

Company Registration Number: 11474011 (England & Wales)

**PRINCE REGENT STREET TRUST**

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

P Carey  
C Herron  
K Steven

**Governors**

K Steven, Chair<sup>1,2</sup>  
J Armstrong, Chief Executive Officer<sup>1,2</sup>  
E Avison<sup>2</sup>  
H Beckwith<sup>1,2</sup>  
H Brown (resigned 31 October 2020)<sup>1</sup>  
M Colley<sup>2</sup>  
H Herron<sup>1</sup>  
J Hughes<sup>2</sup>

<sup>1</sup> Finance and Audit Committee  
<sup>2</sup> Trust Improvement Committee

**Company registered number**

11474011

**Company name**

Prince Regent Street Trust

**Principal and registered office**

Hartburn Primary School  
Adelaide Grove  
Stockton-On-Tees  
TS18 5BS

**Senior management team**

J Armstrong, Chief Executive Officer & Executive Head Teacher  
R Powner (from 01/02/21), Chief Finance & Operations Officer  
L Pollard, Trust Data Manager  
C Park, Head of School, Hartburn Primary  
R Birtwhistle, Head Teacher, Village Primary  
S Hawes, Head Teacher, Wolviston Primary  
C Haycock, Head Teacher (resigned 31 December 2020)

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

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

**Bankers**

Lloyds Bank Plc  
83/85 Linthorpe Road  
Middlesbrough  
TS1 5BU

**Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**PRINCE REGENT STREET TRUST**  
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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 auditors' report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Stockton on Tees. It has a pupil capacity of 983 and had a roll of 949 in the school census on July 2021, including Nursery classes.

**Structure, governance and management**

**Constitution**

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of Prince Regent Street Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Prince Regent Street Trust .

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Governors' Indemnities**

The academy trust has purchased insurance RPA to protect Directors from claims arising against negligent acts, error or omissions occurring whilst on academy trust business. Further details are provided in note 12.

**Method of recruitment and appointment or election of Governors**

The original members of the academy trust, as named in the incorporation documents are the signatories to the funding agreement between the academy trust and the Secretary of State. The Members appoint a minimum of 9 Directors including the CEO. The Secretary of State may, in special circumstances appoint such additional trustees as they feel fit. To date there have been no such additions. Future Governors shall be appointed or elected, as the case may be, under these articles, the total number of Governors who are employees of the academy trust shall not exceed one third of the total number of Governors. Subject to remaining eligible to be a particular type of Governors, any Governors may be re-appointed or re-elected.

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

**Structure, governance and management (continued)**

**Policies adopted for the induction and training of Governors**

We recognise the positive contribution that Governors can make to our organisation, when they have the commitment training and are given opportunity to do so. We therefore aim to attract and retain Governors who have the experience, skills and desire to make a difference to their local community. The induction and training of new Governors will be managed by the Chair of the Board of Governors. Training will be purchased from AVEC, Governor services at Stockton BC, membership of the National Governors Association and bespoke in-house training from external providers.

**Organisational structure**

On 1 October 2018, on conversion to MAT status, the Board of Governors was established. It was decided that each school will also have a LGB. A LGB has been established at Hartburn Primary School, Village Primary School and Wolviston Primary School.

In addition to these LGBs, the Governors can form separate sub committees and challenge groups to consider academic progress, resources, health and safety, audit, finance and resources, discipline and appeals. The committee terms of reference are set out in our Governance Handbook, and scheme of delegation and reviewed annually. The annual budget is submitted to the Governors for approval, prior to submission to the Education and Skills Funding Agency (ESFA), and the Board of Governors also receives regular reports on academy trust spend via the Finance and Resources Committee.

Day to day responsibility for operating the academy trust has been delegated to the CEO who manages the academy trust and implements policies approved by the Governors. The CEO fulfils the role of Accounting Officer and their responsibilities, together with an explanation of other additional delegated authorities includes:

- Staffing
  - Chair the Executive Head Teacher Board.
- Finance
  - Responsible for the line management of all central services including the management of the Head of Finance and Operations.
  - Ensure compliance with the requirements of the Master Funding Agreement and Supplement Funding
- Agreements of the academy trust.
  - As the Accounting Officer for the academy trust, be personally responsible for the propriety and regularity of the public finances within the academy trust.
  - Ensure compliance with the academy trust Scheme of Delegation.
- Risk Management
  - Risk management has been incorporated into the agenda for the audit committee.
  - Executive Head Teacher (EHT) meetings are timetabled to update and identify the risk / potential risk against a probability scale with identify preventative and resilience measures. Risks to the academy trust have been identified in the Trust risk register with appropriate actions identified to limit impact to the organisation.
- Engagement with other stakeholders
  - To promote the ethos and vision of the Prince Regent Street Trust and to present it to a wide range of audiences.
  - Be the main point of contact for the Local Authority, EFSA, DfE and other key bodies in respect of all aspects of the academy trust.

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

**Structure, governance and management (continued)**

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The pay and remuneration of the CEO/ Executive team is decided by the Trust board. The trust has delegated responsibility to Local Governing Bodies for other teachers and non-teaching staff having regard to the national framework and School Teacher's Pay and Conditions Document, taking into account the extent to which they have achieved their appraisal targets and objectives.

**Related parties and other connected charities and organisations**

All Members and Trustees are required to declare any business interests that may impact on the Academy Trust. Details of transactions with Related Parties during the reporting period are in note 25 to the Financial Statements.

**Engagement with employees (including disabled persons)**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy trust. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment by making support resources available and through training and career development.

**Objectives and Activities**

The Prince Regent Street Trust is fundamentally one of sustainable school improvement. All three schools are good and outstanding, yet are very different in so many ways. We feel that having such a variety of different sizes and school make ups will enhance our capacity to support and develop other schools joining the academy trust. We have a very successful primary ethos, which enables all children to maximise their potential. We strongly believe that every child has the right to the highest quality Education. Successful schools and their leaders hold the responsibility to work alongside other schools to support improvement. Leaders have a collective responsibility for improving the whole system for mutual benefit. The Prince Regent Street Trust is committed to highly effective working partnerships with school leaders, colleagues, parents and all other stakeholders.

The principal object and activity of the charitable company is the operation of Prince Regent Street Trust is to provide education for students of primary school age.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the academy trust, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum.

**Objects and Aims**

The academy trust's main objectives are encompassed in its improvement strategy and commitment which is outlined below including the end objectives and the strategies used to achieve them.

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

**Objectives and Activities (continued)**

At the heart of our school improvement strategy is a commitment to working in partnership with all our schools, and to support all schools in being self-improving, and to achieve a school-led system in order to promote and secure:

- We have a proven track record of sustained school improvement .
- At least good levels of achievement for all children with many children achieving outstanding outcomes.
- High quality teaching.
- Effective leadership and governance in all schools.
- Access to high quality professional development for staff enabling sustained and continual improvement and developing a workforce in line with future succession planning needs and talent management policies.
- Opportunities for the identification and dissemination of effective practice and engagement in research and development including teacher inquiry.
- Safe schools with fair access.
- Affordability and value for money.

The Board of Governors focused on five key priorities during 2020 - 2021:

1. **Progress and Attainment**  
To regularly scrutinise all school data of all core subjects especially for those from disadvantaged backgrounds in order that clear improvements across all subjects are being made (L. Pollard also feeds back to Board as Trust Data Analyst)  
To analyse academy trust level data and share with the Board of Governors at Trust Improvement committee  
To continue to review all Safeguarding standards in line with any changes to policy in order that they are exemplary across all 3 schools.
2. **Collaboration**  
To expand the remit of the Trust working parties feeding back to the Head Teacher Board and Governors regularly  
To continuously look for development opportunities for Trust wide CPD.
3. **Financial stability and operational strength through:**  
To appoint our own CFO/COO to work alongside the CEO  
To Comply with the Master Funding Agreement and Financial Handbook.  
To mitigate any areas of risk and update Risk register).
4. **Leadership and Governance**  
To further embed the roles and responsibilities of Governors through board meeting discussions/decisions with a focus on Trust accountability and a review of the Strategic Business plan.  
To offer further CPD for Board members in line with NGA guidance/ courses
5. **MAT stability and future growth**  
To update Trust Growth plan  
To continue with established CEO networks both locally and nationally  
To continue the development of relationships with both local and national Multi Academy Trusts.



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

**Objectives and Activities (continued)**

**Objectives, strategies and activities**

| <b>Hartburn</b>  | <b>Village</b>  | <b>Wolviston</b>   |
|--|---|--|
| <p>Recovery curriculum. Identify and address gaps to accelerate progress and attainment due to school closures in response to the COVID19 pandemic.</p> <p>In response to the above target to further improve teaching and learning pedagogy</p> | <p>To broaden vocabulary across the curriculum to improve phonics, early reading and reading attainment.</p> <p>To improve subject leadership to ensure there is a broad, balanced and sequential curriculum whereby gaps and weakness are addressed rapidly.</p> <p>To improve rapid recall and fluency of key skills.</p> | <p>To ensure outcomes in Reading are in line with or exceed that of the national averages in all year groups.</p> <p>To establish gaps in children's learning and put in place plans to enable all children to close their attainment gap following the COVID19 pandemic.</p> <p>Additional: Maestro development to support the teaching of History, Geography, Art and D&amp;T.</p> |

**Public Benefit**

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy trust should undertake.

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

**Strategic Report**

**Achievements and Performance**

Based on each schools 2019 data, Academy Trust priorities were identified for 2020. Due to the COVID-19 situation no assessments took place in 2020 therefore it is unfortunately not possible to measure these by outcomes.

| Hartburn  | Village  | Wolviston   |
|---|--|---|
| At KS2 ensure Science is in line or above national standards<br>At KS2 ensure SPaG results are in line or above national standards. | At both EYFS and KS1 to narrow the disadvantaged gap.<br>To put measures in place to ensure more children reach the Y1 phonics threshold bringing school in line with LA | EYFS to ensure expected levels are above LA in all strands<br>KS1 ensure Reading, Writing, Maths and Science are all above LA thresholds. |
| To ensure a focus on phonic resit children and ensure significant progress from their Y1 score.                                     | KS1 Science to ensure attainment is in line or above LA  | To ensure all staff are confident using internal tracking system and can pull off data needed for targeting children.                     |
| These results should be at least in line with national comparisons.   | KS2 target boys attainment to narrow the gap in all subjects. In turn this would improve overall levels to be in line or above LA thresholds                             |   |
| To ensure that disadvantage pupils progress and attainment outcomes compare favourably with national across the school.             | At KS2 ensure that disadvantaged pupils progress and attainment outcomes compare favourably with the LA/national.  |   |

**Key performance indicators**

Due to unprecedented times of no assessments for the last two years schools have been limited with data for submission. However to ensure best practice and accountability we have still collected key cohort predictions to enable further target setting and targeting of provision and resources. Included below are predicted end of year levels for each school for 2020 and 2021.

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

**Strategic Report (continued)**

**Achievements and Performance (continued)**

**HARTBURN**

| <b>Key Indicator</b> | <b>2019 Actual</b> | <b>2020 Predicted</b> | <b>2021 Predicted</b> | <b>National 2019 Comparison</b> |
|----------------------|--------------------|-----------------------|-----------------------|---------------------------------|
| GLD Foundation Stage | 91%                | 83%                   | 91%                   | (72%)                           |
| Phonics Check        | 93%                | 91% ACTUAL            | Not yet taken         | (82%)                           |
| KS1 Reading Exp+     | 85%                | 90%                   | 83%                   | (75%)                           |
| KS1 Writing Exp+     | 87%                | 87%                   | 75%                   | (69%)                           |
| KS1 Maths Exp+       | 85%                | 92%                   | 78%                   | (76%)                           |
| KS2 Reading Exp+     | 81%                | 93%                   | 90%                   | (73%)                           |
| KS2 Writing Exp+     | 93%                | 92%                   | 89%                   | (78%)                           |
| KS2 Maths Exp+       | 92%                | 95%                   | 88%                   | (79%)                           |
| KS2 Combined         | 77%                | 86%                   | 85%                   | (65%)                           |

**VILLAGE**

| <b>Key Indicator</b> | <b>2019 Actual</b> | <b>2020 Predicted</b> | <b>2021 Predicted</b> | <b>National 2019 Comparison</b> |
|----------------------|--------------------|-----------------------|-----------------------|---------------------------------|
| GLD Foundation Stage | 80%                | 77%                   | 69%                   | (72%)                           |
| Phonics Check        | 70%                | 80% ACTUAL            | Not yet taken         | (82%)                           |
| KS1 Reading Exp+     | 77%                | 66%                   | 77%                   | (75%)                           |
| KS1 Writing Exp+     | 77%                | 66%                   | 70%                   | (69%)                           |
| KS1 Maths Exp+       | 77%                | 70%                   | 83%                   | (76%)                           |
| KS2 Reading Exp+     | 55%                | 75%                   | 86%                   | (73%)                           |
| KS2 Writing Exp+     | 84%                | 75%                   | 79%                   | (78%)                           |
| KS2 Maths Exp+       | 71%                | 71%                   | 82%                   | (79%)                           |
| KS2 Combined         | 52%                | 71%                   | 78%                   | (65%)                           |

**WOLVISTON**

| <b>Key Indicator</b> | <b>2019 Actual</b> | <b>2020 Predicted</b> | <b>2021 Predicted</b> | <b>National 2019 Comparison</b> |
|----------------------|--------------------|-----------------------|-----------------------|---------------------------------|
| GLD Foundation Stage | 81%                | 80%                   | 71%                   | (72%)                           |
| Phonics Check        | 87%                | 87% ACTUAL            | Not yet taken         | (82%)                           |
| KS1 Reading Exp+     | 75%                | 80%                   | 64%                   | (75%)                           |
| KS1 Writing Exp+     | 75%                | 80%                   | 79%                   | (69%)                           |
| KS1 Maths Exp+       | 75%                | 80%                   | 86%                   | (76%)                           |
| KS2 Reading Exp+     | 100%               | 84%                   | 92%                   | (73%)                           |
| KS2 Writing Exp+     | 100%               | 89%                   | 75%                   | (78%)                           |
| KS2 Maths Exp+       | 100%               | 84%                   | 92%                   | (79%)                           |
| KS2 Combined         | 100%               | 84%                   | 75%                   | (65%)                           |

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

**Strategic Report (continued)**

**Achievements and Performance (continued)**

The results below show the Academy Trusts performance in 2019 against national comparison. Comparison for 2020 is not however possible due to cancellation of assessments however the Academy Trusts predictions for 2020 are included and were mostly above 2019 national averages.

|                      | <b>Trust<br/>2019</b> | <b>Trust Prediction<br/>2020</b> | <b>Trust Prediction<br/>2021</b> | <b>National 2019<br/>Comparison</b> |
|----------------------|-----------------------|----------------------------------|----------------------------------|-------------------------------------|
| GLD Foundation Stage | 84%                   | 80%                              | 82%                              | (72%)                               |
| % Y1 Pass            | 83%                   | 86%                              | 89%                              | (82%)                               |
| % Reading Exp +      | 79%                   | 79%                              | 79%                              | (75%)                               |
| % Writing EXP +      | 80%                   | 78%                              | 73%                              | (69%)                               |
| % Maths EXP +        | 79%                   | 81%                              | 80%                              | (76%)                               |
| % Reading Exp +      | 79%                   | 84%                              | 89%                              | (73%)                               |
| % Writing EXP +      | 92%                   | 85%                              | 85%                              | (78%)                               |
| % Maths EXP +        | 88%                   | 83%                              | 87%                              | (79%)                               |

Financial performance indicators include;

- All spending is appropriate and supports the common goal of improving educational outcomes.
- No trustee/governor/employee has benefitted personally from the use of these funds.
- Payroll services fully meet tax obligations.
- There is probity in the use of public funds.
- Competitive tendering is in place.
- Regular reviews of projected and actual student numbers and staffing requirements take place

| KPI's                                       | Actual<br>20/21 | Budget<br>21/22 | Budget<br>22/23 | Budget<br>23/24 |
|---|-----------------|-----------------|-----------------|-----------------|
| Staff costs as % of total expenditure       | 74%             | 74%             | 76%             | 78%             |
| Teaching staff costs as a % of total income | 51%             | 50%             | 54%             | 57%             |
| Average teacher costs                       | £53,091         | £56,561         | £58,675         | £60,845         |
| Pupil teacher ratio                         | 23.65           | 18.28           | 18.13           | 18.22           |
| Surplus / deficit as a % of income          | 1%              | 2%              | (1%)            | (3%)            |
| Total spend per pupil                       | £4,818          | £6,002          | £6,030          | £6,058          |
| Total reserves per pupil                    | £549.68         | £706.57         | £669.28         | £488.26         |

**Going Concern**

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

**Financial review**

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

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities

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

**Strategic Report (continued)**

Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021 total recurrent grant funding from the DfE/ESFA together with other incoming resources was exceeded by total expenditure of £5,169,000. The excess of expenditure over income for the year of unrestricted funds and restricted funds (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £195,000. The in-year surplus on restricted general funds plus unrestricted funds but excluding the increase in the pension reserve liability was £65,000.

All of the expenditure shown in the statement of financial activities is in furtherance of the Academy Trust's objectives.

The academy held fund balances at 31 August 2021 of £8,284,000 comprising £7,819,000 restricted funds, including £1,872,000 deficit on the pension reserves, and £465,000 of unrestricted funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2021 was £520,000.

At 31 August 2021 the net book value of fixed assets was £9,632,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The provisions of Financial Reporting Standard (FRS) 102 relating to 'Retirement Benefits' have been applied in full, resulting in a deficit of £1,872,000 recognised on the balance sheet.

**Reserves Policy**

The academy trust holds restricted and unrestricted funds. (The attached financial statements details these funds). The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Governors on an annual basis. The Governors consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of the equivalent of 4 weeks expenditure.

The academy trust's level of free reserves (unrestricted and restricted funds excluding pension reserve and restricted fixed asset) at 31 August 2021 are £465,000. Governors believe that the level of reserves held by the academy trust as at 31 August 2021 is sufficient to meet the Reserves Policy.

As the academy trust continues to grow the reserves policy will continue to be monitored and reviewed.

**Investment Policy**

The academy trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

The academy trust does not hold investments other than Cash at Bank. Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board of Governors.

The academy trust aims to manage its cash balances to provide for the day to day working capital requirements of its operation, whilst protecting the real long-term value of any surplus cash balances against inflation. During this accounting period the academy trust has not adopted any investment

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

**Investment Policy (continued)**

The academy trust will operate an interest bearing current account with a bank approved by the Board of Governors (currently Lloyds Bank ) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

The academy trust will not take out any long term deposits until reliable cash flow pattern had been established, monies will only be paid into term deposits not exceeding six months.

**Principal Risks and Uncertainties**

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

The academy trust and each school within it have in place a risk register with the main items of risk being reviewed at LGB and trust board meeting.

The academy trust has in place a risk management strategy and risk register. The CEO and Financial Director have lead responsibility for the risk management processes and Risk Register. The Risk Register is formally reviewed each term by the CEO and FD. The principal risks are as follows:

**Section 1: Sustainability**

- Lack of funding results in unsustainable Academy operation (national funding, numbers on roll, pension deficit, pupil numbers, inflation etc.)
- Critical Incidents
- Overall performance results

**Section 2: Governance**

- Reputational
- Succession Planning
- Finance
- Fraud & Data Security
- Employment laws risk; including pensions
- Health & Safety risk
- Facilities and adequacy of investment
- Governance structure and skills of Board/LGB

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

**Principal Risks and Uncertainties (continued)**

**Section 3: New Academies**

- Reputational
- Distance
- Resource: Team & Finance
- Contractual exposures
- Resource: IT
- Resource: Contracts - Catering, cleaning, grounds, facilities etc

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**Fundraising**

All schools within the academy trust undertake both fundraising on behalf of other charitable organisations and for school specific purposes. Schools take part in many national charity events including, Red Nose Day and Children in Need and some schools also fundraise throughout the year for nominated charities. All income generated from these days are transferred direct to the individual charities.

As well as fundraising for external charities, most schools have active PTA organisations or "Friends of" organisations who actively fundraise through school based events. Money received for these events is managed by the individual organisations and schools apply to the independent organisations for contributions to specific school equipment or events to enhance the curriculum or children's learning experience in schools.

The academy trust is particularly aware of the need to protect vulnerable individuals in any fundraising we undertake. During the course of this accounting period, we received no complaints relating to our fundraising activities.

**Plans for Future Periods**

The priority for the academy trust in 2021/2022 is to continue to improve levels of achievement for all students in line with our vision that all children reach their full potential and has specific KPI's in the strategic plan. The academy trust is committed to effective and sustainable school improvement and provides a broad and balance curriculum which prioritises the development of English and mathematics skills in order to give our children the best chance of succeeding in life. We also aim to expand the academy trust over the next 12-18 months.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

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

**Auditors**

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 7 December 2021 and signed on its behalf by:

*Kay Steven*

**K Steven**  
Chair

*J Armstrong*

**J Armstrong**  
Accounting Officer



**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The Board of Governors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Prince Regent Street 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.

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 CEO Julia Armstrong, 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 Prince Regent Street 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 6 times during the year.

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

| Governor                             | Meetings attended | Out of a possible |
|--------------------------------------|-------------------|-------------------|
| K Steven, Chair                      | 6                 | 6                 |
| J Armstrong, Chief Executive Officer | 6                 | 6                 |
| E Avison                             | 4                 | 6                 |
| H Brown, (resigned 31 October 2020)  | 0                 | 2                 |
| M Colley                             | 5                 | 6                 |
| H Herron                             | 4                 | 6                 |
| J Hughes                             | 4                 | 6                 |
| H Beckwith                           | 4                 | 6                 |

The Finance and Audit Committee is a sub-committee of the main Board of Governors. Its purpose is to assume responsibility for the proper stewardship of funds and for ensuring economy, efficiency and effectiveness in their use.

Attendance at meetings in the year was as follows:

| Governor                           | Meetings attended | Out of a possible |
|------------------------------------|-------------------|-------------------|
| H Herron (Chair of Committee)      | 1                 | 3                 |
| K Steven                           | 2                 | 3                 |
| J Armstrong                        | 3                 | 3                 |
| H Beckwith                         | 1                 | 3                 |
| H Brown (resigned 31 October 2020) | 0                 | 0                 |

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Trust Improvement Committee is also a sub-committee of the main Board of Governors.

Attendance during the year at meetings was as follows:

| Governor                      | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| M Colley (Chair of Committee) | 2                 | 2                 |
| K Steven                      | 2                 | 2                 |
| J Armstrong                   | 2                 | 2                 |
| E Avison                      | 1                 | 2                 |
| H Beckwith                    | 2                 | 2                 |
| J Hughes                      | 1                 | 2                 |

**Review of value for money**

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

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

- Safeguarding and CPD Training with National Education Group – 15% saving versus previous agreement fixed for 3 years
- Data Protection Officer SLA & GDPR Training with Derbyshire Council – with Partners/Associates saving £3k per annum versus MAT costs
- Printing contract with Sapphire – with Associate projected savings in excess of £10k across life of contract
- Assessment and Data Tracking with Target Tracker (Juniper Education) – with Partners/Associates saved 10% on previous renewals, fixed for 3 years

**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 Prince Regent Street Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors 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 Board of Governors 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 period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

The Board of Governors has decided to buy-in an internal audit service from Azets.

The internal auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

Further guidance on internal scrutiny arrangements is available in the Academies Financial Handbook and in ESFA's good practice guide.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the auditor reports to the Board of Governors through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**Review of effectiveness**

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

- the work of the auditor;
- the work of the internal auditors;
- the work of the external auditors;
- the financial management and governance self-assessment process or;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

**PRINCE REGENT STREET TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

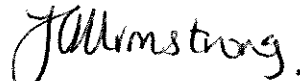
**Review of effectiveness (continued)**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit 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 7 December 2021 and signed on their behalf by:



**K Steven**  
Chair



**J Armstrong**  
Accounting Officer

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Prince Regent Street Trust I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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



**J Armstrong**  
Accounting Officer  
Date: 7 December 2021

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 7 December 2021 and signed on its behalf by:



**K Steven**  
Chair

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PRINCE REGENT STREET TRUST**

**Opinion**

We have audited the financial statements of Prince Regent Street Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and 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 trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PRINCE REGENT STREET TRUST (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The 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 trust 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.

**Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.



**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PRINCE REGENT STREET TRUST (CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PRINCE REGENT STREET TRUST (CONTINUED)**

**Use of our report**

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

*Clive Owen up*

**Kevin Shotton BA BFP FCA (Senior statutory auditor)**

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: *13/12/21*

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRINCE  
REGENT STREET TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 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 Prince Regent Street 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 Prince Regent Street Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Prince Regent Street 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 Prince Regent Street Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Prince Regent Street Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Prince Regent Street Trust's funding agreement with the Secretary of State for Education dated 26 September 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

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

**Approach (continued)**

- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**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.

*Clive Owen LLP*

**Clive Owen LLP**

**Reporting Accountant**

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date:

*13/12/21*

**PRINCE REGENT STREET TRUST**  
(A company limited by guarantee)

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

|   | Note | Unrestricted<br>funds<br>2021<br>£000 | Restricted<br>funds<br>2021<br>£000 | Restricted<br>fixed asset<br>funds<br>2021<br>£000 | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| <b>Income from:</b>   |      |                                       |                                     |  |                                |                                |
| Donations and capital grants:                                       | 3    |                                       |                                     |  |                                |                                |
| Donations and capital grants  |      | 4                                     | -                                   | 35   | 39                             | 31                             |
| Other trading activities  | 5    | 70                                    | -                                   | -  | 70                             | 47                             |
| Investments   |      | -                                     | -                                   | -  | -                              | -                              |
| Charitable activities   | 4    | 98                                    | 4,453                               | -  | 4,551                          | 4,348                          |
| <b>Total income</b>   |      | <b>172</b>                            | <b>4,453</b>                        | <b>35</b>  | <b>4,660</b>                   | <b>4,426</b>                   |
| <b>Expenditure on:</b>  |      |                                       |                                     |  |                                |                                |
| Charitable activities   | 6,7  | 113                                   | 4,707                               | 349  | 5,169                          | 4,826                          |
| <b>Total expenditure</b>  |      | <b>113</b>                            | <b>4,707</b>                        | <b>349</b>   | <b>5,169</b>                   | <b>4,826</b>                   |
| <b>Net income/<br/>(expenditure)</b>                                |      | <b>59</b>                             | <b>(254)</b>                        | <b>(314)</b>                                       | <b>(509)</b>                   | <b>(400)</b>                   |
| Transfers between funds   | 16   | -                                     | (2)                                 | 2  | -                              | -                              |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>59</b>                             | <b>(256)</b>                        | <b>(312)</b>                                       | <b>(509)</b>                   | <b>(400)</b>                   |
| <b>Other recognised gains/(losses):</b>                             |      |                                       |                                     |  |                                |                                |
| Actuarial gains/(losses) on defined benefit pension schemes         | 22   | -                                     | 63                                  | -  | 63                             | (871)                          |
| <b>Net movement in funds</b>  |      | <b>59</b>                             | <b>(193)</b>                        | <b>(312)</b>                                       | <b>(446)</b>                   | <b>(1,271)</b>                 |
| <b>Reconciliation of funds:</b>                                     |      |                                       |                                     |  |                                |                                |
| Total funds brought forward   |      | 441                                   | (1,659)                             | 9,948  | 8,730                          | 10,001                         |
| Net movement in funds   |      | 59                                    | (193)                               | (312)  | (446)                          | (1,271)                        |
| <b>Total funds carried forward</b>                                  |      | <b>500</b>                            | <b>(1,852)</b>                      | <b>9,636</b>                                       | <b>8,284</b>                   | <b>8,730</b>                   |

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 11474011**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

|  | Note | 2021<br>£000 | 2020<br>£000 |
|--|------|--------------|--------------|
| <b>Fixed assets</b>                            |      |              |              |
| Tangible assets                                | 13   | 9,632        | 9,948        |
|  |      | 9,632        | 9,948        |
| <b>Current assets</b>                          |      |              |              |
| Debtors  | 14   | 221          | 274          |
| Cash at bank and in hand                       |      | 620          | 676          |
|  |      | 841          | 950          |
| Creditors: amounts falling due within one year | 15   | (317)        | (495)        |
|  |      | 524          | 455          |
| <b>Net current assets</b>                      |      | 524          | 455          |
| <b>Total assets less current liabilities</b>   |      | 10,156       | 10,403       |
| <b>Net assets excluding pension liability</b>  |      | 10,156       | 10,403       |
| Defined benefit pension scheme liability       | 22   | (1,872)      | (1,673)      |
| <b>Total net assets</b>                        |      | 8,284        | 8,730        |
| <b>Funds of the Academy Trust</b>              |      |              |              |
| <b>Restricted funds:</b>                       |      |              |              |
| Fixed asset funds                              | 16   | 9,636        | 9,948        |
| Restricted income funds                        | 16   | 55           | 14           |
|  |      | 9,691        | 9,962        |
| Restricted funds excluding pension asset       | 16   | 9,691        | 9,962        |
| Pension reserve                                | 16   | (1,872)      | (1,673)      |
|  |      | 7,819        | 8,289        |
| <b>Total restricted funds</b>                  | 16   | 7,819        | 8,289        |
| <b>Unrestricted income funds</b>               | 16   | 465          | 441          |
|  |      | 8,284        | 8,730        |
| <b>Total funds</b>                             |      | 8,284        | 8,730        |

The financial statements on pages 27 to 54 were approved by the Governors, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

*Kay Steven*

**K Steven**  
Chair

**PRINCE REGENT STREET TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|   | Note   | 2021<br>£000 | 2020<br>£000 |
|---|--------|--------------|--------------|
| <b>Cash flows from operating activities</b>             |        |              |              |
| Net cash (used in)/provided by operating activities     | 18     | (58)         | 151          |
| <b>Cash flows from investing activities</b>             | 19     | 2            | (27)         |
| <b>Change in cash and cash equivalents in the year</b>  |        | (56)         | 124          |
| Cash and cash equivalents at the beginning of the year  |        | 676          | 552          |
| <b>Cash and cash equivalents at the end of the year</b> | 20, 21 | <u>620</u>   | <u>676</u>   |

**PRINCE REGENT STREET 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), judgements and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, 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 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

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

• **Grants**

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

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

• **Donations**

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

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

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



**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

|                              |   |             |
|------------------------------|---|-------------|
| Long-term leasehold property | - | 2% on cost  |
| Furniture and equipment      | - | 14% on cost |
| Computer equipment           | - | 33% on cost |

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

**1.6 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.

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

**1. Accounting policies (continued)**

**1.7 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.

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

**1.9 Provisions**

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

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

**1.10 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.11 Operating leases**

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

**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.12 Pensions**

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

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

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

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

**1.13 Fund accounting**

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

**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The Academy Trust 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 2016 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. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £349,000.

Critical areas of judgement:

Land is held under a 125 year lease from Stockton Borough Council. These assets are included on the Balance Sheet of the Academy Trust due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the Academy Trust could use them without major modification.

**3. Income from donations and capital grants**

|                | Unrestricted<br>funds<br>2021<br>£000 | Restricted<br>fixed asset<br>funds<br>2021<br>£000 | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|----------------|---------------------------------------|--|--------------------------------|--------------------------------|
| Donations      | 4                                     | 13   | 17                             | 9                              |
| Capital Grants | -                                     | 22   | 22                             | 22                             |
|                | <u>4</u>                              | <u>35</u>  | <u>39</u>                      | <u>31</u>                      |
| Total 2020     | <u>9</u>                              | <u>22</u>  | <u>31</u>                      |                                |

**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**4. Funding for the academy's educational operations**

|   | Unrestricted<br>funds<br>2021<br>£000 | Restricted<br>funds<br>2021<br>£000 | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|---|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| <b>DfE/ESFA grants</b>  |                                       |                                     |                                |                                |
| General Annual Grant (GAG)  | -                                     | 3,350                               | 3,350                          | 3,216                          |
| <b>Other DfE/ESFA grants</b>  |                                       |                                     |                                |                                |
| Pupil Premium   | -                                     | 210                                 | 210                            | 225                            |
| PE and Sport Premium  | -                                     | 55                                  | 55                             | 55                             |
| UIFSM   | -                                     | 144                                 | 144                            | 126                            |
| Rates   | -                                     | 14                                  | 14                             | 14                             |
| Insurance   | -                                     | -                                   | -                              | 23                             |
| Teachers' pay grant   | -                                     | 45                                  | 45                             | 45                             |
| Teachers' pension grant   | -                                     | 127                                 | 127                            | 129                            |
| Other DfE Group grants  | -                                     | 2                                   | 2                              | 1                              |
|   | -                                     | -                                   | 3,947                          | 3,834                          |
| <b>Other Government grants</b>  |                                       |                                     |                                |                                |
| SEN   | -                                     | 88                                  | 88                             | 77                             |
| Early Years Funding   | -                                     | 343                                 | 343                            | 341                            |
| Local Authority grants  | -                                     | 9                                   | 9                              | 10                             |
|   | -                                     | 440                                 | 440                            | 428                            |
| <b>Other income from the Academy Trust's<br/>academy's educational operations</b> | 98                                    | -                                   | 98                             | 86                             |
| <b>COVID-19 additional funding (DfE/ESFA)</b>                                     |                                       |                                     |                                |                                |
| Catch-up Premium  | -                                     | 66                                  | 66                             | -                              |
|   | -                                     | 66                                  | 66                             | -                              |
|   | 98                                    | 4,453                               | 4,551                          | 4,348                          |
| <b>Total 2020</b>   | 86                                    | 4,262                               | 4,348                          |                                |

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

The Academy Trust received £66,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £53,000, with the remaining £13,000 to be spent in 2021/22.

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

**5. Income from other trading activities**

|                                 | Unrestricted<br>funds<br>2021<br>£000 | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|---------------------------------|---------------------------------------|--------------------------------|--------------------------------|
| Supply teacher insurance claims | 15                                    | 15                             | 12                             |
| Other income                    | 55                                    | 55                             | 35                             |
|                                 | <u>70</u>                             | <u>70</u>                      | <u>47</u>                      |
| <b>Total 2020</b>               | <u>47</u>                             | <u>47</u>                      |                                |

**6. Expenditure**

|                                   | Staff Costs<br>2021<br>£000 | Premises<br>2021<br>£000 | Other<br>2021<br>£000 | Total<br>2021<br>£000 | Total<br>2020<br>£000 |
|-----------------------------------|-----------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| Academy's educational operations: |                             |                          |                       |                       |                       |
| Direct costs                      | 3,292                       | -                        | 266                   | 3,558                 | 3,410                 |
| Allocated support costs           | 503                         | 513                      | 595                   | 1,611                 | 1,416                 |
|                                   | <u>3,795</u>                | <u>513</u>               | <u>861</u>            | <u>5,169</u>          | <u>4,826</u>          |
| <b>Total 2020</b>                 | <u>3,626</u>                | <u>459</u>               | <u>741</u>            | <u>4,826</u>          |                       |

In 2021 of the total expenditure, £113,000 (2020 : £68,000) was to unrestricted funds and £5,056,000 (2020 : £4,758,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed assets losses
- Stock losses
- Cash losses

During the year the Academy Trust suffered unrecoverable debts totaling £350.

**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Analysis of expenditure by activities**

|                                  | Activities<br>undertaken<br>directly<br>2021<br>£000 | Support<br>costs<br>2021<br>£000 | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|----------------------------------|--|----------------------------------|--------------------------------|--------------------------------|
| Academy's educational operations | 3,558  | 1,611                            | 5,169                          | 4,826                          |

**Analysis of direct costs**

|                         | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|-------------------------|--------------------------------|--------------------------------|
| Staff costs             | 3,292                          | 3,172                          |
| Educational supplies    | 67                             | 57                             |
| Staff development       | 24                             | 20                             |
| Technology costs        | 45                             | 3                              |
| Educational consultancy | 95                             | 117                            |
| Staff expenses          | 1                              | -                              |
| Supply insurance        | 28                             | 28                             |
| Transport               | -                              | 5                              |
| Other costs             | 6                              | 8                              |
|                         | <u>3,558</u>                   | <u>3,410</u>                   |

**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|                                | Total<br>funds<br>2021<br>£000 | Total<br>funds<br>2020<br>£000 |
|--------------------------------|--------------------------------|--------------------------------|
| Net interest on pension scheme | 27                             | 10                             |
| Staff costs                    | 503                            | 454                            |
| Depreciation                   | 349                            | 331                            |
| Technology costs               | 91                             | 59                             |
| Staff expenses                 | 3                              | -                              |
| Maintenance of premises        | 67                             | 40                             |
| Cleaning                       | 10                             | 8                              |
| Other premises costs           | 36                             | 32                             |
| Energy                         | 42                             | 42                             |
| Rent and rates                 | 14                             | 14                             |
| Insurance                      | 17                             | 16                             |
| Operating lease rentals        | 2                              | 8                              |
| Catering                       | 255                            | 240                            |
| Security                       | 3                              | 1                              |
| Other costs                    | 181                            | 149                            |
| Governance costs               | 11                             | 12                             |
| <b>Total 2021</b>              | <b>1,611</b>                   | <b>1,416</b>                   |

**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

|                                       | 2021<br>£000 | 2020<br>£000 |
|---------------------------------------|--------------|--------------|
| Operating lease rentals               | 2            | 8            |
| Depreciation of tangible fixed assets | 349          | 331          |
| Fees paid to auditors for:            |              |              |
| - audit                               | 9            | 9            |
| - other services                      | -            | 3            |



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

**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

|                           | 2021<br>£000 | 2020<br>£000 |
|---------------------------|--------------|--------------|
| Wages and salaries        | 2,706        | 2,574        |
| Social security costs     | 249          | 237          |
| Pension costs             | 794          | 728          |
|                           | <u>3,749</u> | <u>3,539</u> |
| Agency staff costs        | 46           | 59           |
| Staff restructuring costs | -            | 28           |
|                           | <u>3,795</u> | <u>3,626</u> |

Included in operating costs of defined benefit pension schemes is a charge of £235,000 (2020 - £196,000) relating to the pension deficit actuarial adjustment.

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

Included in staff costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £26,000).

**c. Staff numbers**

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

|                            | 2021<br>No. | 2020<br>No. |
|----------------------------|-------------|-------------|
| Teachers                   | 44          | 43          |
| Administration and support | 80          | 77          |
| Management                 | 6           | 4           |
|                            | <u>130</u>  | <u>124</u>  |

**PRINCE REGENT STREET TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. Staff (continued)**

**d. Higher paid staff**

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

|                                 | 2021<br>No. | 2020<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 2           | 1           |
| In the band £90,001 - £100,000  | -           | 1           |
| In the band £100,001 - £110,000 | 1           | -           |
|                                 | <u>1</u>    | <u>-</u>    |

**e. Key management personnel**

The key management personnel of the Academy Trust 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 Trust was £423,000 (2020 : £303,000). During the year the academy trust has restructured central services resulting in an increase in the Senior Leadership Team.

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

**10. Central services**

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

- Head Teacher / Trust Leader CPD
- CEO School Improvement Support to Head and School Leaders
- Annual School Improvement external review
- Chief Financial & Operations Officer
- Trust Data & Assessment Analyst
- HR services
- Payroll services
- Governance services
- RPA & Zurich insurance services
- Health & Safety SLA
- Data Protection Officer & GDPR SLA
- Budget & finance system
- Parent Pay income management system
- Audit services (internal, external & Teachers Pension)
- Attendance & Education Welfare SLA
- Website hosting & design services
- EVERY Compliance system
- National Education Group - Safeguarding & CPD subscriptions
- Perspective - SIP & PM subscription
- Target Tracker - Data & assessment manager
- School North East MAT partner

The Academy Trust charges for these services on the following basis:

Staff time or pupil numbers.

The actual amounts charged during the year were as follows:

|                          | 2021       | 2020       |
|--------------------------|------------|------------|
|                          | £000       | £000       |
| Hartburn Primary School  | 259        | 128        |
| Village Primary School   | 58         | 67         |
| Wolviston Primary School | 29         | 35         |
| <b>Total</b>             | <u>346</u> | <u>230</u> |

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**11. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. 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<br>£000 | 2020<br>£000 |
|------------------------------|----------------------------|--------------|--------------|
| J Armstrong, Chief Executive | Remuneration               | 100 - 105    | 95 - 100     |
|                              | Pension contributions paid | 20 - 25      | 20 - 25      |

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

**12. Governors' and Officers' insurance**

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

**13. Tangible fixed assets**

|                          | Long-term<br>leasehold<br>property<br>£000 | Furniture and<br>equipment<br>£000 | Computer<br>equipment<br>£000 | Total<br>£000       |
|--------------------------|--|------------------------------------|-------------------------------|---------------------|
| <b>Cost or valuation</b> |  |                                    |                               |                     |
| At 1 September 2020      | 9,579                                      | 974                                | 31                            | 10,584              |
| Additions                | -  | -                                  | 33                            | 33                  |
| At 31 August 2021        | <u>9,579</u>                               | <u>974</u>                         | <u>64</u>                     | <u>10,617</u>       |
| <b>Depreciation</b>      |  |                                    |                               |                     |
| At 1 September 2020      | 367  | 260                                | 9                             | 636                 |
| Charge for the year      | 192  | 139                                | 18                            | 349                 |
| At 31 August 2021        | <u>559</u>                                 | <u>399</u>                         | <u>27</u>                     | <u>985</u>          |
| <b>Net book value</b>    |  |                                    |                               |                     |
| At 31 August 2021        | <u><u>9,020</u></u>                        | <u><u>575</u></u>                  | <u><u>37</u></u>              | <u><u>9,632</u></u> |
| At 31 August 2020        | <u><u>9,212</u></u>                        | <u><u>714</u></u>                  | <u><u>22</u></u>              | <u><u>9,948</u></u> |

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**14. Debtors**

|                                | 2021<br>£000 | 2020<br>£000 |
|--------------------------------|--------------|--------------|
| <b>Due within one year</b>     |              |              |
| Trade debtors                  | 1            | 1            |
| VAT recoverable                | 46           | 36           |
| Prepayments and accrued income | 174          | 237          |
|                                | 221          | 274          |
|                                | 221          | 274          |

**15. Creditors: Amounts falling due within one year**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Trade creditors                        | 32           | 147          |
| Other taxation and social security     | 60           | 56           |
| Other creditors                        | 64           | 75           |
| Accruals and deferred income           | 161          | 217          |
|  | 317          | 495          |
|  | 317          | 495          |
|  | 2021<br>£000 | 2020<br>£000 |
| Deferred income at 1 September 2020    | 96           | 85           |
| Resources deferred during the year     | 81           | 96           |
| Amounts released from previous periods | (96)         | (85)         |
|  | 81           | 96           |
|  | 81           | 96           |

At the Balance Sheet date the Academy Trust was holding funds of £81,000 received in advance relating to UIFSM and rates relief income relating to 2021/22 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Statement of funds**

|                                     | Balance at 1<br>September<br>2020<br>£000 | Income<br>£000 | Expenditure<br>£000 | Transfers<br>in/out<br>£000 | Gains/<br>(Losses)<br>£000 | Balance at<br>31 August<br>2021<br>£000 |
|-------------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| <b>Unrestricted funds</b>           |   |                |                     |                             |                            |   |
| Unrestricted Fund                   | 441                                       | 137            | (113)               | -                           | -                          | 465                                     |
| <b>Restricted general funds</b>     |   |                |                     |                             |                            |   |
| General Annual Grant (GAG)          | 1   | 3,350          | (3,307)             | (2)                         | -                          | 42                                      |
| Pupil Premium                       | -   | 210            | (210)               | -                           | -                          | -                                       |
| Other DfE Group grants              | 13  | 387            | (400)               | -                           | -                          | -                                       |
| SEN                                 | -   | 88             | (88)                | -                           | -                          | -                                       |
| Other Government grants             | -   | 352            | (352)               | -                           | -                          | -                                       |
| COVID-19 funding                    | -   | 66             | (53)                | -                           | -                          | 13                                      |
| Other income                        | -   | 35             | (35)                | -                           | -                          | -                                       |
| Pension reserve                     | (1,673)                                   | -              | (262)               | -                           | 63                         | (1,872)                                 |
|                                     | <u>(1,659)</u>                            | <u>4,488</u>   | <u>(4,707)</u>      | <u>(2)</u>                  | <u>63</u>                  | <u>(1,817)</u>                          |
| <b>Restricted fixed asset funds</b> |   |                |                     |                             |                            |   |
| Legacy assets                       | 9,878                                     | -              | (323)               | -                           | -                          | 9,555                                   |
| Devolved Formula Capital            | 41  | 22             | (15)                | -                           | -                          | 48                                      |
| Capital expenditure from GAG        | 21  | -              | (7)                 | 2                           | -                          | 16                                      |
| Donations                           | 8   | -              | (1)                 | -                           | -                          | 7                                       |
| ESFA donated assets                 | -   | 13             | (3)                 | -                           | -                          | 10                                      |
|                                     | <u>9,948</u>                              | <u>35</u>      | <u>(349)</u>        | <u>2</u>                    | <u>-</u>                   | <u>9,636</u>                            |

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

|                               | Balance at 1<br>September<br>2020<br>£000 | Income<br>£000 | Expenditure<br>£000 | Transfers<br>in/out<br>£000 | Gains/<br>(Losses)<br>£000 | Balance at<br>31 August<br>2021<br>£000 |
|-------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| <b>Total Restricted funds</b> | 8,289                                     | 4,523          | (5,056)             | -                           | 63                         | 7,819                                   |
| <b>Total funds</b>            | 8,730                                     | 4,660          | (5,169)             | -                           | 63                         | 8,284                                   |

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

The General Annual Grant (GAG) must be used for the normal running of the academy trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Teachers' pay and Teachers' pension grants received to fund increase in salaries and employers pension contribution.

Universal Infant Free School Meals funding to be spent on catering costs for eligible pupils.

PE Sports grant to be used for the delivery of PE curriculum provision.

SEN funding is used to provide additional support for additional needs pupils.

Other government grants relates to Early Years funding for the provision of nursery services.

COVID Catch up Premium has been awarded to schools to assist in the recovery of education as a result of the pandemic.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

A transfer of £2,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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

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**16. Statement of funds (continued)**

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

|                                     | Balance at<br>1 September<br>2019<br>£000 | Income<br>£000 | Expenditure<br>£000 | Transfers<br>in/out<br>£000 | Gains/<br>(Losses)<br>£000 | Balance at<br>31 August<br>2020<br>£000 |
|-------------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| <b>Unrestricted funds</b>           |   |                |                     |                             |                            |   |
| Unrestricted Fund                   | 367                                       | 142            | (68)                | -                           | -                          | 441                                     |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                       | <hr/>                      | <hr/>                                   |
| <b>Restricted general funds</b>     |   |                |                     |                             |                            |   |
| General Annual Grant (GAG)          | -   | 3,216          | (3,188)             | (27)                        | -                          | 1                                       |
| Pupil Premium                       | -   | 225            | (225)               | -                           | -                          | -                                       |
| Other DfE Group grants              | -   | 393            | (380)               | -                           | -                          | 13                                      |
| SEN                                 | -   | 77             | (77)                | -                           | -                          | -                                       |
| Other Government grants             | -   | 351            | (351)               | -                           | -                          | -                                       |
| Pension reserve                     | (596)                                     | -              | (206)               | -                           | (871)                      | (1,673)                                 |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                       | <hr/>                      | <hr/>                                   |
|                                     | (596)                                     | 4,262          | (4,427)             | (27)                        | (871)                      | (1,659)                                 |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                       | <hr/>                      | <hr/>                                   |
| <b>Restricted fixed asset funds</b> |   |                |                     |                             |                            |   |
| Legacy assets                       | 10,195                                    | -              | (317)               | -                           | -                          | 9,878                                   |
| Devolved Formula Capital            | 26  | 22             | (7)                 | -                           | -                          | 41                                      |
| Capital expenditure from GAG        | -   | -              | (6)                 | 27                          | -                          | 21                                      |
| Donations                           | 9   | -              | (1)                 | -                           | -                          | 8                                       |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                       | <hr/>                      | <hr/>                                   |
|                                     | 10,230                                    | 22             | (331)               | 27                          | -                          | 9,948                                   |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                       | <hr/>                      | <hr/>                                   |
| <b>Total Restricted funds</b>       | 9,634                                     | 4,284          | (4,758)             | -                           | (871)                      | 8,289                                   |
|                                     | <hr/>                                     | <hr/>          | <hr/>               | <hr/>                       | <hr/>                      | <hr/>                                   |
| <b>Total funds</b>                  | 10,001                                    | 4,426          | (4,826)             | -                           | (871)                      | 8,730                                   |
|                                     | <hr/> <hr/>                               | <hr/> <hr/>    | <hr/> <hr/>         | <hr/> <hr/>                 | <hr/> <hr/>                | <hr/> <hr/>                             |



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**16. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Trust  | 110          | 43           |
| Hartburn Primary School                            | 200          | 180          |
| Village Primary School                             | 90           | 93           |
| Wolviston Primary School                           | 120          | 139          |
|  | <hr/>        | <hr/>        |
| Total before fixed asset funds and pension reserve | 520          | 455          |
| Restricted fixed asset fund                        | 9,636        | 9,948        |
| Pension reserve                                    | (1,872)      | (1,673)      |
|  | <hr/>        | <hr/>        |
| <b>Total</b>                                       | <b>8,284</b> | <b>8,730</b> |
|  | <hr/> <hr/>  | <hr/> <hr/>  |

**Total cost analysis by academy**

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

|                             | Teaching<br>and<br>educational<br>support staff<br>costs<br>£000 | Other<br>support staff<br>costs<br>£000 | Educational<br>supplies<br>£000 | Other costs<br>excluding<br>depreciation<br>£000 | Total<br>2021<br>£000 | Total<br>2020<br>£000 |
|-----------------------------|--|---|---------------------------------|--|-----------------------|-----------------------|
| Trust                       | 235  | 124                                     | -                               | 200  | 559                   | 404                   |
| Hartburn<br>Primary School  | 1,666  | 195                                     | 42                              | 394  | 2,297                 | 2,229                 |
| Village Primary<br>School   | 910  | 120                                     | 18                              | 237  | 1,285                 | 1,233                 |
| Wolviston<br>Primary School | 481  | 64                                      | 8                               | 126  | 679                   | 629                   |
|                             | <hr/>  | <hr/>                                   | <hr/>                           | <hr/>  | <hr/>                 | <hr/>                 |
| <b>Academy Trust</b>        | <b>3,292</b>   | <b>503</b>                              | <b>68</b>                       | <b>957</b>                                       | <b>4,820</b>          | <b>4,495</b>          |
|                             | <hr/> <hr/>  | <hr/> <hr/>                             | <hr/> <hr/>                     | <hr/> <hr/>                                      | <hr/> <hr/>           | <hr/> <hr/>           |

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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | Unrestricted<br>funds<br>2021<br>£000 | Restricted<br>funds<br>2021<br>£000 | Restricted<br>fixed asset<br>funds<br>2021<br>£000 | Total<br>funds<br>2021<br>£000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|
| Tangible fixed assets                  | -                                     | -                                   | 9,632  | 9,632                          |
| Current assets                         | 465                                   | 372                                 | 4  | 841                            |
| Creditors due within one year          | -                                     | (317)                               | -  | (317)                          |
| Provisions for liabilities and charges | -                                     | (1,872)                             | -  | (1,872)                        |
| <b>Total</b>                           | <u>465</u>                            | <u>(1,817)</u>                      | <u>9,636</u>                                       | <u>8,284</u>                   |

**Analysis of net assets between funds - prior year**

|  | Unrestricted<br>funds<br>2020<br>£000 | Restricted<br>funds<br>2020<br>£000 | Restricted<br>fixed asset<br>funds<br>2020<br>£000 | Total<br>funds<br>2020<br>£000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|
| Tangible fixed assets                  | -                                     | -                                   | 9,948  | 9,948                          |
| Current assets                         | 469                                   | 481                                 | -  | 950                            |
| Creditors due within one year          | (28)                                  | (467)                               | -  | (495)                          |
| Provisions for liabilities and charges | -                                     | (1,673)                             | -  | (1,673)                        |
| <b>Total</b>                           | <u>441</u>                            | <u>(1,659)</u>                      | <u>9,948</u>                                       | <u>8,730</u>                   |

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**18. Reconciliation of net expenditure to net cash flow from operating activities**

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Net expenditure for the year (as per Statement of financial activities) | (509)        | (400)        |
| <b>Adjustments for:</b>   |              |              |
| Depreciation  | 349          | 331          |
| Capital grants from DfE and other capital income                        | (22)         | (22)         |
| Defined benefit pension scheme cost less contributions payable          | 235          | 196          |
| Defined benefit pension scheme finance cost                             | 27           | 10           |
| Decrease/(increase) in debtors  | 53           | (125)        |
| (Decrease)/increase in creditors  | (178)        | 161          |
| Donated assets  | (13)         | -            |
| <b>Net cash (used in)/provided by operating activities</b>              | <b>(58)</b>  | <b>151</b>   |

**19. Cash flows from investing activities**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Purchase of tangible fixed assets                          | (20)         | (49)         |
| Capital grants from DfE Group                              | 22           | 22           |
| <b>Net cash provided by/(used in) investing activities</b> | <b>2</b>     | <b>(27)</b>  |

**20. Analysis of cash and cash equivalents**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Cash in hand and at bank               | 620          | 676          |
| <b>Total cash and cash equivalents</b> | <b>620</b>   | <b>676</b>   |

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**21. Analysis of changes in net debt**

|                          | At 1<br>September<br>2020<br>£000 | Cash flows<br>£000 | At 31 August<br>2021<br>£000 |
|--------------------------|-----------------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 676                               | (56)               | 620                          |
|                          | 676                               | (56)               | 620                          |
|                          | 676                               | (56)               | 620                          |

**22. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Middlesbrough Borough Council.. 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 2016.

Contributions amounting to £64,000 were payable to the schemes at 31 August 2021 (2020 - £61,000) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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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**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 £417,000 (2020 - £399,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust 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 £188,000 (2020 - £177,000), of which employer's contributions totalled £142,000 (2020 - £133,000) and employees' contributions totalled £ 46,000 (2020 - £44,000). The agreed contribution rates for future years are 17.5% 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 Trust, 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 Trust 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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**22. Pension commitments (continued)**

**Principal actuarial assumptions**

|  | 2021<br>% | 2020<br>% |
|--|-----------|-----------|
| Rate of increase in salaries                       | 3.70      | 3.30      |
| Rate of increase for pensions in payment/inflation | 2.70      | 2.30      |
| Discount rate for scheme liabilities               | 1.70      | 1.70      |
| Inflation assumption (CPI)                         | 2.70      | 2.30      |
| Commutation of pensions to lump sums               | 80.00     | 80.00     |

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

|                      | 2021<br>Years | 2020<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| Males                | 21.9          | 21.8          |
| Females              | 23.6          | 23.5          |
| Retiring in 20 years |               |               |
| Males                | 23.3          | 23.2          |
| Females              | 25.4          | 25.3          |

**Sensitivity analysis**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Discount rate +0.1%                    | (104)        | (86)         |
| Discount rate -0.1%                    | 109          | 90           |
| Mortality assumption - 1 year increase | (180)        | (141)        |
| Mortality assumption - 1 year decrease | 185          | 145          |
| CPI rate +0.1%                         | 85           | 20           |
| CPI rate -0.1%                         | (80)         | (20)         |

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**22. Pension commitments (continued)**

**Share of scheme assets**

The Academy Trust's share of the assets in the scheme was:

|                                     | 2021<br>£000 | 2020<br>£000 |
|-------------------------------------|--------------|--------------|
| Equities                            | 2,262        | 1,702        |
| Property                            | 209          | 179          |
| Cash and other liquid assets        | 237          | 260          |
| Other                               | 152          | 99           |
| <b>Total market value of assets</b> | <u>2,860</u> | <u>2,240</u> |

The actual return on scheme assets was £492,000 (2020 - £(791,000)).

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

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Current service cost  | (377)        | (329)        |
| Interest income   | 39           | 53           |
| Interest cost   | (66)         | (63)         |
| <b>Total amount recognised in the Statement of financial activities</b> | <u>(404)</u> | <u>(339)</u> |

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

|                        | 2021<br>£000 | 2020<br>£000 |
|------------------------|--------------|--------------|
| <b>At 1 September</b>  | 3,913        | 3,456        |
| Current service cost   | 377          | 329          |
| Interest cost          | 66           | 63           |
| Employee contributions | 46           | 44           |
| Actuarial losses       | 390          | 27           |
| Benefits paid          | (60)         | (6)          |
| <b>At 31 August</b>    | <u>4,732</u> | <u>3,913</u> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Pension commitments (continued)**

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

|                          | 2021<br>£000 | 2020<br>£000 |
|--------------------------|--------------|--------------|
| <b>At 1 September</b>    | 2,240        | 2,860        |
| Interest income          | 39           | 53           |
| Actuarial gains/(losses) | 453          | (844)        |
| Employer contributions   | 142          | 133          |
| Employee contributions   | 46           | 44           |
| Benefits paid            | (60)         | (6)          |
| <b>At 31 August</b>      | 2,860        | 2,240        |

**23. Operating lease commitments**

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

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Not later than 1 year                        | 2            | 8            |
| Later than 1 year and not later than 5 years | -            | 1            |
|  | 2            | 9            |

**24. 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.

**25. Related party transactions**

Owing to the nature of the Academy Trust 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.