

Company Registration Number: 07706726 (England & Wales)

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	I R N Ballsdon S Cooke M Eben-Aimine
Governors	I R N Ballsdon, Chair of Governors P Garden S Cooke, Head Teacher B McAvoy J Loftus J A Kettell R I Proyart (resigned 31 August 2021) J Reynolds P Jacobs D Geraghty (resigned 31 August 2021)
Company registered number	07706726
Company name	The Avenue School Special Needs Academy Trust
Registered office	Conwy Close Tilehurst Reading Berkshire RG30 4BZ
Company secretary	T Green
Senior management team	S Cooke, Head Teacher A Stephenson, Deputy Head Teacher M Eben-Aimine, Deputy Head Teacher C Minette-George, Assistant Head E Webb, Assistant Head K Gray, Assistant Head J Cottrill, Assistant Head T Green, Finance Manager C Sinclair, SENCO (appointed 1 September 2020)
Independent auditor	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
Bankers	Lloyds Reading RG1 2BT

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Browne Jacobson
Mowbray House
Cattle Meadow Road
Nottingham
NG2 1BJ

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors 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 purpose of both trustees' report and a directors' report under company law.

The trust operates a special needs academy for pupils aged 3 -19. Places are offered to pupils within the Reading Borough Council local authority as well as to those pupils from surrounding Local Authorities. In the academic year the school was funded for 175 places.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt Charitable Company.

The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Governors act as the Trustees for the charitable activities of The Avenue School Special Needs Academy Trust and are also the Directors of the Charitable Company for the purposes of Company Law.

The charitable company is known as The Avenue School.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details. on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

The Members may appoint nine Governors save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Head Teacher). From September 2021 no employees will be permitted to be Governors except for the Headteacher, in line with ESFA guidelines.

Recruitment of governors is carried out on a need basis. Parent Governors are recruited via an application and further election, where necessary. Other governors are recruited based on the needs highlighted from the skills audit.

d. Policies adopted for the induction and training of Governors

The Academy purchases membership of Reading Borough Council Governor's Services as part of the Academy SLA agreement. Induction and training course dates are highlighted to the members of the Governing Body immediately. Governors are encouraged to take up this training as well as other relevant training for example from The National College. The school is also a member of the School Bus Organisation which provide support for Governors and the Senior Leadership Team.

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

e. Organisational structure

As specified in the Articles of Association the business of the Academy Trust is managed by the Governors who exercise all the powers of the Academy Trust. The Governors consider advice given by the Headteacher and Senior Leadership Team. Governors are responsible for setting policies, planning and budget setting and making senior staff appointments and monitoring the performance of the Headteacher annually.

The academy board of governors is made up of several members, including parent governors, staff governors, community governors and co-opted governors. The full governing body meets once every half term to approve decisions, policies, school development plan and financial status. The Governing Body takes a strategic role, and delegates the responsibility of advising on all financial matters to the Finance & Audit committee, though retains overall approval for financial decisions.

The day to day running of the academy is delegated to the Headteacher and Senior Leadership Team who implement the policies agreed by the Governors. The Senior Leadership Team is responsible for the authorisation of spending within agreed budgetary limits and appointment of staff except the Senior Leadership Team. The Headteacher has been appointed as the Accounting Officer. A member of the Governing Body has been appointed as the Responsible Officer.

The Governing body of The Avenue School Special Needs academy completed a skills audit in 2018/19, as a result of which new governors were appointed in 2019/20 to help cover any gaps.

The Trust is actively recruiting new Members, to ensure compliance with ESFA regulations.

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

All key personnel can expect to receive regular, constructive feedback on their performance and are subject to annual appraisal that recognizes their strengths, informs plans for their future development and helps to enhance their professional practice.

Governors delegate responsibility for all staff appraisals and pay reviews (apart from the Headteacher) to the Headteacher. The Headteacher's performance and pay reviews are carried out by a delegation of Governors. Teacher's pay reviews are paid with effect from 1st September, backdated as appropriate.

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

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	26,000
Total pay bill	5,891,434
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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h. Related parties and other connected charities and organisations

The Boddington Trust Fund is a related charity by value of the common address.

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

Objectives and activities

a. Objects and aims

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education.

The charitable company's objectives are to provide and maintain, manage and develop Special Needs Education.

The main objectives of the Academy during the period ended 31 August 2021 are summarised below:

- To provide the very best opportunities for all pupils to enable them to fulfil their full potential mentally, physically, socially and emotionally;
- To provide a broad and balanced curriculum for all pupil to develop the skills and knowledge needed for life;
- As far as possible, to provide education remotely during the Covid -19 lockdown period, and childcare and learning in school for those pupils deemed most vulnerable during the Lockdown period from September 2020 to March 2021
- To develop and maintain a high quality learning environment; supported by an appropriate and evolving assessment system;
- To establish consistency and high expectations and support staff with their own personal development and preparation for the future of special education within the authority;
- To develop the school as a specialist resource.

The special educational provision is made at the Academy for one or more categories of Special Educational Needs. These categories may include, but are not limited to, severe and complex learning difficulties, autistic spectrum disorders and needs associated with physical disabilities.

b. Objectives, strategies and activities

The main strategy is encompassed in the mission statement: "To enhance each individual's quality of life and maximise independence through an individual approach to the development of communication, personal and social, physical, academic and life skills. Learning will be delivered through an approach to PACE: Playfulness, Acceptance, Curiosity and Empathy (Dan Hughes, 1997)".

- Establishing a learning environment designed to inspire students in their quest for knowledge and skills through a range of learning strategies and activities, to maximise independence and opportunities beyond school;
- Establishing a structure to maintain and improve the high standards in the school.
- Ensure value for money with efficient and effective use of public funds

c. Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy's objective is to advance, for the public benefit, education in the area in particular but without prejudice to the area of establishing, maintaining and developing a school offering special needs education for pupils with an EHCP or Statement of Special Educational Needs.

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

Strategic report

Achievements and performance

The academy has completed its ninth year of operation. The school has been operating for over 100 years.

Pupils have a baseline assessment completed on admission including both social skills and attainment in basic skills to enable us to have a true picture of the individual to support their transition and appropriate target setting. The school's database brings together a wide range of data including attendance and any additional interventions to support individual learning.

Close scrutiny and analysis of this information leads to a judgement that no one group under-performs. Individual pupils on free school meals who receive additional pupil premium funding are provided with the relevant and necessary support to help them meet their maximum potential.

The school prides itself in having a clear focus on the needs of individual pupils and no one pupil is disadvantaged.

During the Covid 19 pandemic, the school continued to remain open to all pupils. Pupils who were required to isolate were educated remotely. Where staff were asked to isolate, they attended remote learning sessions as well, in order to support the parents and children.

a. Key performance indicators

An Ofsted section 8 inspection carried out in September 2019 stated that **"the school continues to be outstanding"**. The report stated: "This is an exceptionally friendly school"; "Leaders want pupils to have successful adult lives"; "Leaders have worked hard over the last two years to organise pupils' learning so that teachers know exactly what they need to teach in the right order. In the school's core subjects of physical development, social and emotional development and communication, the plans are very clear. Teachers know exactly what pupils need to be able to do before they move on to the next thing". Recommendations were: While leaders have made sure that the school's core curriculum pathways are strong, Pupils' learning is not so well planned in phonics and mathematics, for example. Leaders need to continue to improve the planning in these areas so that learning is organised in a logical sequence, in small enough units, to meet pupils' very specific special educational needs and/or disabilities.

Leaders have high aspirations for pupils to enjoy happy and successful adult lives. Most pupils go to college when they leave the school; Leaders need to sharpen their work with older pupils so that transition planning is more precisely focused on the skills and experiences pupils need to make a successful transition to adulthood, including into employment when possible; Governors are ambitious for pupils to achieve well. Governors need to make more effective use of all the information available to them to support and challenge leaders.

Data is a crucial tool at The Avenue School. Information gathered from a programme of monitoring will support pupil data collected, including learning walks, work, scrutiny, planning activity and behaviour.

The school has increased the number of pupils on roll in three consecutive years, following requests by the Local Authority, this highlights the good reputation of the school in the community and has introduced financial efficiencies. Governors aim to ensure the school maintains its standards whilst expanding.

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

b. 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.

Financial review

The school's funding is obtained from EFA General Annual Grant, plus Special Educational Needs Top Up funding from the local authorities in which the pupils reside. The school saw a surplus of £373k in the financial year. The reserves will be required in the coming years to cover increases in cost of supplies, utilities and a program of repair of the building as the Academy is scheduled to have 100% occupancy from Set 2022. The LA funding surplus is used to purchase equipment and other support for specific pupil needs.

The surplus was generated primarily by increasing the pupil numbers, whilst managing costs. The use of the school facilities out of school hours had developed further, but income was reduced due to Covid-19 precautions but still generated an income of £38k.

a. Reserves policy

The directors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The directors intend to review the reserves policy annually to ensure that this aim can be achieved.

The Board of Directors have determined that the appropriate level of free reserves should be a minimum of 2.5% of total funding, and ideally at a level to cover two month's payroll costs. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The Trust's free reserves as at 31st August 2021 were £165k (2020: £147k). These free reserves represent 2.7% of total incoming resources in the year. The reason for this reserve is to provide sufficient working capital and to provide a cushion to cover the increases employment costs and inflation on all expenses. The governors have allocated some of these reserves to repairing outside play spaces in the school over the coming years.

b. Investment policy

The directors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The policy is to minimise risk and maintain liquidity.

c. Principal risks and uncertainties

The principal risks are the pension fund where the school must make good its long term obligations, due to the nature of these obligations and the timeframes they are due to be realised over, there is a material uncertainty over the final balance. The Academy obtains advice from the scheme actuaries when discussing the pension scheme.

The other principal risk is the grants received for the funding of the school, these are decided annually and hence reduce the Governors' ability to produce long term budgets. This funding is planned to change in the short term, to align payments with other special schools.

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

d. Plans for future periods

The aims and objectives, as detailed in the School Development Plan, for providing special needs education for 2021 – 2022 are:

- To support pupils' emotional wellbeing and mental health post lockdown
- Expansion of the school to 100% occupation of the building;
- To continue the development of the curriculum in areas such as Phonics, Mathematics, PSHE and ICT;
- To review the staffing structure to meet the changing needs of the school;
- To continue the expansion of satellite schools.

Fundraising

The academy had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Funds held as custodian on behalf of others


Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The Avenue Special Needs Academy Trust does not hold, and the directors do not anticipate that it will in the future hold, any funds as custodian for any third party.

Disclosure of information to auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governors 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 Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 9th DECEMBER 2021 and signed on its behalf by:


I R N Ballsdon
(Chair of Trustees)

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 5 times during the period covered by these accounts.

The 5 meetings a year has still given the Trustees effective oversight of the running of the school, in that they are held within a timeframe of 10 months. Reporting over a longer period of time, allows actions to be in and feedback on progress/impact over time.

The headteacher has regular interactions and communications with Trustees. Records show at least weekly interactions between the formal meetings. Trustees also have access to class teachers/senior colleagues to gain an oversight between meetings. With restrictions easing, Trustees will also be encouraged to visit school between meetings to oversee progress against the School Development Plan. Trustees also support interviews in school and therefore have the opportunity for speaking to SLT and staff face to face to discuss matters, check on progress etc.. Trustees can arrange meetings, remotely or face to face with senior staff to discuss specific issues any issues. Generally, the Chair and Head discuss progress fortnightly.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
I R N Ballsdon	5	5
S Cooke	5	5
J A Kettell, Chair of Audit Committee	5	5
R I Proyard (resigned August 2021)	5	5
J Reynolds	3	5
D Geraghty (resigned August 2021)	5	5
P Garden	4	5
B McAvoy	5	5
J Loftus	5	5
P Jacobs	5	5

In light of the fact that 2 governors are employees, they have stepped down as governors as of August 2021, in line with ESFA requirements. 2 members of the academy are members of staff and governors have been actively seeking replacements. 3 potential candidates have come forward and will replace M Eben-Aimine and S Cooke by December 2021.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Governors have focused on working with the school leadership team to support the School Development plan (SDP), expansion of the school and closer links with the school community. The board have noted, in particular, the quality of the Headteacher's reports presented at each Governors' meeting and how this gives them a better understanding of the progress of the SDP etc. The Governors' have also been supportive of the management of the school during the on-going Covid-19 pandemic.

The governors have completed a skills audit in 2020 and will review this in October 2021.

The Finance, Audit, Risk, Premises and Staffing Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. During the period, the committee has focused on ensuring good financial practice and policy is established in the school, staffing and expansion. They have approved the use of funds to upgrade some of the playground spaces.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
B McAvoy (chair)	4	4
I R N Ballsdon	4	4
T Green	4	4
J Kettel	3	4
J Loftus	4	4
S Cooke	4	4

Review of value for money

As accounting officer, the Head Teacher had responsibility for ensuring that the academy trust delivered good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Increasing the use of premises for community groups;
2. Increasing the number of pupils in the school / school expansion;
3. Reviewing spend to ensure value for money

The purpose of the system of internal control

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

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- regular reviews by the Audit, Risk, Premises and Staffing (FARPS) committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties; and
- identification and management of risks

The Board of Governors has considered the need for a specific internal assurance function has appointed BISHOP FLEMING LLP as an internal auditor, this work was being carried out in line with ESFA requirements and the work carried out so far has not uncovered any material control issues. The checks carried out in 2020/21 included:

- Bank and Petty Cash
- Credit Card Review
- Expenditure
- Fixed Assets
- Payroll
- Income
- Compliance

The audit was carried out in June 2021 and reported to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The work was carried out in line with the ESFA requirements and the work carried out so far has not uncovered any material control issues.

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GOVERNANCE STATEMENT (CONTINUED)


Review of effectiveness

As accounting officer, the Head Teacher 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 ;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 Governors on 4th December 2021 and signed on their behalf by:


I R N Ballsdon
Chair of Trustees


S Cooke
Accounting Officer

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Avenue School Special Needs Academy Trust I have considered my responsibility to notify the academy board of Governors 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 Governors 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 Governors and ESFA.



S Cooke

Accounting Officer

Date: 9th December 2021

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

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

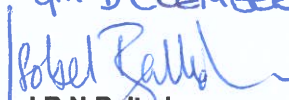
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Governors 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 Governors 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 Governors 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 Governors on
and signed on its behalf by:

9th DECEMBER 2021

I R N Ballsdon
Chair of Trustees

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST (CONTINUED)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 13 December 2021

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 5 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Avenue School Special Needs Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Avenue School Special Needs Academy Trust's accounting officer and the reporting accountant

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

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

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

Approach

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

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

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


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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity
- substantive testing of individual transactions.

Conclusion

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



Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 13 December 2021

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	8,540	-	12,708	21,248	14,437
Other trading activities	5	58,503	-	-	58,503	65,566
Investments		89	-	-	89	382
Charitable activities	4	23,044	5,906,581	-	5,929,625	5,378,644
Total income		90,176	5,906,581	12,708	6,009,465	5,459,029
Expenditure on:						
Raising funds	5	-	986	-	986	1,671
Charitable activities	6	72,695	6,462,538	228,560	6,763,793	6,102,424
Total expenditure		72,695	6,463,524	228,560	6,764,779	6,104,095
Net income/(expenditure)		17,481	(556,943)	(215,852)	(755,314)	(645,066)
Transfers between funds	15	-	(29,365)	29,365	-	-
Net movement in funds before other recognised gains/(losses)		17,481	(586,308)	(186,487)	(755,314)	(645,066)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(1,597,000)	-	(1,597,000)	(1,543,000)
Net movement in funds		17,481	(2,183,308)	(186,487)	(2,352,314)	(2,188,066)
Reconciliation of funds:						
Total funds brought forward		147,421	(6,364,347)	8,656,780	2,439,854	4,627,920
Net movement in funds		17,481	(2,183,308)	(186,487)	(2,352,314)	(2,188,066)
Total funds carried forward		164,902	(8,547,655)	8,470,293	87,540	2,439,854

The notes on pages 25 to 51 form part of these financial statements.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07706726

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	8,470,293	8,656,780
Current assets			
Debtors	13	363,853	287,170
Cash at bank and in hand		1,037,173	761,819
		<u>1,401,026</u>	<u>1,048,989</u>
Creditors: amounts falling due within one year	14	(105,779)	(126,915)
Net current assets		<u>1,295,247</u>	<u>922,074</u>
Total assets less current liabilities		<u>9,765,540</u>	<u>9,578,854</u>
Net assets excluding pension liability		<u>9,765,540</u>	<u>9,578,854</u>
Defined benefit pension scheme liability	22	(9,678,000)	(7,139,000)
Total net assets		<u><u>87,540</u></u>	<u><u>2,439,854</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	15	8,470,293	8,656,780
Restricted income funds	15	1,130,345	774,653
		<u>9,600,638</u>	<u>9,431,433</u>
Restricted funds excluding pension asset	15	9,600,638	9,431,433
Pension reserve	15	(9,678,000)	(7,139,000)
Total restricted funds	15	<u>(77,362)</u>	<u>2,292,433</u>
Unrestricted income funds	15	<u>164,902</u>	<u>147,421</u>
Total funds		<u><u>87,540</u></u>	<u><u>2,439,854</u></u>

The financial statements on pages 22 to 51 were approved by the Governors, and authorised for issue on and are signed on their behalf, by:

9th DECEMBER 2021

I R N Ballsdon
Chair of Trustees

The notes on pages 25 to 51 form part of these financial statements.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	304,951	75,237
Cash flows from investing activities	19	(29,276)	(3,816)
Cash flows from financing activities	18	(321)	(283)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		275,354	71,138
Cash and cash equivalents at the beginning of the year		761,819	690,681
Cash and cash equivalents at the end of the year	20, 21	<hr/> 1,037,173 <hr/>	<hr/> 761,819 <hr/>

The notes on pages 25 to 51 form part of these financial statements

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Charity status

The principal activity of the trust is the special educational provision for one or more categories of Special Educational Needs. The Academy Trust is a company limited by guarantee and an exempt Charitable Company (Company number: 07706726.) It is incorporated and domiciled in the UK. The address of the registered office is The Avenue School Special Needs Academy Trust, Conway Close, Tilehurst, Reading, Berkshire, RG30 4BZ.

The Avenue Academy meets the definition of a public benefit entity as defined in FRS 102.

1.3 Going concern

The Governors 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 Governors 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.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 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.

1.5 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.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Expenditure (continued)

• **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.

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 0.8% - 2%
Plant, Fixtures, fittings, computer equipment and vehicles	- 10% - 33%
Building improvements	- 10%

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 (incorporating income and expenditure account).

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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.

1.11 Provisions

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

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

1.12 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 13. 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 note 14. 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.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 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 Governors.

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.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

The Governors consider that there are no additional material judgements in applying accounting policies or key sources of estimation uncertainty.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(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 fixed asset funds 2021 £	Total funds 2021 £
Donations	8,540	-	8,540
DFE / ESFA Capital Grants	-	12,708	12,708
	<u>8,540</u>	<u>12,708</u>	<u>21,248</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Other Donations	5,273	-	5,273
DFE / ESFA Capital Grants	-	9,164	9,164
	<u>5,273</u>	<u>9,164</u>	<u>14,437</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,766,790	1,766,790
Other DfE/ESFA grants			
UFSM	-	2,150	2,150
Pupil Premium	-	86,437	86,437
Other	-	15,450	15,450
Covid-19 catch up	-	42,000	42,000
	-	1,912,827	1,912,827
Other Government grants			
Local Authority Funding	-	3,993,754	3,993,754
	-	3,993,754	3,993,754
Other income from the academy's educational operations	23,044	-	23,044
	23,044	5,906,581	5,929,625

The academy received £42,000 of funding for catch up premium and costs incurred in respect of this funding totalled £49,750.

In addition the school was donated 21 laptops at a value of £7,350 from the DfE. Given they are below the capitalisation threshold these items have not been included within the financial statements on the grounds of immateriality.

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

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,784,800	1,784,800
Other DfE/ESFA grants			
UIFSM	-	1,425	1,425
Pupil Premium	-	81,627	81,627
Other	-	55,074	55,074
	-	1,922,926	1,922,926
Other Government grants			
Local Authority Funding	-	3,438,307	3,438,307
	-	3,438,307	3,438,307
Other income from the academy's educational operations	17,411	-	17,411
	17,411	5,361,233	5,378,644

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.

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5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Sundry Lettings and Hire of Facilities	37,715	-	37,715
Sundry income	5,191	-	5,191
Receipts from supply teacher insurance claims	15,597	-	15,597
	<u>58,503</u>	<u>-</u>	<u>58,503</u>
Fundraising Trading Expenses			
Raising Funds	-	986	986
	<u>-</u>	<u>986</u>	<u>986</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Charity Trading Income			
Sundry Lettings and Hire of Facilities	42,052	-	42,052
Sundry income	15,600	-	15,600
Receipts from supply teacher insurance claims	7,914	-	7,914
	<u>65,566</u>	<u>-</u>	<u>65,566</u>
Fundraising Trading Expenses			
Raising Funds	1,182	489	1,671
	<u>1,182</u>	<u>489</u>	<u>1,671</u>

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6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	986	986
Academy's educational operations:				
Direct costs	4,452,363	263,754	133,453	4,849,570
Allocated support costs	1,439,071	228,560	220,044	1,887,675
Other trading activities:				
Allocated support costs	-	-	26,548	26,548
	<u>5,891,434</u>	<u>492,314</u>	<u>381,031</u>	<u>6,764,779</u>
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	1,671	1,671
Academy's educational operations:				
Direct costs	4,089,815	282,421	175,814	4,548,050
Allocated support costs	1,004,450	294,418	237,811	1,536,679
Other trading activities:				
Allocated support costs	-	-	17,695	17,695
	<u>5,094,265</u>	<u>576,839</u>	<u>432,991</u>	<u>6,104,095</u>

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7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academy's educational operations	4,849,570	1,887,675	6,737,245
Other trading activities	-	26,548	26,548
	<u>4,849,570</u>	<u>1,914,223</u>	<u>6,763,793</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Academy's educational operations	4,548,050	1,536,679	6,084,729
Other trading activities	-	17,695	17,695
	<u>4,548,050</u>	<u>1,554,374</u>	<u>6,102,424</u>

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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	1,439,071	1,004,450
Depreciation	228,560	294,418
Legal costs	44,225	33,615
Technology costs	30,232	42,781
Other support costs	155,450	162,809
Governance costs	16,685	16,301
	<u>1,914,223</u>	<u>1,554,374</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	-	3,307
Depreciation of tangible fixed assets	228,560	294,418
Fees paid to auditor for:		
- audit	11,950	11,575
- other services	1,280	1,220
	<u>11,950</u>	<u>11,575</u>

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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,969,273	3,616,639
Social security costs	300,460	252,107
Pension costs	1,608,250	1,225,519
	<u>5,877,983</u>	<u>5,094,265</u>
Staff restructuring costs	13,451	-
	<u><u>5,891,434</u></u>	<u><u>5,094,265</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,451 (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	26	23
Administration and support	152	143
Management	8	10
	<u>186</u>	<u>176</u>

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9. Staff (continued)

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 £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 pension contributions were £59,474 (2020: £97,789).

The above includes £59,591 contractual redundancy pay for the £100,001 - £110,000 banding. This is not expected to be the case in the next financial year.

e. Key management personnel

The key management personnel of the academy comprise the Governors 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 £873,397 (2020 £702,968).

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2021 £	2020 £
R I Proyard	Remuneration	25,000 -	25,000 -
		30,000	30,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
D Geraghty	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
S Cooke, Head Teacher	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

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

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11. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2021 was £15,233 (2020 - £15,151). The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 September 2020	10,061,770	507,663	295,559	10,864,992
Additions	-	36,660	5,413	42,073
At 31 August 2021	10,061,770	544,323	300,972	10,907,065
Depreciation				
At 1 September 2020	1,723,134	342,304	142,774	2,208,212
Charge for the year	144,360	50,477	33,723	228,560
At 31 August 2021	1,867,494	392,781	176,497	2,436,772
Net book value				
At 31 August 2021	8,194,276	151,542	124,475	8,470,293
At 31 August 2020	8,338,636	165,359	152,785	8,656,780

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13. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	259,728	138,298
Other debtors	76,681	76,518
Prepayments and accrued income	27,444	72,354
	<u>363,853</u>	<u>287,170</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	28,960	28,782
Other creditors	5,204	4,401
Accruals and deferred income	71,615	93,732
	<u>105,779</u>	<u>126,915</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. 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	147,421	90,176	(72,695)	-	-	164,902
Restricted general funds						
GAG	-	1,766,790	(1,737,425)	(29,365)	-	-
UIFSM	-	2,150	(2,150)	-	-	-
Pupil Premium	-	86,437	(86,437)	-	-	-
Other DfE / ESFA	-	15,450	(15,450)	-	-	-
Local authority	774,653	3,993,754	(3,630,312)	(7,750)	-	1,130,345
Covid-19 catch up	-	42,000	(49,750)	7,750	-	-
LGPS deficit fund	(7,139,000)	-	(942,000)	-	(1,597,000)	(9,678,000)
	<u>(6,364,347)</u>	<u>5,906,581</u>	<u>(6,463,524)</u>	<u>(29,365)</u>	<u>(1,597,000)</u>	<u>(8,547,655)</u>
Restricted fixed asset funds						
Inherited Fixed asset fund	8,656,780	-	(228,560)	42,073	-	8,470,293
DfE/ESFA capital grants	-	12,708	-	(12,708)	-	-
	<u>8,656,780</u>	<u>12,708</u>	<u>(228,560)</u>	<u>29,365</u>	<u>-</u>	<u>8,470,293</u>
Total Restricted funds	<u>2,292,433</u>	<u>5,919,289</u>	<u>(6,692,084)</u>	<u>-</u>	<u>(1,597,000)</u>	<u>(77,362)</u>
Total funds	<u><u>2,439,854</u></u>	<u><u>6,009,465</u></u>	<u><u>(6,764,779)</u></u>	<u><u>-</u></u>	<u><u>(1,597,000)</u></u>	<u><u>87,540</u></u>

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

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The fixed assets fund was set up to recognise the tangible assets gifted to the Academy upon conversion which represents the school site including the freehold and long leasehold land and buildings and all material items of plant and machinery included therein. It also includes all fixed assets subsequently purchased by way of grants and other funding. Transfers from the Restricted General Fund represents capital additions purchased from GAG income.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status and through which all the pension scheme movements are recognised.

Other DfE/ESFA grants including the pupil premium fund has been set up to manage the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure incurred is recorded through this fund. Other funding includes the PE grant.

The other restricted income fund has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant expenditure is then also recorded through this fund.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. 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	134,183	88,632	(75,394)	-	-	147,421
Restricted general funds						
GAG	-	1,784,800	(1,780,602)	(4,198)	-	-
UIFSM	-	1,425	(1,425)	-	-	-
Pupil Premium	-	81,627	(81,627)	-	-	-
Other DfE / ESFA	-	55,074	(55,074)	-	-	-
Local authority grants	557,901	3,438,307	(3,221,555)	-	-	774,653
LGPS deficit fund	(5,002,000)	-	(594,000)	-	(1,543,000)	(7,139,000)
	<u>(4,444,099)</u>	<u>5,361,233</u>	<u>(5,734,283)</u>	<u>(4,198)</u>	<u>(1,543,000)</u>	<u>(6,364,347)</u>
Restricted fixed asset funds						
Inherited Fixed asset fund	8,937,836	-	(294,418)	13,362	-	8,656,780
DfE/ESFA capital grants	-	9,164	-	(9,164)	-	-
	<u>8,937,836</u>	<u>9,164</u>	<u>(294,418)</u>	<u>4,198</u>	<u>-</u>	<u>8,656,780</u>
Total Restricted funds	<u>4,493,737</u>	<u>5,370,397</u>	<u>(6,028,701)</u>	<u>-</u>	<u>(1,543,000)</u>	<u>2,292,433</u>
Total funds	<u><u>4,627,920</u></u>	<u><u>5,459,029</u></u>	<u><u>(6,104,095)</u></u>	<u><u>-</u></u>	<u><u>(1,543,000)</u></u>	<u><u>2,439,854</u></u>

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16. 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	-	-	8,470,293	8,470,293
Current assets	164,902	1,236,124	-	1,401,026
Creditors due within one year	-	(105,779)	-	(105,779)
Provisions for liabilities and charges	-	(9,678,000)	-	(9,678,000)
Total	164,902	(8,547,655)	8,470,293	87,540

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	-	-	8,656,780	8,656,780
Current assets	147,421	901,568	-	1,048,989
Creditors due within one year	-	(126,915)	-	(126,915)
Provisions for liabilities and charges	-	(7,139,000)	-	(7,139,000)
Total	147,421	(6,364,347)	8,656,780	2,439,854

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(755,314)	(645,066)
Adjustments for:		
Depreciation	228,560	294,418
Capital grants from DfE and other capital income	(12,708)	(9,164)
Interest receivable	(89)	(382)
Interest paid	321	283
Defined benefit pension scheme cost less contributions payable	825,000	500,000
Defined benefit pension scheme admin finance cost	117,000	94,000
Increase in debtors	(76,683)	(132,636)
Decrease in creditors	(21,136)	(26,216)
Net cash provided by operating activities	304,951	75,237

18. Cash flows from financing activities

	2021 £	2020 £
Interest paid	(321)	(283)
Net cash used in financing activities	(321)	(283)

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	89	382
Purchase of tangible fixed assets	(42,073)	(13,362)
Capital grants from DfE Group	12,708	9,164
Net cash used in investing activities	(29,276)	(3,816)

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20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,037,173	761,819
Total cash and cash equivalents	1,037,173	761,819

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	761,819	275,354	1,037,173
	761,819	275,354	1,037,173

22. 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 Royal Borough of Windsor and Maidenhead. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The 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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22. 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 £256,328 (2020 - £254,359).

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 £674,000 (2020 - £572,000), of which employer's contributions totalled £518,000 (2020 - £440,000) and employees' contributions totalled £156,000 (2020 - £132,000). The agreed contribution rates for future years are 22.5 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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22. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.85	3.2
Rate of increase for pensions in payment/inflation	2.85	2.2
Discount rate for scheme liabilities	1.7	1.65

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.3	21.5
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	22.6	22.9
Females	25.4	25.5

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	13,817	10,342
Discount rate -0.1%	14,697	11,000
Mortality assumption - 1 year increase	14,820	11,060
Mortality assumption - 1 year decrease	13,702	10,286

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22. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	2,791,000	2,060,000
Corporate bonds	814,000	462,000
Property	539,000	501,000
Cash and other liquid assets	94,000	334,000
Target return portfolio	199,000	108,000
Infrastructure	392,000	258,000
Commodities	-	13,000
Longevity insurance	(257,000)	(209,000)
Total market value of assets	4,572,000	3,527,000

The actual return on scheme assets was £459,000 (2020 - £153,000).

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

	2021 £	2020 £
Service cost	1,343,000	940,000
Net interest on the defined liability (asset)	117,000	91,000
Administrative expenses	3,000	3,000
Total amount recognised in the Statement of Financial Activities	1,463,000	1,034,000

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

	2021 £	2020 £
Opening defined benefit obligation	10,666,000	8,340,000
Current service cost	1,343,000	940,000
Interest cost	177,000	159,000
Employee contributions	156,000	132,000
Actuarial losses	1,993,000	1,144,000
Benefits paid	(85,000)	(49,000)
At 31 August	14,250,000	10,666,000

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
(A company limited by guarantee)

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

22. Pension commitments (continued)

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

	2021 £	2020 £
Opening fair value of scheme assets	3,527,000	3,338,000
Interest income	63,000	68,000
Actuarial gains/(losses)	396,000	(399,000)
Employee contributions	156,000	132,000
Benefits paid	(85,000)	(49,000)
Employer contributions	518,000	440,000
Admin expenses	(3,000)	(3,000)
At 31 August	4,572,000	3,527,000

23. 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.

24. Related party transactions

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors 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.

S Leavett, partner of A Stephenson, a member of senior management, is employed by the academy trust as a class teacher. S Leavett's appointment was made in open competition and A Stephenson was not involved in the decision-making process regarding appointment. S Leavett is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of key management personnel.

A Green, spouse of T Green, a member of senior management, is employed by the academy trust as a development officer. A Green's appointment was made in open competition and T Green was not involved in the decision-making process regarding appointment. A Green is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.