all academies remained open for vulnerable and key-worker pupils once more. This period of modified running ran from the 4th of January 2021 to the 8th of March 2021.
- Additional resources were purchased to support the safety and well-being of all staff and all pupils

It is considered that for the second financial year under Covid-19 restrictions that there are no specific financial uncertainties that impact the ongoing sustainability and going concern. This is reviewed regularly by the Board.

The Trust did not need to use volunteers during the changed circumstances.

The Trust could not engage in any fund raising during the changed circumstances. This had no material impact on the financial sustainability of the trust.

The outbreak had the following effect on staff, volunteers and beneficiaries:

- Pupils and families had to comply with national restrictions and engage with home-based learning from the 4th of January 2021 to the 8th of March 2021.
- Vulnerable and key-worker pupils were in receipt of in-academy education from the 4th of January 2021 to the 8th of March 2021.
- All academies remained open but were able to close for the relevant ½ term breaks and holiday periods
- No volunteers were used
- Additional virus control resources were purchased and virus control mitigation actions were introduced. Passive mitigation strategies were introduced to provide long-term benefits.

The financial and operational effects of the virus did not have a significant impact on the management of the principle risks during the reporting period.

Any identified implications of the potential benefit pension liability are reflected in the actuary calculation. The liability increased to £11,875,000

There were no significant impacts on the Trust's reserves policy. Levels of reserve were maintained within the parameters defined by the Trust Board.

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It is likely that virus control measures will continue into the 2021-22 financial and academic year. The Trust has resilient leadership and management systems in place to remain operationally effect and a going concern.

There has been no significant impact on engagement with wider networks and therefore so significant effect on operations.

The performance of Academies in Cidari Multi Academy Trust is shown in the tables below:

Current Ofsted Grading

0 Academies are graded as Outstanding	0%	2021 Prediction	0%
8 Academies are graded as Good	80%	2022 Prediction	89%
0 Academies are graded as Requires Improvement	11%	2022 Prediction	0
2 Academies is still graded as Inadequate*	20%	2021 Prediction	11%

Trust target: By the end of 2019 – all academies with a current inspection grade will be Good or better under the Common Inspection Framework and Evaluation Schedule. This target was achieved in January 2020 and the remaining academies carry their pre conversion grading of Inadequate*. The full Ofsted Inspection schedule was reintroduced in Spring 2021.

All performance data below is based on internal Trust and academy self-assessment and evaluation. The DfE is not reporting any 2020-21 pandemic year performance data at Primary level.

Early Years Foundation Stage (EYFS)

	Baines'	DSJ	St B	St A	SLSP	St S	GMSJ	St MN	WSP	Trust
GLD 2021	70%	66%	70%	60%	59%	61%	73%↓	90%	73%	69%

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2021 Key Stage 1 Assessment judgements

	Baines'	DSJ	St B	St A	SLSP	St S	GMSJ	St MN	WSP	Trust
R	69%	61%	82%	45%	72%	59%	55%	75%	78%	66%
W	69%	60%	61%	34%	56%	47%	48%	75%	78%	59%
M	69%	61%	71%	52%	61%	68%	55%	75%	78%	65%

2021 Key Stage 2 Assessment judgements

	Baines	DSJ	St B	St A	SLSP	St S	GMSJ	St MN	WSP	Trust
R	69%	65%	67%	64%	61%	65%	77%	100%	73%	71%
W	53%	53%	56%	58%	62%	62%	50%	100%	73%	63%
M	70%	35%	78%	75%	48%	57%	73%	100%	87%	69%

The DfE is not reporting pandemic year performance data at Secondary level.

St George's KS4 GCSE Outcomes (Decided by DfE National pandemic measures)

	2021 Outcomes
Progress 8 Score	+0.65 □
Progress 8 Score Disadvantaged	+0.45 □
GCSE 5 + (English & Maths)	56% □
GCSE 4 + (English & Maths)	77% □

Trust Attendance Data

2020-21 (and including the March 2021 National Lockdown)

Basic Attendance	Baines'	DSJ	St B	St A	SLSP	St S	GMSJ	St MN	StG	WSP	Trust Average
2020-21	94.1%	94.5%	95.2%	95.3%	93%	95.2%	96%	97%	95%	96%	95%

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The use of the Catch-Up Premium

For the 2020-21 Financial year the Trust received from the DfE an allocation of £232,640.

The Government announced £1 billion of funding to support children and young people to catch-up following the school lockdown in March 2020. This included a one-off universal £650 million catch-up premium for the 2020 to 2021 academic year to ensure that schools have the support they need to help all pupils make up for lost teaching time.

Funding has been allocated on a per pupil basis, providing the equivalent of £80 for each pupil in year - Reception through to Yr6. Schools have the flexibility to spend their funding in the best way for their cohort and circumstances.

Cidari academies used the Catch-up Premium to deliver the following interventions and support to pupils across 3 Tiers. The Tiers were recommended by the DfE and the EEF.

Tier 1

Teaching (High-quality for all, effective diagnostic assessment, supporting remote learning and focusing on professional development.) Teaching and wholes school strategies (Supporting great teaching, Pupil assessment and feedback and Transition support).

Tier 2

Targeted academic support (high quality one to one and small group tuition, teaching assistants and targeted support, academic tutoring, planning for pupils with SEND.) Targeted approaches (One to one and small group tuition, Intervention programmes and extended school time).

Tier 3

Wider strategies (supporting pupils social, emotional, and behavioural needs, planning carefully for adopting SEL (social and emotional learning) curriculum, supporting parents with pupils of different ages and successfully implementation in challenging times) Wider strategies (Supporting parent and carers, access to technology and summer support).

The focus of each academy was split $\frac{1}{2}$ on Tier 1 and a $\frac{1}{4}$ on Tier 2 and a $\frac{1}{4}$ on Tier 3.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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Financial Review

The principal source of funding for the trust is the General Annual Grant (GAG), together with Pupil Premium. Expenditure has supported the key financial objectives of the trust which are to enable all students to access an outstanding education whilst ensuring the Trust employs and retains outstanding leaders and practitioners and at the same time using financial resources prudently and responsibly.

Funding from the Academy Trust's Educational Operations amounted to £18,212,588 (2020:£16,633,650). Transfers on conversion were - £89,982 (deficit) (2020: 0) and total income was £18,764,723 (2020: £17,188,134). Costs in respect of the Academy Trust's educational activity amounted to £18,942,768 (2020: £17,786,892) and total costs, before losses on the LGPS pension scheme of £1,337,000 (2020 £254,000), were £18,984,768 (2020: £17,864,125).

Balances carried forward to 2021/22 on the various funds are as follows:

• Unrestricted funds	£997,711
• Restricted Income funds	£530,437
• LGPS Deficit	(£11,875,000)
• Restricted fixed asset funds	£15,720,467
• Total	£5,373,615

Cash at bank and on hand at 31st August 2021 amounted to £2,727,686 (2020: £1,423,985). A substantial portion of the movement in funds relates to movement in payroll creditors and trading.

Reserves Policy

The Trustees' review the reserve levels of each Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. It is expected as a Trust to retain £500,000 of global income in reserves. Where this is not already the case, Academies are expected to develop a long-term financial plan to achieve this target. The level of reserves will be reviewed and adjusted, if necessary, as new academies join the Multi Academy Trust. Reserves are held to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The trust had £1,528,148 in general funds at 31 August 2021.

Investment policy

All investments are made in accordance with the policy of the trust. The Trust's policy on investments is one of minimum risk, with all investments being held with the Trust's bankers. The trust will nevertheless seek to maximise interest receipts within this arrangement. Investments are made with regard to Charity Commission guidance in relation to investments. A formal Investment Policy was agreed at the Finance and Audit Committee on 19 October 2017.

Principle Risks and Uncertainties

The Board has considered the risks faced by the Trust throughout its normal operational business. It has addressed these risks by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

The Board intends to build on this by developing a formal risk management policy, which will formally document the managerial action that is taking place, and should enable future risk management to be more systematic.

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At the time of reporting the key risks are:

- The risk of achievements in core subjects being below expectations;
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, safeguarding and the Prevent duty, the Charity Commission and the national curriculum;
- Financial Risk – not operating within budget, both centrally and in each individual academy, and running a deficit, changes in funding, falling pupil numbers, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation;
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information;
- Conditions of buildings acting as a barrier to achievement or being a health and safety risk.

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The major risk to which the Multi Academy Trust is exposed has been identified as deficit reserves at four of the academies. Management action has been taken to address this risk and a planned programme to achieve a balanced budget as quickly as possible has been developed.

The central support team budget was also in deficit and again action was taken to mitigate the situation to ensure a balanced budget in the future.

The Board of Trustees has been kept fully informed of these issues and took the necessary decisions to ensure the above actions were implemented.

Fundraising

Cidari does not actively fundraise on behalf of the Trust.

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Streamlined Energy & Carbon Reporting

UK Greenhouse Gas Emissions and energy use data for the period	1 Septemb er 2020 to 31 August 2021	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	3,647,728	3,171,655.10
Energy consumption break down (kWh) (optional)		
<i>Gas/Oil/Biomass</i>	2,742,886	2,046,440.00
<i>electricity</i>	901,077	1,106.314
<i>Business travel in employee owned vehicles:</i>	3,819	18,901
Scope 1 emissions in metric tonnes CO₂e		
<i>Gas</i>	485.04	398.38
Total Scope 1		398.38
Scope 2 emissions in metric tonnes CO₂e		
<i>Purchased Electricity</i>	191.33	201.58
Scope 3 emissions in metric tonnes CO₂e		
<i>Business travel in employee owned vehicles:</i>	0.88	5.30
Total gross emissions in metric tonnes CO₂e per pupil	0.23	0.21

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FOR THE YEAR ENDED 31 AUGUST 2021

A. Quantification and reporting methodology

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

B. Intensity measurement

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

C. Measures taken to improve energy efficiency

Ongoing compliance with Energy Reporting legislation

Cidari Education Limited is mandated to comply with the Energy Savings Opportunity Scheme (ESOS) and as such produces a summary of all available energy efficiency improvements on a four-year cycle.

This will be completed again in line with the 2023 Phase 3 compliance deadline. Recommendations found within the Phase 2 reporting are being reviewed and will be acted on where practical.

Sustainability awareness training

Upon the normalisation of operation within the Cidari Education Limited portfolio following the COVID-19 pandemic, the implementation of ongoing training in energy conservation and sustainability awareness is being considered for all staff across the business.

Energy and Environment Strategy

Cidari Education Limited are working towards implementing an Energy and Environment strategy that ensures ongoing energy and carbon reductions over the coming years in line with the UK's 2050 net zero targets.

Auditor

Insofar as trustees are aware:

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

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



.....
Rev. Nicholas John McKee
Chair of Trustees

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Cidari Education Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
Peter Ashworth, Chief Executive	7	7
Rev. Nicholas John McKee, Chairman	5	5
Graeme Pollard, Vice Chair	1	1
Stephen Whittaker, Trustee	7	7
Sam Johnson, Deputy Chairman	7	7
Graham Warnock, Trustee	7	7
Jo Venn, Trustee	7	7
Laurence Upton, Trustee	6	7
Michaela Underwood, Trustee	7	7
John McClelland, Trustee	4	4
Rev. Emma Jane Swarbrick, Trustee	4	4
Gary Sharp, Trustee	3	3
Rev Simon Christopher Lloyd, Trustee	3	3

The Board of Trustees reviewed its strategy direction and also that its governance arrangements were fit for purpose at the conclusion of one of its meetings during 2021.

Plans are in place to undertake a review of the governance arrangements early in the 2021/2022 cycle of meetings.

The Cidari Trust Board now comprises 12 Directors (of which one is the Chair of the Trust Board) and meets a minimum of seven times each year.

Chair of the Board: Nick McKee
Board Member: Sam Johnson
Board Member: Graham Warnock
Board Member: Michaela Underwood
Board Member: Stephen Whittaker
Board Member: Peter Ashworth
Board Member: Jo Venn
Board Member: Laurence Upton
Board Member: Emma Swarbrick (Appointed March 2021)
Board Member: Gary Sharp (Appointed April 2021)
Board Member: John McClelland (Appointed March 2021)
Board Member: Simon Lloyd (Appointed April 2021)

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Reporting into the Trust Board are 3 sub-committees, the membership of which is derived from the Trust Board

1. Finance and Audit Committee: Chair – Stephen Whittaker
2. Quality & Standards Committee: Chair – Sam Johnson
3. Our People Committee: Chair – Laurence Upton

The Committee structure and membership was effective from 1 June 2015 as detailed below. The Board assumed detailed responsibility for all areas of governance prior to the 1 June 2015.

The Finance & Audit Committee has clear terms of reference outlining its constitution and responsibilities which can be summarised as:

- Subject to the responsibilities of the Board and the Scheme of Delegation to advise the Trust on all aspects of the Company's finances, financial policies, controls and strategy, strategic planning (relating to finance) and capital development.
- Ensure that the internal control systems of the Trust, including audit activities and risk management and any of its subsidiaries are monitored actively, independently and objectively in order to:-
- consider the adequacy and effectiveness of the Trust's internal control systems and the extent to which they can be relied upon;
- reinforce the independence and effectiveness of the internal audit function;
- provide a sounding board for management on issues of concern in connection with the internal control systems and risk management;
- advise on the reliability of the Trust's information and risk management systems; and
- underpin the objectivity and independence of the external auditors.
- To provide a medium of communication from the Trust's auditors which is not controlled by management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Ashworth	4	4
N McKee	3	4
S Whittaker	4	4
S Johnson	3	4

Quality and Standards Committee

The Quality and Standards Committee has clear terms of reference outlining its constitution and responsibilities which can be summarised as:

'To monitor and review the quality and performance of education in all the Trust's academies.'

Attendance at meetings in the period 1 September 2020 to 31 August 2021 was as follows:

Trustee	Meetings attended	Out of a possible
S Johnson	1	1
P Ashworth	1	1
J Venn	1	1
G Warnock	0	1
M Underwood	1	1

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Our People Committee

The Our People Committee has clear terms of reference outlining its constitution and responsibilities which can be summarised as:

‘The Committee will ensure that all matters in relation to staff, their pay and performance, have policies and procedures in place and are regularly reviewed and monitored.’

Attendance at meetings in the period 1 September 2020 to August 2021 was as follows:

No meetings of the Committee were held due to awaiting the completion of negotiations with the various Trade Unions and the curtailment of activity due to the Covid-19 lockdown.

Review of value for money

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

- The performance of academies in the Trust are set out on pages 10 and 11. Due to the Corona virus pandemic the DfE decided not to use any Primary or Secondary performance data to be a part of any national performance data set. As a result the Trust’s own data stands as a record of performance for the interrupted academic year.
- All academies are above the previous 2019-20 progress floor standard set by the DfE. By definition no Cidari Academy is reported as being ‘coasting’.
- The centralisation of payroll has allowed the Trust to monitor staff costs and remove duplication from the payroll processing cycle. All academies in the Trust are paid by a single payroll provider and fortnightly and mid-month payrolls have been transferred to a single monthly payroll. This has improved efficiency, control and value for money across the Trust.
- Monthly financial reporting and budget monitoring is carried out by the Trust’s central team with the support of Business Managers in each Academy. This standardised approach to financial reporting has allowed greater comparability across schools which lays a foundation for delivering savings through centralised procurement of goods and services in the year ahead.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Cidari Education Limited for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Total Financial Solutions Limited

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the current period included reviews in relation to income, debtors, cash, procurement, journals, bank reconciliations, data security, the Trust website and 'Get Information About Schools'.

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

The internal auditor has delivered their schedule of work throughout the year as planned. No material control issues have been identified.

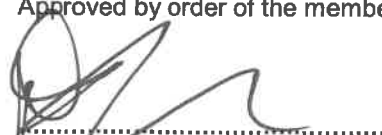
Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


- the work of the internal scrutiny service
- the work of the external auditor;
- the financial management processes and the school resource management self-assessment tool
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- the work of the School Liaison and Finance Consultant
- the visit of the ESFA School Resource Management Advisor in May and June 2021

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Rev. Nicholas John McKee
Chair of Trustees
Date:



Peter Ashworth
Accounting Officer

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Peter Ashworth
Accounting Officer

Date: 15/12/21

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

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

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

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



.....
Peter Ashworth
Accounting Officer

Date: 15/12/21

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CIDARI
EDUCATION LIMITED**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CIDARI EDUCATION LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CIDARI EDUCATION LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, such as the Health & Safety at Work Act 1974, Ofsted Regulations and Companies Act 2006;
- we identified the laws and regulations applicable to the Multi Academy Trust through discussions with Trustees and other management;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Multi Academy Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- considering our work in respect of regularity to identify irregular spend or lack of ESFA approval for novel or contentious transactions.

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions; and
- tested the operating effectiveness of key controls over purchase cycles on a sample basis; and
- reviewed the application of accounting policies including the application of capitalisation of intangible assets.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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 Auditors' Report.

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CIDARI
EDUCATION LIMITED (CONTINUED)**

Use of our report

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



Joanna Gray (Senior Statutory Auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Carlisle

Date: 16-12-21

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CIDARI
EDUCATION LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cidari Education Limited during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cidari Education Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cidari Education Limited's funding agreement with the Secretary of State for Education dated 29 September 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- review of extra-contractual payments for staff to ensure they have been made in accordance with the Academies Financial Handbook;
- review of the minutes of the meetings of the main committees during the year;
- review of internal audit reports for evidence of non-compliance;
- review of a sample of resources expended for individual transactions;
- review of expenditure to check that it was not ultra vires to the charitable objectives.

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

Conclusion

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



Joanna Gray FCA
Armstrong Watson Audit Limited
Chartered Accountants

Date: 16-12-21

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	12,671	(113,000)	296,515	196,186	190,912
Charitable activities		-	18,212,588	-	18,212,588	16,633,650
Other trading activities		354,820	-	-	354,820	362,553
Investments	6	1,129	-	-	1,129	1,019
Total income		<u>368,620</u>	<u>18,099,588</u>	<u>296,515</u>	<u>18,764,723</u>	<u>17,188,134</u>
Expenditure on:						
Raising funds		41,995	-	-	41,995	77,233
Charitable activities		-	18,332,507	610,261	18,942,768	17,786,892
Total expenditure		<u>41,995</u>	<u>18,332,507</u>	<u>610,261</u>	<u>18,984,763</u>	<u>17,864,125</u>
Net income/(expenditure)		326,625	(232,919)	(313,746)	(220,040)	(675,991)
Transfers between funds	21	-	(128,320)	128,320	-	-
Net movement in funds before other recognised gains/(losses)		<u>326,625</u>	<u>(361,239)</u>	<u>(185,426)</u>	<u>(220,040)</u>	<u>(675,991)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(1,337,000)	-	(1,337,000)	(254,000)
Net movement in funds		<u><u>326,625</u></u>	<u><u>(1,698,239)</u></u>	<u><u>(185,426)</u></u>	<u><u>(1,557,040)</u></u>	<u><u>(929,991)</u></u>
Reconciliation of funds:						
Total funds brought forward		671,086	(9,646,324)	15,905,893	6,930,655	7,860,646
Net movement in funds		326,625	(1,698,239)	(185,426)	(1,557,040)	(929,991)
Total funds carried forward		<u><u>997,711</u></u>	<u><u>(11,344,563)</u></u>	<u><u>15,720,467</u></u>	<u><u>5,373,615</u></u>	<u><u>6,930,655</u></u>

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

The notes on pages 33 to 63 form part of these financial statements.

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08822760

BALANCE SHEET
AS AT 31 AUGUST 2021

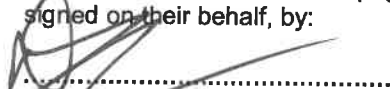
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	15,440,837	15,680,507
		<u>15,440,837</u>	<u>15,680,507</u>
Current assets			
Stocks	16	38,304	29,954
Debtors	17	944,403	1,017,586
Cash at bank and in hand		2,727,686	1,423,985
		<u>3,710,393</u>	<u>2,471,525</u>
Creditors: amounts falling due within one year	18	(1,631,880)	(1,107,643)
Net current assets		<u>2,078,513</u>	<u>1,363,882</u>
Total assets less current liabilities		<u>17,519,350</u>	<u>17,044,389</u>
Creditors: amounts falling due after more than one year	19	(270,735)	(305,734)
Net assets excluding pension liability		<u>17,248,615</u>	<u>16,738,655</u>
Defined benefit pension scheme liability	27	(11,875,000)	(9,808,000)
Total net assets		<u><u>5,373,615</u></u>	<u><u>6,930,655</u></u>

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08822760

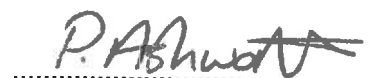
BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note		2021 £	2020 £
Funds of the academy				
Restricted funds:				
Fixed asset funds	21	15,720,467	15,905,893	
Restricted income funds	21	530,437	161,676	
Restricted funds excluding pension asset	21	16,250,904	16,067,569	
Pension reserve	21	(11,875,000)	(9,808,000)	
Total restricted funds	21		4,375,904	6,259,569
Unrestricted income funds	21		997,711	671,086
Total funds			5,373,615	6,930,655

The financial statements on pages 29 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Nick McKee
 Chair of Trustees
 Date:



Peter Ashworth
 Accounting Officer

The notes on pages 33 to 63 form part of these financial statements.

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	1,338,586	(50,715)
Cash flows from investing activities	24	(34,885)	(68,424)
Change in cash and cash equivalents in the year		1,303,701	(119,139)
Cash and cash equivalents at the beginning of the year		1,423,985	1,543,124
Cash and cash equivalents at the end of the year	25, 26	<u>2,727,686</u>	<u>1,423,985</u>

The notes on pages 33 to 63 form part of these financial statements

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Cidari Education Limited meets the definition of a public benefit entity under FRS 102.

The presentational currency is in pounds sterling.

1.2 Going concern

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the academy**

Where assets and liabilities are received on the transfer of an existing academy into the academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised for the transfer of an existing academy into the academy within 'Income from Donations and Capital Grants' to the net assets acquired.

• **Donated fixed assets (excluding transfers on conversion or into the academy)**

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

with the academy's accounting policies.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years
Furniture and equipment	- 5-10 years
Computer equipment	- 3 years

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.

Recognition and valuation of land and buildings

The trust has been granted use of properties either by supplemental agreement or 125 year leases.

Where the premises are subject to 125 year lease these premises are recognised as leasehold property representing the fair value of the asset (being the right to use the property).

Those properties subject to a supplemental agreement are not recognised in the accounts because the trust does not have sufficient control of the works or access to premises. These arrangements are considered mere licenses to occupy for a minimum of two years as stated in the ESFA Academy Accounts Direction section 8.7.5. The license maybe revoked for any reason by the Diocese giving a minimum of two years notice to the trust. There are six school properties occupied in this manner - St Aidan's, St Barnabas (School buildings), Newchurch Mary's, Baines Endowed, St John's Great Marsden (school buildings) and St Silas (school buildings).

1.7 Stocks

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

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

1.13 Pensions

The academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the academy to the fund in respect of the year.

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

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

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

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

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

1.15 Redundancy payments

Redundancy payments that were made to employees were calculated at the minimum statutory requirement. Redundancy payments are recognised at the point of communication with the employees.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

Pension Liabilities

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Fixed Asset Valuation

Assets records detailing clear values at the point of transfer from predecessor schools were not available for all fixed assets to enable accurate opening values. In order to estimate a transfer value the trust has identified the assets transferred, obtained cost estimates and applied an adjustment to represent consumption at the assets' useful economic lives at transfer. This is considered to provide a reasonable estimate of the value of the assets for initial recognition proposed but should be regarded as a significant estimate in relation to the accounts.

Fixed Asset Existence

The Trustees have concluded that the lease arrangements for the Academy Trust use of land and buildings owned by the Diocese do not transfer substantially all the risks and rewards of ownership to the Academy Trust.

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	9,951	-	134,477	144,428	9,917
Capital Grants	-	-	139,020	139,020	180,995
Other Grants	2,720	-	-	2,720	-
Transfer from local authority on conversion	-	(113,000)	23,018	(89,982)	-
	<u>12,671</u>	<u>(113,000)</u>	<u>296,515</u>	<u>196,186</u>	<u>190,912</u>
<i>Total 2020</i>	<u>9,917</u>	<u>-</u>	<u>180,995</u>	<u>190,912</u>	

4. Funding for the academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
Other DfE/ESFA grants			
GAG income	15,385,185	15,385,185	14,365,381
Special Educational Needs grants	731,320	731,320	481,955
Teachers Pension grants	475,168	475,168	462,769
Universal infant free school meals	187,181	187,181	190,004
COVID-19 catch-up premium	232,640	232,640	-
Other DfE/ESFA COVID-19 funding	37,869	37,869	245,139
Other DfE/ESFA grants	677,152	677,152	420,655
Local authority grants	458,929	458,929	467,747
Transfer on conversion	27,144	27,144	-
	<u>18,212,588</u>	<u>18,212,588</u>	<u>16,633,650</u>
Total 2021	<u>18,212,588</u>	<u>18,212,588</u>	<u>16,633,650</u>
<i>Total 2020</i>	<u>16,633,650</u>	<u>16,633,650</u>	

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy's educational operations (continued)

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

COVID-19

Included in funding for the Trust's educational operations is COVID-19 catch up premium income of £232,640 (2020 - nil) and an emergency COVID-19 grant of £607 (2020- £245,139). See note 20 for unspent funds carried forward.

No employees of the trust were furlough in the year (2020 - none).

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Charity trading income and other income	354,820	354,820	362,553
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<i>Total 2020</i>	362,553	362,553	
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	

Charity trading income and other income includes nursery fees, as well as income from trips, lettings, catering, music services, uniforms, supplier teacher insurance, rates relief and other sundry income.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Short term deposits	1,129	1,129	1,019
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<i>Total 2020</i>	1,019	1,019	
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on raising voluntary income:					
Direct costs	-	-	41,995	41,995	77,233
Educational operations:					
Direct costs	11,692,685	-	1,820,671	13,513,356	12,185,863
Allocated support costs	2,722,991	1,106,080	1,600,341	5,429,412	5,602,029
	<u>14,415,676</u>	<u>1,106,080</u>	<u>3,463,007</u>	<u>18,984,763</u>	<u>17,865,125</u>
<i>Total 2020</i>	<u>13,182,994</u>	<u>1,582,980</u>	<u>3,099,151</u>	<u>17,865,125</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	13,513,356	5,429,412	18,942,768	17,787,892
<i>Total 2020</i>	<u>12,185,863</u>	<u>5,602,029</u>	<u>17,787,892</u>	

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	2,698,152	2,698,152	2,797,970
Indirect staff costs	24,838	24,838	-
Finance costs	172,000	172,000	156,000
Premises costs	1,106,080	1,106,080	1,077,157
Technology costs	156,576	156,576	70,888
Other support costs	1,185,627	1,185,627	1,391,571
Governance costs	65,748	65,748	80,743
Legal costs	20,391	20,391	27,700
	<u>5,429,412</u>	<u>5,429,412</u>	<u>5,602,029</u>
<i>Total 2020</i>	<u>5,602,029</u>	<u>5,602,029</u>	

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
	£	Amount £	Reason
Gifts made by the trust	325	-	
	Total £	Individual items	
	£	Amount £	Reason
Ex-gratia payments	6,120	6,120	Additional discretionary redundancy payment due to long-service

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2020, being delegated authority or approval from the Education and Skills Funding Agency.

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	43,473	58,918
Depreciation of tangible fixed assets	572,199	516,461
Fees paid to auditors for:		
- audit	19,500	18,000
- other services	8,120	18,961
	8,120	18,961

The Multi Academy Trust operates in several sites whereby there are supplemental lease agreements in place for the use of certain land and buildings. The Trustees acknowledge that the fair value of lease payments should be recognised in respect of these, however they cannot reasonably determine this value at present and it is not deemed to be material. Going forward, they will continue to look at ways in which they can assess this value so that it can be included in the financial statements.

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	10,327,225	9,696,066
Social security costs	999,538	892,124
Pension costs	2,822,967	2,594,804
	14,149,730	13,182,994
	2021	2020
	£	£
Agency staff costs	443,993	411,612
Severance payments	5,000	33,698
Other restructuring costs	26,443	14,847
	475,436	460,157

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

11. Staff (continued)

a. Staff costs (continued)

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

During the year a total of £5,000 was paid to one member of staff for loss of service (2020 - loss of office £17,943 to 2 members of staff and post employment notice pay £15,755 to 4 members of staff). One staff member received a discretionary additional redundancy payment of 50% of the statutory amount totaling £6,120 (2020 - £nil).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	145	146
Administration and support	229	221
Management	29	29
	<u>403</u>	<u>396</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	8	9
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

Of the employees above, 11 (2020 - 9) participated in the Teachers' Pension Scheme and during the period pension contributions for these members of staff amounted to £166,055 (2020 - £144,541).

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,225,300 (2020 - £1,121,106).

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Central services

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

- Human resources
- Financial services
- Legal services
- Education support services
- IT costs
- Others as arising

The academy charges for these services on the following basis:

The trust charges for these services on a percentage basis dependent on the Ofsted rating. These amounts have been eliminated on consolidation.

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Baines' Endowed Primary School & Children's Centre	120,729	119,073
Great Marsden St John's Primary School	57,480	58,758
St Aidan's Primary School	61,360	63,712
Darwen, St Barnabas CofE Primary Academy	52,036	52,427
St George's School	350,839	331,259
Darwen St James CofE Primary Academy	56,298	49,050
St Luke and St Philips Church of England Primary School	58,111	62,838
Newchurch-In-Pendle St Mary's Church of England Primary School	12,645	14,630
St Silas CofE Primary School	96,040	105,004
Warton St Paul's Church of England Primary Academy	19,334	-
Total	884,872	856,751

CIDARI EDUCATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Peter Ashworth, Chief Executive	Remuneration	115,000 - 120,000	115,000 - 120,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
Graham Warnock, Trustee	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Michaela Underwood, Trustee	Remuneration	65,000 - 70,000	60,000 - 65,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Helen Thomas, Trustee	Remuneration		20,000 - 25,000
	Pension contributions paid		0 - 5,000

During the year, retirement benefits were accruing to 3 Trustees (2020 - 4) in respect of defined contribution pension schemes.

During the year ended 31 August 2021, expenses totalling £1,239 were reimbursed or paid directly to 1 Trustee (2020 - £3,166 to 2 Trustees).

14. Trustees' and Officers' insurance

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

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FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets

	Leasehold land and buildings £	Fixtures and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2020	16,927,039	733,803	1,281,676	18,942,518
Additions	43,328	72,957	216,244	332,529
Disposals	-	-	(7,862)	(7,862)
At 31 August 2021	<u>16,970,367</u>	<u>806,760</u>	<u>1,490,058</u>	<u>19,267,185</u>
Depreciation				
At 1 September 2020	1,950,732	262,453	1,048,826	3,262,011
Charge for the year	308,854	81,368	181,977	572,199
On disposals	-	-	(7,862)	(7,862)
At 31 August 2021	<u>2,259,586</u>	<u>343,821</u>	<u>1,222,941</u>	<u>3,826,348</u>
Net book value				
At 31 August 2021	<u>14,710,781</u>	<u>462,939</u>	<u>267,117</u>	<u>15,440,837</u>
At 31 August 2020	<u>14,976,307</u>	<u>471,350</u>	<u>232,850</u>	<u>15,680,507</u>

Expensed capital grant funding

It is the Trust's policy not to capitalise assets relating to Church buildings that are leased on a supplemental agreement. During the year, £38,063 (2020 - £43,689) was expensed in the SOFA and this was not Condition Improvement Funding.

Included in computer hardware additions is £130,951 in respect of gifted laptops from the DFE.

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16. Stocks

	2021 £	2020 £
Stock	38,304	29,954
	38,304	29,954

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	74,566	38,300
Other debtors	73,110	70,956
Prepayments and accrued income	796,727	908,330
	944,403	1,017,586

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	301,506	363,888
Other taxation and social security	241,021	-
Pensions payable	265,748	66,289
Other creditors	108,966	73,445
Accruals and deferred income	714,639	604,021
	1,631,880	1,107,643

	2021 £	2020 £
Deferred income at 1 September 2020	230,924	220,707
Resources deferred during the year	310,541	230,924
Amounts released from previous periods	(230,924)	(220,707)
	310,541	230,924

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19. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Trade creditors	7,693	29,693
Other creditors	263,042	276,041
	270,735	305,734

20. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	2,727,686	1,423,985
Financial liabilities		
Financial liabilities measured at amortised cost	270,735	305,734

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

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

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

21. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	671,086	368,620	(41,995)	-	-	997,711
Restricted general funds						
General Annual Grant (GAG)	161,676	13,896,051	(13,422,765)	(128,320)	-	506,642
Pupil Premium	-	1,256,495	(1,256,495)	-	-	-
Catch up Premium	-	232,640	(218,622)	-	-	14,018
Other DfE/ESFA grants	-	1,422,829	(1,422,829)	-	-	-
Other grants	-	1,190,249	(1,190,249)	-	-	-
Universal FSM	-	187,181	(187,181)	-	-	-
Transfer on conversion	-	27,143	(17,366)	-	-	9,777
Pension reserve	(9,808,000)	(113,000)	(617,000)	-	(1,337,000)	(11,875,000)
	<u>(9,646,324)</u>	<u>18,099,588</u>	<u>(18,332,507)</u>	<u>(128,320)</u>	<u>(1,337,000)</u>	<u>(11,344,563)</u>
Restricted fixed asset funds						
Transfer on conversion	14,609,433	23,018	(331,976)	-	-	14,300,475
DfE/ESFA capital grants and donations	871,818	139,020	(141,952)	-	-	868,886
Capital expenditure from GAG	388,659	-	(91,572)	128,320	-	425,407
Private sector capital sponsorship	35,983	1,956	(10,969)	-	-	26,970
Public body donated assets	-	132,521	(33,792)	-	-	98,729
	<u>15,905,893</u>	<u>296,515</u>	<u>(610,261)</u>	<u>128,320</u>	<u>-</u>	<u>15,720,467</u>
Total Restricted funds	<u>6,259,569</u>	<u>18,396,103</u>	<u>(18,942,768)</u>	<u>-</u>	<u>(1,337,000)</u>	<u>4,375,904</u>
Total funds	<u>6,930,655</u>	<u>18,764,723</u>	<u>(18,984,763)</u>	<u>-</u>	<u>(1,337,000)</u>	<u>5,373,615</u>

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

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FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Restricted funds

Restricted balances carried forward are for funding (cash) to be spent on charitable activities of the trust in accordance with the grant agreements.

General Annual Grant (GAG)

Funds received from the ESFA are applied to the charitable activities of the trust as defined in the funding agreements. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of General Annual Grants (GAG) that it could carry forward at 31 August 2021. Note 2 discloses that no funds were carried forward.

Pension reserve

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme overseen by Your Pension Scheme (YPS) – Lancashire. In the current financial year, the deficit on the fund has increased to £11,875,000 (2020 - £9,808,000). The charge to the Income & Expenditure Account in the year was £617,000 (2020 - £639,000) and other recognised losses were £1,337,000 (2020 - £254,000). A further £113,000 was recognised as an expense in the SOFA for business combinations relating to the acquisition of Warton St Pauls'.

Restricted fixed asset funds

Incoming resources have been spent on capital expenditure, resources expended are depreciation and amortisation on fixed assets purchased in previous academic years (as per the trust's fixed assets policy) and transfers are represented by capital expenditure funded by revenue income. Therefore balances carried forward on these have been committed in future years for depreciation and amortisation.

Unrestricted funds

Any unspent funds (cash) can be used at the discretion of the Board of Trustees to meet the charitable objectives of the academy trusts.

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds - all funds	636,452	373,489	(77,233)	(261,622)	-	671,086
Restricted general funds						
General Annual Grant (GAG)	-	14,365,381	(14,319,473)	115,768	-	161,676
Other DfE/ESFA grants	-	1,318,566	(1,318,566)	-	-	-
Other grants	-	949,703	(949,703)	-	-	-
Pension reserve	(8,915,000)	-	(639,000)	-	(254,000)	(9,808,000)
	(8,915,000)	16,633,650	(17,226,742)	115,768	(254,000)	(9,646,324)
Restricted fixed asset funds						
Transfer on conversion	14,941,409	-	(331,976)	-	-	14,609,433
DfE/ESFA capital grants and donations	827,350	130,888	(103,420)	17,000	-	871,818
Capital expenditure from GAG	360,582	-	(100,777)	128,854	-	388,659
Private sector capital sponsorship	9,853	50,107	(23,977)	-	-	35,983
	16,139,194	180,995	(560,150)	145,854	-	15,905,893
Total Restricted funds	7,224,194	16,814,645	(17,786,892)	261,622	(254,000)	6,259,569
Total funds	7,860,646	17,188,134	(17,864,125)	-	(254,000)	6,930,655

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Baines' Endowed Primary School & Children's Centre	353,964	300,603
Great Marsden St John's Primary School	(33,722)	(37,287)
St Aidan's Primary School	142,215	105,362
Darwen, St Barnabas CofE Primary Academy	173,869	137,500
St George's School	1,498,307	837,949
Darwen St James CofE Primary Academy	75,997	33,251
St Luke and St Philips Church of England Primary School	(39,395)	(45,761)
Newchurch-In-Pendle St Mary's Church of England Primary School	(44,449)	(18,085)
St Silas CofE Primary School	(48,951)	(73,474)
Warton St Paul's Church of England Primary Academy	12,124	-
Central Services	(561,811)	(407,296)
Total before fixed asset funds and pension reserve	1,528,148	832,762
Restricted fixed asset fund	15,720,467	15,905,893
Pension reserve	(11,875,000)	(9,808,000)
Total	5,373,615	6,930,655

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit
	£
Great Marsden St John's Primary School	(33,722)
St Luke and St Philips Church of England Primary School	(39,395)
Newchurch-In-Pendle St Mary's Church of England Primary School	(44,449)
St Silas CofE Primary School	(48,951)
Central Services	(561,811)

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21. Statement of funds (continued)

The academy is taking the following action to return the academies to surplus:

Great Marsden St Johns is carrying a deficit of £33,722 (2020 - £37,287) on these funds due to legacy expenditure and agency costs. The Trust is working with the academy to implement efficiencies and expects the academy to return to surplus over the next 2 - 3 years.

St Luke and St Phillip's is carrying a deficit of £39,395 (2020 - £45,761) on these funds due to legacy expenditure and funding changes. The Trust is working with the academy to implement efficiencies and expects the academy to return to surplus over the next 2 - 3 years.

St Newchurch St Mary's is carrying a deficit of £44,449 (2020 - £18,085) on these funds due to pupil number reducing and funding changes. The Trust is working with the academy to implement efficiencies and expects the academy to return to surplus.

St Silas is carrying a deficit of £48,951 (2020 - £73,474) on these funds due to falling pupil numbers and COVID related costs. The Trust is working with the academy to implement efficiencies and expects the academy to return to surplus over the next 2 - 3 years.

Central Services is carrying a net deficit of £561,811 (2020 - £407,296) on these funds due to initial costs incurred on the set up of the trust and COVID related expenditure. Central Services has been structured to provide a small in year surplus and is plans to reduce the deficit without impacting on the services provided to the academies.

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

21. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Baines' Endowed Primary School & Children's Centre	1,807,241	676,507	69,130	382,498	2,935,376	2,788,464
Great Marsden St John's Primary School	820,210	76,150	18,039	206,230	1,120,629	1,062,611
St Aidan's Primary School	781,839	155,358	29,069	211,465	1,177,731	1,144,767
Darwen, St Barnabas CofE Primary Academy	575,354	150,220	22,489	171,270	919,333	862,611
St George's School	4,450,512	547,183	184,517	826,213	6,008,425	5,775,401
Darwen St James CofE Primary Academy	730,224	172,575	31,330	220,924	1,155,053	1,134,507
St Luke and St Philips Church of England Primary School	806,290	170,394	4,762	146,998	1,128,444	1,109,988
Newchurch-In- Pendle St Mary's Church of England Primary School	254,429	40,720	13,825	74,861	383,835	365,784
St Silas CofE Primary School	1,413,148	187,375	33,313	240,028	1,873,864	2,009,266
Warton St Paul's Church of England Primary Academy	363,010	85,172	7,191	111,738	567,111	-
Central Services	-	579,925	1,916	522,861	1,104,702	1,050,575
Academy	12,002,257	2,841,579	415,581	3,115,086	18,374,503	17,303,974

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22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	15,440,837	15,440,837
Current assets	1,317,154	2,113,609	279,630	3,710,393
Creditors due within one year	(48,708)	(1,583,172)	-	(1,631,880)
Creditors due in more than one year	(270,735)	-	-	(270,735)
Provisions for liabilities and charges	-	(11,875,000)	-	(11,875,000)
Total	997,711	(11,344,563)	15,720,467	5,373,615

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	15,680,507	15,680,507
Current assets	1,329,129	892,290	250,106	2,471,525
Creditors due within one year	(352,309)	(730,614)	(24,720)	(1,107,643)
Creditors due in more than one year	(305,734)	-	-	(305,734)
Provisions for liabilities and charges	-	(9,808,000)	-	(9,808,000)
Total	671,086	(9,646,324)	15,905,893	6,930,655

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NOTES TO THE FINANCIAL STATEMENTS
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23. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(220,040)	(675,991)
Adjustments for:		
Depreciation	572,198	516,461
Capital grants, donations and transfers from conversion	(296,515)	(180,995)
Interest receivable	(1,129)	(1,014)
Defined benefit pension scheme obligation inherited	113,000	-
Defined benefit pension scheme cost less contributions payable	445,000	484,000
Defined benefit pension scheme finance cost	172,000	155,000
(Increase)/decrease in stocks	(8,349)	21,311
Decrease/(increase) in debtors	73,183	(183,186)
Increase/(decrease) in creditors	489,238	(186,301)
Net cash provided by/(used in) operating activities	1,338,586	(50,715)

24. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	1,129	1,019
Purchase of tangible fixed assets	(332,529)	(250,438)
Capital grants, donations and transfers from conversion	273,497	180,995
Capital income in respect of academy conversion	23,018	-
Net cash used in investing activities	(34,885)	(68,424)

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,727,686	1,423,985
Total cash and cash equivalents	2,727,686	1,423,985

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NOTES TO THE FINANCIAL STATEMENTS
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26. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,423,985	1,303,701	2,727,686
Debt due within 1 year	(66,289)	(199,459)	(265,748)
	<u>1,357,696</u>	<u>1,104,242</u>	<u>2,461,938</u>

27. Pension commitments

The academy'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 Mercer Limited. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £85,062 were payable to the LGPS schemes at 31 August 2021 (2020 - £66,289) and are included within creditors. Contributions of £180,686 were owing to the TPS scheme at 31 August 2021 (2020 - nil).

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,090,639 (2020 - £1,216,742).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,061,000 (2020 - £836,000), of which employer's contributions totalled £862,000 (2020 - £658,000) and employees' contributions totalled £ 199,000 (2020 - £178,000). The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	4.3	3.8
Rate of increase for pensions in payment/inflation	2.9	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	22.4	22.3
Females	25.1	25
<i>Retiring in 20 years</i>		
Males	23.9	23.8
Females	26.9	26.8

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	11,415	9,443
Mortality assumption - 1 year increase	12,534	10,284
CPI rate +0.1%	12,344	10,182
Pay Growth +0.1%	11,924	9,855

Share of scheme assets

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

	2021	<i>2020</i>
	£	£
Equities	4,609,000	3,170,000
Debt Instruments	484,000	480,000
Property	913,000	945,000
Cash and other liquid assets	192,000	125,000
Other	2,930,000	2,232,000
Total market value of assets	9,128,000	6,952,000

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27. Pension commitments (continued)

The actual return on scheme assets was £1,062,000 (2020 - £-48,000).

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

	2021	2020
	£	£
Current service cost	(1,288,000)	(1,098,000)
Past service cost	-	(27,000)
Interest cost	(172,000)	(155,000)
Administrative expenses	(19,000)	(17,000)
Total amount recognised in the Statement of Financial Activities	(1,479,000)	(1,297,000)

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

	2021	2020
	£	£
At 1 September	16,760,000	14,273,000
Current service cost	1,288,000	1,098,000
Interest cost	309,000	258,000
Employee contributions	199,000	178,000
Actuarial losses	2,263,000	997,000
Benefits paid	(106,000)	(71,000)
Unfunded pension payments	290,000	27,000
At 31 August	21,003,000	16,760,000

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

	2021	2020
	£	£
At 1 September	6,952,000	5,358,000
Conversion of academy trusts	177,000	-
Interest income	137,000	103,000
Actuarial gains	926,000	743,000
Employer contributions	862,000	658,000
Employee contributions	199,000	178,000
Benefits paid	(106,000)	(71,000)
Admin Expenses	(19,000)	(17,000)
At 31 August	9,128,000	6,952,000

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

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	56,072	56,740
Later than 1 year and not later than 5 years	63,044	105,262
	119,116	162,002

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	43,473	58,918
	43,473	58,918

29. Other financial commitments

The Trust entered in to a contract with an external payroll service provided during the year. As at 31 August 2021, the future payment commitment totalled £102,935, with £31,672 due in one year and £71,263 due between 2 and 5 years.

30. Members' liability

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

CIDARI EDUCATION LIMITED
(A Company Limited by Guarantee)

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

31. Related party transactions

Trustees' remuneration has been disclosed in note 11.

Upon the schools being converted to academy trust status under the Academies Act 2010 all the operations and assets and liabilities were transferred to Cidari Education Limited for £nil consideration.

The transfers have been accounted for using the acquisition method. 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 incoming resources and resources expended in the Statement of Financial Activities as voluntary income and other resources expended.

During the year the trust incurred the following:

- costs of £9,121 (2020 - £27,938) from the Blackburn Diocesan Board of Education, an entity with common ultimate control for the cost of training, conferences, curriculum support and induction courses. At the year end, the outstanding balance was £289,608 (2020 - £309,608).
- costs of £19,385 from the Blackburn Diocesan Offices, an entity of which Jo Venn is an examining chaplain. These were in relation to rent, utilities, repairs and maintenance. Nothing was outstanding at the year end.
- costs of £8,699 from DBE Services Ltd, an entity of which Stephen Whittaker owns share capital. These were in relation to TPM Cyclical Maintenance and management fee. Nothing was outstanding at the year end.
- costs of £nil (2020 - £10,579) from the Blackburn Diocesan Board of Finance. At the year end, a the outstanding balance was £16,126 (2020 - £21,126).
- costs of £nil (2020 - £1,251) from Blackburn Cathedral Council, an entity of which Jo Venn is a member. Nothing was outstanding at the year end.

All transactions were made in accordance with the trust's financial regulations.

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

32. Transfer of existing academies into the academy

Transferred-in Warton St Pauls

	Value reported by transferring trust £	Transfer in recognised £
Pensions		
Pensions - pension scheme assets	177,000	177,000
Pensions - pension scheme liabilities	(290,000)	(290,000)
Net liabilities	<u>(113,000)</u>	<u>(113,000)</u>