

Company Registration Number: 11031096 (England & Wales)

THE CIRCLE TRUST
(A company limited by guarantee)

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

THE CIRCLE TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Geoffrey Beedham
Andrew Beckett
Jonathan Davis
Paul Jeffery
Aileen Feeney

Trustees

Andrew Beckett, Chair of Trustees
Paul Miller
Kevin Addington
Nicola Brown
Julian Bushell
David Day
Anne Haycocks
Lee Smith
David Walker
Peter Collins

Company registered number

11031096

Company name

The Circle Trust

Principal and registered office

St Crispin's School, London Road, Wokingham, Berkshire, RG40 1SS

Company secretary and governance professional

Rebecca Clarke

Senior leadership team

Ginny Rhodes, Executive Headteacher
Alison Brown, Director of School Improvement
Debra Briault, Chief Operating Officer

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

Independent auditor

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Solicitors

Harrison Clark Rickerbys, Overcross House, Ross Park, Ross-on-Wye, HR9 7US

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy 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.

The Trust, which was incorporated on 25th October 2017 and opened as a Trust on 1st February 2018, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The charitable company is known as The Circle Trust.

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

The Circle Trust operates 4 primary academies and 2 secondary academies in Wokingham, Berkshire and have a combined roll of 3,407 in the school census in October 2021.

b. Members' liability

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

c. Trustees' indemnities

The Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Trust business and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the Department of Education's Risk Protection Arrangements (RPA) scheme.

d. Principle activities

The principle objective of the charitable company is to advance, for the public benefit, education. The vision statement of the Trust encapsulates this objective:

The Circle Trust believes that all children and young people deserve to have an excellent well-rounded education and to flourish in first-rate schools with the best teaching, the best facilities and the most up to date resources made available to them.

Our core values drive the Trust's behaviour, decision-making and ambitions:

- The highest educational outcomes for every learner is paramount;
- Preserving the unique identity and ethos of all partner schools is essential;
- To be anything but utterly inclusive is non-negotiable;
- Being self-reflective is essential in encouraging innovation, our Trust is always driven to improve further;
- We value strong clear moral purposed leadership;

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

Structure, governance and management (continued)

- What we say is what we do, we recognise talent, foster expertise, believe well-being for all is fundamental;
- Our Trust promotes collaborating with others and being outward looking.

e. Method of Recruitment and Appointment or Election of Trustees

On 1st February 2018, the Members appointed the first Trustees.

The Trustees co-opted as additional Trustees David Walker (on 23rd October 2019) and Peter Collins (on 6th March 2020). Both their appointments were confirmed by Members at the Trust's Annual General Meeting on 26th March 2020.

At the Trust's Annual General Meeting on 25th March 2021, Members re-appointed Andrew Beckett, Paul Miller, Anne Haycocks and Kevin Addington for a further four years.

The Circle Trust has the following governance arrangements as set out in its Articles of Association and Funding Agreement:

- 5 Members
- 9 -12 Trustees

Trustees are recruited, dependent upon their expertise, experience and skill and are appointed for a term of four years and thereafter maybe reappointed.

The make-up of the Trustees includes experienced professionals, many of whom have a critical understanding of the operational and legal requirements of running a large business and the moral imperative to improve educational outcomes. Trustees have the highest level of expertise and experience in managing public money and directing to achieve the most sustainable, efficient and cost effective provision and act with the utmost standards of integrity and stewardship.

f. Policies and Procedures Adopted for the Induction and Training of Trustees

An induction programme is in place for any new Trustee, which enables them to gain an understanding of the ethos, values and strategic direction of the Trust, as well as, setting out the responsibilities required of charity Trusteeship.

The training and induction provided for new Members or Trustees depends upon their existing experience. All Members and Trustees have access to policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their governance role.

There is an annual governance training day organised each year by the Trust named "Squaring the Circle" which includes training to keep governance at all levels updated on relevant developments impacting on their roles and responsibilities. This did not take place during the year given the COVID pandemic. All new to governance have the opportunity to undertake National Governance Association (NGA) training and all involved in governance are members of the NGA, receiving regular NGA updates, and have access to National College training.

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

Structure, governance and management (continued)

g. Organisational Structure

The Trustees are responsible for the strategic direction of the Trust, holding Executive Leaders to account and oversight of finance. To assist with this work and in respect to each school in the Trust, the Trustees meet in sub-committees (Core Offer & Growth, HR, School Improvement and Finance & Audit) which meet at least once each term with the Finance Committee meeting six times a year. Each sub-committee has its own terms of reference detailing the responsibilities delegated to it. The Full Trustee meeting occurs once an academic term.

During the year, the Trust Board established an Audit and Risk Committee and renamed the Finance & Audit Committee the Finance Committee, in each case with effect from 1st September 2021.

A Board of Local Advisors has been established in each individual school which is another sub-committee of the Trustees and has specific delegated responsibilities as set out in the Scheme of Delegation and the terms of reference set by Trustees. However, the Trustees retain the legal accountability for the operation and performance of all schools in the Trust and for any decisions taken under delegated authority. This governance structure seeks to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that each school nurtures the talents of its entire staff to support continual improvement and excellence.

The following decisions are reserved to the Full Trustee Board:

- to consider any proposals for changes to the status or constitution of the Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint the Executive Headteacher
- to appoint the Company Secretary.

The Trustees have devolved the day-to-day management of the Trust to the Executive Headteacher

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

Arrangements for setting pay are in accordance with The Circle Trust's Pay Policy which is itself aligned to requirements as set out in the Academy Trust Handbook. The Trustees have established a separate Pay committee with an External Advisor for the purposes of setting and reviewing performance management objectives and performance related pay for the Executive Headteacher.

i. Engagement with employees (including disabled persons)

Engagement with employees is chiefly via regular staff briefings and weekly bulletins highlighting current activities and any matters of concern. Employees are always consulted on any changes that will affect their interests and employment at The Circle Trust. Employees at all levels are encouraged to review the Trust annual report and the AGM report which are available on the Trust website.

The Circle Trust's Selection and Recruitment Policy and Health & Safety Policy provide information regarding applications for employment from disabled persons and induction of all staff including those who are disabled or become disabled. There is a specific induction process for Early Career Teachers (ECTs).

The overarching policy of the Trust is to develop staff to their maximum potential.

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

Structure, governance and management (continued)

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

The Circle Trust aims to build and maintain positive, productive relationships with all stakeholders. Relationships with both suppliers and customers are in most cases longstanding.

There are many positive aspects to customer relationships where organisations using halls, gyms etc. also provide curriculum links and work with teaching colleagues with the aim of improving outcomes for all pupils. Supplier relationships are equally positive and support value for money purchasing across the trust.

k. Trade union facility time

No employees were relevant union officials during the year.

l. Related Parties & other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust.

There are disclosed related party relationships in that the Executive Headteacher is a Governor of Wellington College and the two secondary academies pay to participate in the State and Independent School Partnership programme at £500 contribution per school. One other Trustee is a Deputy Headteacher at Wellington College. The Executive Headteacher works periodically (but has not done so during this financial year) as a consultant with the Partners in Excellence (PIXL) organisation and one other Trustee is a PIXL Associate. This organisation's membership is part of the school improvement core offer for schools in The Circle Trust.

There are formal Parent Teacher Associations associated with individual schools in The Circle Trust.

m. Risk management

The Trustees have implemented a robust system to assess risks that The Circle Trust faces, especially in the operational areas (such as health & safety) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees have a comprehensive risk management process to identify and monitor the risks faced by the Trust as set out in The Circle Trust's Risk Management Policy. The principle risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

An analysis of potential risk has been completed and strategies identified to control and manage risks to the Trust on a risk register.

The majority of risks identified on the risk register are low risks, as a result of:

- Policies and procedures put in place by Trustees to minimise risks, including budget management and forecasting procedures
- Procurement of adequate insurance cover
- Investing in staff training and continuing professional development

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

Principal risks identified in the risk review were:

Impact of COVID on the Trust short to medium term

- health and well-being – comprehensive risk assessments in all settings ensuring all Covid Secure arrangements are in line with Public Health England and DfE guidance. All safeguarding and pastoral care procedures adapted to ensure safety and care for children and young people. Staff well-being supported by various means including signposting to external expertise
- disruption to education – lost learning mitigated by the timely and effective remote learning with commonly shared pedagogical expertise. Pan Trust investment in home learning suitable resource including Reading Eggs, Accelerated Reader and GCSE Pod
- going concern – no change, the trust remains a going concern

Impact of COVID on the trust medium or long term

- Funding will be insufficient, subsequently a risk that the budget will be in deficit. The financial climate will likely become very challenging and The Circle Trust will address this through detailed monitoring of budgets and early planning for future periods so that costs are kept within reduced future income. Trust wide systems are in place to ensure value for money decision making in accordance with The Circle Trust's Finance Policy
- Educational outcomes are diminished in light of interruption to education and toll of Covid on the emotional and mental health well-being of stakeholders. Mitigations enacted through increased well-being provision and strategies to recover lost learning

Safeguarding and health and safety compliance across all schools - As a Trust serving in excess of 3000 children and young people our first priority is to ensure that they are safe from harm. Covid secure arrangements are carefully considered and implemented. All safeguarding activity is set out in The Circle Trust Safeguarding Policy as well as The Circle Trust Health and Safety Policy. Expert practitioners are employed to set common good practice and to audit compliance.

Objectives and activities

a. Objects and aims

The principal objects of The Circle Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum

b. Objectives, strategies and activities

The key priorities for this accounting period are contained in the annual Trust's Improvement Plan. The main activities of the Academy for the period ended 31st August 2021 were as follows:

- Ensuring the strategic growth plan is resilient to COVID pandemic.
- Developing, synthesizing, testing and sharing resilient professional practice and pedagogical approach to recovering lost learning
- Ensuring business continuity resilient to changing circumstances resulting from the pandemic

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

Objectives and activities (continued)

c. Public benefit

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing The Circle Trust's aims and objectives and in planning its future activities.

The Circle Trust aims to advance for the public benefit education in the Wokingham and the surrounding area, offering a broad and balanced curriculum.

The Circle Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

Strategic report

Achievements and performance

The total number of pupils in the period ended 31 August 2021 was 3,224.

The Circle Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

Nine Mile Ride Primary School	OFSTED rating: Good
Shinfield Nursery and Infant School	OFSTED rating: Good
St Crispin's School	OFSTED rating: Good
The Emmbrook School	OFSTED rating: Good
Wescott Infant School	OFSTED rating: Outstanding
Westende Junior School	OFSTED rating: Good

a. Key performance indicators

The Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, one of the main financial performance indicators is the level of reserves held at the balance sheet date and, in particular, the amount of restricted funding carried forward at the balance sheet date. At 31 August 2021, the balance of the Restricted Funds was £1,118,063 (2020: £629,919).

As the majority of the Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 3,407 which is an increase of 1231 from the previous census. The average GAG funding per pupil was £3,601 for the period (2020: £3,543).

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs (excluding pension fund valuation adjustments) to GAG funding for the period was 90.6% (2020: 84.3%), while the percentage of staff costs to total costs was 75.1% (2020: 78.9%).

Income and Expenditure figures (excluding pension fund valuation adjustments and depreciation) for the Trust's educational operations:

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

Strategic report (continued)

Achievements and performance (continued)

2020/21	Circle Trust	St Crispins	Nine Mile	Emmbrook School	Shinfield	Wescott	Westende	Trust
Income								
General Annual Grant (GAG)	12,811,936	6,233,804	1,359,732	2,213,547	1,322,899	699,165	982,689	
Other DfE/ESFA Grants	2,243,522	1,045,797	164,505	160,613	227,288	230,726	414,593	
Income towards Educational trips	143,112	27,865	14,928	38,710	4,267	4,370	52,972	
Start Up Grants	25,000							25,000
Donations	29,052	1,243	10,428		17,381			
Lettings, Catering and Other	329,596	184,006	42,232	46,934	28,507	7,439	19,010	1,468
	15,582,118	7,492,715	1,591,825	2,459,804	1,600,342	941,700	1,469,264	26,468
Expenditure								
Teaching and Educational support	9,823,314	4,696,353	1,066,176	1,442,600	1,044,786	613,061	919,229	41,110
Other Support Staff	2,308,887	974,174	192,226	295,123	237,433	178,535	259,478	171,918
Educational Supplies								
Educational Trip	488,556	300,774	39,448	112,919	14,742	15,395	5,278	
Other Expenditure	2,250,343	830,894	232,446	303,762	234,129	135,398	185,706	328,007
Central service		237,693	51,750	88,013	50,640	26,577	37,385	(492,058)
	14,871,100	7,039,888	1,582,046	2,242,416	1,581,730	968,967	1,407,076	48,977
Surplus/(Deficit)	711,018	452,827	9,779	217,388	18,612	(27,267)	62,188	(22,509)

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Impact of COVID on the trust short term – no change, the trust remains a going concern.

c. Promoting the success of the company

In this financial year the Trust has redesigned its Annual General Meeting report to be in an accessible format for a range of stakeholders. The AGM report highlights the successes of the year as well as signposting the future strategic direction of the Trust.

d. Strategic review

The Trust has continued to work on the priorities set out in the strategic plan approved by the Board of Trustees. Notable achievements this year included the joining of The Emmbrook Secondary School to The Circle Trust.

The Trust faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section. The Trust uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the Trust to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Trust seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

Financial review

The majority of the Trust's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2021 incoming recurrent grant funding from the DfE, together with other resources (excluding asset revaluations post conversion from the Local Authority) were £16,394,008 (2020: £9,630,900). The total Trust expenditure for the year was £16,277,447 (2020: £10,037,729). The expenditure total included £1,406,352 (2020: £690,080) of non-cash items (depreciation and pension valuation).

The net book value of fixed assets at 31 August 2021 were £35,178,261 (2020: £23,998,509), which includes depreciation charges for the period of £448,353 (2020: £248,080).

As with all Trusts, The Circle Trust has a pension liability arising from obligations to the Local Government Pension scheme.

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

Strategic report (continued)

The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

The balance of total funds held at 31 August 2021 were £29,162,308 (2020: £19,978,536) which comprised of the following:

Restricted Funds	£1,118,063
Restricted Fixed Asset Fund	£36,011,826
Unrestricted Funds	£674,419
Total	£37,768,057
Pension Liability	£8,642,000

The key financial policies reviewed and adopted during the period included the Finance Policy, which lays out the framework for the Trust's financial management, including financial responsibilities of the Board of Trustees, Executive Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and approved during the period included Risk Management, Bank Reconciliation, Investment, Gifts, Governance Allowances, Anti-Fraud, Charging and Remissions, Lettings, and Whistleblowing. .

In the short term, the financial impact of COVID on the Trust has generated potential increased expenditure in some areas such as supply teachers although the increase has been mitigated by savings in other areas.

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees regularly review the level of free cash reserves. Reserves are necessary to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £1,792,482.

The current level of reserves is in line with our target level of free cash reserves. Appropriate steps are being taken to continue to increase the level of free cash reserves.

The impact of COVID on the Trust has caused no tangible effect on reserves.

b. Investment policy

The Trust's investment policy details how any funds surplus to immediate requirements should be invested to optimal effect with the objective of ensuring maximum return on assets invested but with minimal risk.

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FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 93% of the Trust's incoming resources (excluding the revaluation of Land and Buildings) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Trust is reliant on the talent of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

d. Financial and Risk Management Objectives and Policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The Risk Register and Risk Management Plan are pro-actively reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Trustees have ensured the Trust has adequate insurance cover.

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Whilst most schools in the Trust are currently oversubscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets continue to be a challenge in coming years.

The Trustees examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

At the balance sheet date, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Trust's liquidity.

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Trust. However, as the Trustees consider the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

All schools in The Circle Trust enjoy vibrant Parent Teacher or Parent Associations whose core purpose is to raise funds for the benefit of children and young people. All associated fundraising conforms to recognised standards and no complaints have been received in respect of this work.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

Energy consumption used to calculate emissions (kWh) - 5,809,057

Energy consumption break down (kWh) (optional)

• gas,	4,691,800
• electricity,	1,105,168
• transport fuel	11,227

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	859.35
Owned transport – mini-buses	2.38
Total scope 1	861.73

Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	234.66
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee owned vehicles	0
Total gross emissions in metric tonnes CO ₂ e	1,096.39

Intensity ratio

Tonnes CO ₂ e per pupil	0.33
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting (continued)

Quantification and Reporting Methodology:-

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

Intensity measurement

The intensity measure we are using as a Trust assessed the Tonnes of CO₂e emitted per pupil and in our accounts for 2019-2020 the intensity ratio was unknown as this is our first reporting year.

Measures taken to improve energy efficiency

We have invested in LED lighting across different schools with the aim of reducing energy consumption by over 20%.

We are installing further PV panels on the roofs of the Trust's academies with the aim of reducing energy consumption by over 20%.

We are working with Salix to secure funding from the Public Sector decarbonisation Scheme to look at ways to reduce our carbon footprint.

Plans for future periods

The Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Trust's plans for future periods are:

1. The Circle Trust seeks to grow to 5000+ children and young people, with between 12-15 schools. The Trust will continue to welcome schools that can demonstrate that they understand and either already share or can commit to adopting our essential values and approach to education and our way of working which will always be transparent, inclusive and collaborative. The Circle Trust Growth Plan will be delivered in a sustainable way, rooted in our vision and values: balancing schools that add capacity to the Trust with schools that, when they join, need more support; and considering how each potential new school would contribute to improving the educational outcomes for all children and young people across our Trust.
2. The Circle Trust will always be a responsible and trustworthy employer who holds in the highest regard the contribution of all and will thrive with the right people (talent) doing the right job (effective) at the right time (efficient).
3. The Circle Trust will be highly proactive in learning from other Trusts and other system leaders and will establish a peer(s) review.
4. Members/Trustees will have the skills and ability to oversee this stage of The Circle Trust's strategic growth plan, ensuring a culture for equality and diversity in order to thrive and will set the highest example of inclusion.
5. Trustees will ensure that the Scheme of Delegation is always accessible and useable and demonstrates The Circle Trust's commitment to building and developing openness and transparency and be attentive to risk of bias.

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

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as Custodian Trustees of any other charity.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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



Andrew Beckett 15 Dec 2021 23:01:47 GMT (UTC +0)

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Andrew Beckett

Chair of Trustees

Date: 15 December 2021

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Circle 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 Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Circle Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees, including all Committees, any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Andrew Beckett, Chair of Trustees	5	5
Paul Miller	4	5
Kevin Addington	4	5
Nicola Brown	3	5
Julian Bushell	5	5
David Day	5	5
Anne Haycocks	4	5
Lee Smith	4	5
David Walker	3	5
Peter Collins	5	5

In the interests of efficient and effective governance, a substantive proportion of the governance role of the Trust Board has been delegated to and is carried out by the Committees the Board has established in accordance with the published Scheme of Delegation and the relevant Committee Terms of Reference.

The number of meetings held and attendance at those meetings over the period by the Finance and Audit Committee are set out below.

For the other Committees, the number of meetings held and attendance at meetings over the period are published, in the case of the Human and Resources, School Improvement and Core Offer and Growth Committees, on the Trust website and, in the case of the Local Advisory Boards, on the relevant school website.

The Trust Board retains a keen and robust oversight of the Committees' work via meeting minutes, reports to the Trust Board from both Committee Chairs and Trustees linked to schools and regular briefings between Chairs of Local Advisory Boards, the Chair of Trustees and the Executive Headteacher.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees on all matters related to finance, resources (including IT), premises and Health & Safety of the Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Trust and of public funds.

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

This committee also acted as the Trust's Audit Committee during the reporting period.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Paul Miller (Chair)	6	6
Kevin Addington	6	6
David Day	6	6
Lee Smith	5	6
Andrew Beckett	6	6

Governance reviews

During the year the Trust has carried out a review of its governance arrangements and procedures.

All Members and Trustees are selected via a skills matrix and interview process to ensure experience and capacity in the following areas: Education/HR/Legal/Finance and Community

Annually, including this audit period, the Chair of Trustees holds a skills audit for governance at all levels. Annual review of skills not only analyses the breadth of skill but also the depth of skill and as such is used as a basis of recruitment of new governance.

The importance of induction to governance in The Circle Trust is well understood and procedures set out, widely agreed and followed including:

- The Circle Trust's role of a Member, Trustee or Local Advisor
- The Circle Trust's Code of Conduct for Members, Trustees and Local Advisors
- Induction booklet for all new Members and Trustees
- Induction booklet for all new Local Advisors

The method of election for Local Advisor role (parent/carer or staff) is set out and followed.

During the period, the Trust Scheme of Delegation and Terms of Reference for Committees (including Local Advisory Boards) were refreshed and approved to ensure accessibility and robust governance within a trust comprising six or more schools.

The Circle Trust expects Members, Trustees and Local Advisory Boards to work within the seven principles of public life (Nolan) and for all groups to contribute to the core purpose of the Trust in accordance with the Trust vision and core values. All governance groups will ensure compliance with the Trust Scheme of Delegation, Terms of Reference and the law. They will always act in children and young people's best interest and manage all resources responsibly and with integrity. They will act with care and skill and ensure The Circle Trust is accountable by asking challenging and robust questions.

Trustees have:

Clarity of purpose – establishing a clear vision as to the purpose of The Circle Trust and how its aims will be achieved

Effective procedures – putting in place and regularly reviewing, appropriate, relevant and proportionate policies and procedures to ensure decisions are made legally, ethically and in the best interests of the organisation

Recruiting the right people for the right role – Trustees manage talent and ensure they attract and retain the right mix of skills, experience, competencies and diversity around the table to make the best decisions.

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Executive Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Trust considers how value for money can be improved including benchmarking data where available. Focus on how the Trust supports improving the educational outcomes for children and young people, procurement of goods or services and effective deployment of staffing ensures Trustees acknowledge their overall responsibility. Additionally it ensures an effective appropriate system of control, such a system manages rather than eliminates the risk of failure to achieve objectives and provides reasonable and not absolute assurance against risk.

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

The Accounting Officer has applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the Trust
- The targeting of resources to best improve standards and raise attainment.

The use of resources to best support the educational needs of all its students.

- Improving educational outcomes for our students through supporting a holistic education approach, which combines academic rigour and pastoral support.
- Promoting inclusion for all our students regardless of background, prior ability or additional needs.
- Providing engaging and challenging curriculums designed to meet the varying needs of individual students.
- Ensuring progression through a range of strategies including small group and individual work both within a classroom environment and outside the school to include a range of targeted interventions designed to meet need as benefits the bespoke nature of the educational offer.
- The development of personalised interventions for identified students, to include literacy, numeracy and social skills development, to engage and motivate them to achieve.
- Assurance of focussed and targeted monitoring and tracking of student progress to anticipate and intervene where there is a risk of underachievement and challenge in order to accelerate learning.
- Commitment to a structured approach to Continued Professional Development (CPD) for Leaders so that students' experience, and are able to take advantage of, the best possible teaching and learning offer.

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

- Educational outcomes have been sustained and improved with the same resource through the curriculum being delivered in different ways to reduce costs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Circle Trust for the period ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from incorporation 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 Trustees.

The risk and control framework

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

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

The Trustees have considered the need for a specific internal audit function and has decided to appoint an internal reviewer.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a regular basis, the reviewer reports to the Trustees on the operation of the systems of control and on the discharge of the Board of Trustees', including all Committees', financial responsibilities.

The Internal Reviewer has delivered their schedule of work as planned.

Review of effectiveness

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

- the work of the internal reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

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



Andrew Beckett 15 Dec 2021 23:01:47 GMT (UTC +0)

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Andrew Beckett
Chair of Trustees
Date: 15 December 2021



Ginny Rhodes 15 Dec 2021 13:43:31 GMT (UTC +0)

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Ginny Rhodes
Accounting Officer
Date: 15 December 2021

THE CIRCLE TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Ginny Rhodes 15 Dec 2021 13:43:31 GMT (UTC +0)

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Ginny Rhodes
Accounting Officer
Date: 15 December 2021

THE CIRCLE TRUST
(A company limited by guarantee)

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

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

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

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

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

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

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

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



Andrew Beckett 15 Dec 2021 23:01:47 GMT (UTC +0)

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Andrew Beckett

Chair of Trustees

Date: 15 December 2021

THE CIRCLE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CIRCLE TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CIRCLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CIRCLE TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

THE CIRCLE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CIRCLE TRUST (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

THE CIRCLE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CIRCLE TRUST (CONTINUED)**

Use of our report

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



Darren O'Connor BSc (Hons) FCCA ACA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 16 December 2021

THE CIRCLE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CIRCLE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Circle Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Circle Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Circle Trust's funding agreement with the Secretary of State for Education dated 25 January 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the governors to assess the internal controls throughout the year.

THE CIRCLE TRUST
(A company limited by guarantee)

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

Conclusion

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



James Cowper Kreston
Chartered Accountants

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 16 December 2021

THE CIRCLE TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Income from:					
Donations and capital grants:					
3					
Transfer from local authority on conversion	-	(1,514,061)	11,399,273	9,885,212	8,126,340
Other donations and capital grants	29,052	25,000	843,834	897,886	145,760
Charitable activities	-	15,260,613	-	15,260,613	9,358,161
Other trading activities	223,748	11,292	-	235,040	125,644
Investments	468	-	-	468	1,335
Total income	253,268	13,782,844	12,243,107	26,279,219	17,757,240
Expenditure on:					
Charitable activities	30,395	15,798,700	448,352	16,277,447	10,037,729
Total expenditure	30,395	15,798,700	448,352	16,277,447	10,037,729
Net movement in funds before other recognised gains/(losses)	222,873	(2,015,856)	11,794,755	10,001,772	7,719,511
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	-	(818,000)	-	(818,000)	(566,000)
Net movement in funds	222,873	(2,833,856)	11,794,755	9,183,772	7,153,511

THE CIRCLE TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward as previously stated	451,546	(4,690,081)	22,786,891	18,548,356	12,825,025
Prior year adjustment	-	-	1,430,180	1,430,180	-
Total funds brought forward as restated	451,546	(4,690,081)	24,217,071	19,978,536	12,825,025
Net movement in funds	222,873	(2,833,856)	11,794,755	9,183,772	7,153,511
Total funds carried forward	674,419	(7,523,937)	36,011,826	29,162,308	19,978,536

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 33 to 60 form part of these financial statements.

THE CIRCLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11031096

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	14	35,178,261	23,998,509
		<u>35,178,261</u>	<u>23,998,509</u>
Current assets			
Debtors	15	1,266,245	535,698
Cash at bank and in hand		3,161,290	1,451,284
		<u>4,427,535</u>	<u>1,986,982</u>
Creditors: amounts falling due within one year	16	(1,801,488)	(686,955)
Net current assets		<u>2,626,047</u>	<u>1,300,027</u>
Total assets less current liabilities		<u>37,804,308</u>	<u>25,298,536</u>
Net assets excluding pension liability		<u>37,804,308</u>	<u>25,298,536</u>
Defined benefit pension scheme liability	26	(8,642,000)	(5,320,000)
Total net assets		<u><u>29,162,308</u></u>	<u><u>19,978,536</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	36,011,826	24,217,071
Restricted income funds	18	1,118,063	629,919
		<u>37,129,889</u>	<u>24,846,990</u>
Restricted funds excluding pension liability	18	37,129,889	24,846,990
Pension reserve	18	(8,642,000)	(5,320,000)
Total restricted funds	18	<u>28,487,889</u>	<u>19,526,990</u>
Unrestricted income funds	18	674,419	451,546
Total funds		<u><u>29,162,308</u></u>	<u><u>19,978,536</u></u>

THE CIRCLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11031096

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 28 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Andrew Beckett 15 Dec 2021 23:01:47 GMT (UTC +0)

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Andrew Beckett
Chair of Trustees
Date: 15 December 2021

The notes on pages 33 to 60 form part of these financial statements.

THE CIRCLE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,047,642	623,470
Cash flows from investing activities	22	(338,104)	(26,123)
Cash flows from financing activities	21	468	1,335
Change in cash and cash equivalents in the year		1,710,006	598,682
Cash and cash equivalents at the beginning of the year		1,451,284	852,602
Cash and cash equivalents at the end of the year	23, 24	<u>3,161,290</u>	<u>1,451,284</u>

The notes on pages 33 to 60 form part of these financial statements

THE CIRCLE TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

1. Accounting policies (continued)

1.3 Income (continued)

• **Transfer on conversion**

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

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. The basis of the Central staff cost allocation has been detailed in note 11.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £2,500 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:

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years (2% pa)
Long-term leasehold land	- 125 years (0.8%)
Furniture, fittings and equipment	- 5 years (20% pa)
Computer hardware	- 3 years (33.3% pa)

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 Operating leases

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

1.7 Debtors

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

1.8 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.

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

1. Accounting policies (continued)

1.10 Financial instruments (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

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

1.12 Pensions

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

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

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

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

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

1. Accounting policies (continued)

1.13 Conversion to an academy trust

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from The Emmbrook School to the Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 31.

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not recognise the 5% administration allowance within the statement of financial activity allowable under the grant terms.

1.15 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment (continued)

Local Government Pension Scheme

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

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Donations	29,052	-	-	29,052	148,715
Capital grants	-	-	843,834	843,834	(52,955)
Start-up grants	-	25,000	-	25,000	50,000
Transfer from local authority on conversion	-	(1,514,061)	11,399,273	9,885,212	8,126,340
	<u>29,052</u>	<u>(1,489,061)</u>	<u>12,243,107</u>	<u>10,783,098</u>	<u>8,272,100</u>
Total 2020 as restated	<u>7,434</u>	<u>(1,122,140)</u>	<u>9,386,806</u>	<u>8,272,100</u>	

The details of the Transfer from local authority on conversion are shown within note 30.

Capital grants includes £771,130 of Condition Improvement Fund grants which were awarded in the financial year, but for which only £134,705 of contract costs have been incurred. The remaining and majority of the costs for the project will arise in the 2021/22 financial year.

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

4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General annual grant (GAG)	12,269,151	12,269,151	7,515,142
Other DfE/ESFA grants			
Pupil premium	318,656	318,656	180,478
Rates relief	62,143	62,143	46,413
Other DfE/ESFA grants	542,606	542,606	541,500
PE Sports grant	72,220	72,220	26,267
UIFSM	215,000	215,000	66,839
	<u>13,479,776</u>	<u>13,479,776</u>	<u>8,376,639</u>
Other Government grants			
Local authority income	1,379,405	1,379,405	784,175
	<u>1,379,405</u>	<u>1,379,405</u>	<u>784,175</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	190,350	190,350	-
Covid mass testing	67,970	67,970	-
	<u>258,320</u>	<u>258,320</u>	<u>-</u>
Other income from educational operations			
Income for educational trips	143,112	143,112	197,347
	<u>143,112</u>	<u>143,112</u>	<u>197,347</u>
	<u>15,260,613</u>	<u>15,260,613</u>	<u>9,358,161</u>
Total 2020	<u><u>9,358,161</u></u>	<u><u>9,358,161</u></u>	

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

The academy received £190,350 of funding for catch-up premium and costs incurred in respect of this funding totalled £83,390.

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental and lettings income	93,016	6,203	99,219	61,133
Catering income	-	4,089	4,089	6,207
Other income	130,732	1,000	131,732	58,304
	<u>223,748</u>	<u>11,292</u>	<u>235,040</u>	<u>125,644</u>
Total 2020	<u>125,644</u>	<u>-</u>	<u>125,644</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	468	468	1,335
Total 2020	<u>1,335</u>	<u>1,335</u>	

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational operations:					
Direct costs	9,358,885	-	917,623	10,276,508	6,569,981
Allocated support costs	3,731,314	1,487,338	782,287	6,000,939	3,467,748
	<u>13,090,199</u>	<u>1,487,338</u>	<u>1,699,910</u>	<u>16,277,447</u>	<u>10,037,729</u>
Total 2020	<u>8,026,947</u>	<u>780,852</u>	<u>1,229,930</u>	<u>10,037,729</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Total costs	10,276,508	6,000,939	16,277,447	10,037,729
Total 2020	6,569,981	3,467,748	10,037,729	

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance cost	91,000	91,000	57,000
Staff costs	9,358,885	9,358,885	5,839,744
Educational supplies	366,176	366,176	213,189
Examination fees	117,267	117,267	90,815
Trips	113,921	113,921	241,532
Catering	200,112	200,112	102,532
Other direct costs	29,147	29,147	25,169
	10,276,508	10,276,508	6,569,981
Total 2020	6,569,981	6,569,981	

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,731,314	3,731,314	2,187,203
Depreciation	448,352	448,352	257,900
Recruitment and support	15,121	15,121	12,815
Governance costs	401,444	401,444	177,742
Postage and printing	33,792	33,792	22,863
IT costs	187,680	187,680	96,981
Maintenance of premises and equipment	451,516	451,516	148,237
Cleaning	310,031	310,031	176,884
Rent and rates	62,144	62,144	46,413
Academy conversion costs	37,341	37,341	86,361
Insurance	53,679	53,679	33,752
Gas and electricity	161,794	161,794	172,739
Water	53,501	53,501	15,932
Other support costs	53,230	53,230	31,926
Total 2021	<u><u>6,000,939</u></u>	<u><u>6,000,939</u></u>	<u><u>3,467,748</u></u>
Total 2020	<u><u>3,467,748</u></u>	<u><u>3,467,748</u></u>	

9. Net (income)/expenditure

Net (income)/expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	13,549	23,659
Depreciation of tangible fixed assets	448,353	220,647
Fees paid to auditor for:		
- audit	14,375	12,500
- other services	2,620	2,540
	<u><u>14,375</u></u>	<u><u>12,500</u></u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	9,273,787	5,454,670
Social security costs	862,818	803,323
Pension costs	2,920,074	1,760,061
	<u>13,056,679</u>	<u>8,018,054</u>
Agency staff costs	33,520	8,893
	<u>13,090,199</u>	<u>8,026,947</u>

Within the pension cost above there is £867,000 (2020: £385,000) of FRS102 pension charges relating to the LGPS.

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	13,432	-
	<u>13,432</u>	<u>-</u>

b. Redundancy payments

Included in staff restructuring costs are redundancy payments totalling £13,432 (2020: £nil). Individually, the payments were: £6,841, £3,591, £1,493, £1,126 and £381.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	196	115
Administration and support	207	138
Management	3	3
	<u>406</u>	<u>256</u>

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

10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

Retirement benefits are accruing for the higher paid employees. Contributions in the period totalled £115,574 (2020 - £111,532).

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £361,281 (2020: £337,697).

11. Central services

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

- School Improvement Support Package called "The Learning Curve"
- Financial support, guidance and oversight. Cost of the Chief Finance Officer's service including use of a cloud based finance system
- Executive Headteacher's time
- Human Resource Advice and Occupational Health
- Admissions and data management
- Estate management
- Insurance
- Admissions Authority
- Marketing strategy
- Governance support

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Central services (continued)

The Academy charges for these services on an apportionment based on 4% (2020: 4%) of the GAG income received.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
St Crispin's School	237,693	221,734
Nine Mile Ride Primary School	51,750	48,796
Shinfield Infant and Nursery School (2020: 5 months)	50,640	18,455
Wescott Infant School (2020: 2 months)	26,577	4,744
Westende Junior School (2020: 2 months)	37,385	6,853
The Emmbrook School (5 months)	88,013	-
Total	492,058	300,582

The Circle Trust reinvests the money obtained through the central service charge to help meet the strategic aims of the schools.

12. Trustees' remuneration and expenses

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

		2021 £	2020 £
Ginny Rhodes, Executive Headteacher (resigned as trustee on 26 March 2020)	Remuneration	0 - 5,000	70,000 - 75,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000

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

13. Trustees' and Officers' insurance

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

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14. Tangible fixed assets

	Long-term leasehold land £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2020 (as previously stated)	12,050,000	11,060,000	-	50,771	-	23,160,771
Prior Year Adjustment	70,000	1,370,000	-	-	-	1,440,000
At 1 September 2020 (as restated)	12,120,000	12,430,000	-	50,771	-	24,600,771
Additions	5,415,000	5,875,000	134,705	66,050	137,350	11,628,105
At 31 August 2021	17,535,000	18,305,000	134,705	116,821	137,350	36,228,876
Depreciation						
At 1 September 2020 (as previously stated)	123,298	455,935	-	13,209	-	592,442
Prior Year Adjustment	303	9,517	-	-	-	9,820
At 1 September 2020 (as restated)	123,601	465,452	-	13,209	-	602,262
Charge for the year	115,010	297,559	-	19,591	16,193	448,353
At 31 August 2021	238,611	763,011	-	32,800	16,193	1,050,615
Net book value						
At 31 August 2021	17,296,389	17,541,989	134,705	84,021	121,157	35,178,261
At 31 August 2020 (as restated)	11,996,399	11,964,548	-	37,562	-	23,998,509

Land and buildings for the three conversion schools were included in tangible fixed assets within the financial statements for the year ended 31 August 2020 at an estimated value. The Trust has since been provided a formal valuation which has resulted in an adjustment and increased of land and buildings of £1,430,180 for the year ended 31 August 2020.

During the year, The Emmbrook School joined the Multi Academy Trust. The Trust took out a 125 year lease over the land and buildings transferred from the Local Authority. The land and buildings transferred and assigned have been valued at an estimate of their fair value. The valuation was carried out on a depreciated replacement cost basis. The total value of land and buildings is estimated at £11,290,000, including land at a value of £5,415,000.

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15. Debtors

	2021 £	2020 £
Trade debtors	41,173	26,422
Other debtors	10,727	25,933
Prepayments and accrued income	1,075,070	407,465
VAT recoverable	139,275	75,878
	<u>1,266,245</u>	<u>535,698</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	982,898	120,474
Other taxation and social security	528,362	343,251
Other creditors	9,714	9,872
Accruals and deferred income	280,514	213,358
	<u>1,801,488</u>	<u>686,955</u>
	2021 £	2020 £
Deferred income at 1 September 2019	135,838	33,873
Resources deferred during the year	202,268	135,838
Amounts released from previous periods	(135,838)	(33,873)
Deferred income at 31 August 2021	<u>202,268</u>	<u>135,838</u>

The deferred income balance mainly represents universal free school meals relating to the 2021/22 year.

17. Prior year adjustments

Land and buildings for the three conversion schools were included in tangible fixed assets within the financial statements for the year ended 31 August 2020 at an estimated value. The Trust has since been provided a formal valuation which has resulted in an adjustment and increase land and buildings of (and the Restricted Fixed Asset Fund) £1,430,180 for the year ended 31 August 2020.

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

18. Statement of funds

	As restated Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted general fund	451,546	253,268	(30,395)	-	-	674,419
Restricted general funds						
School fund	241,401	154,404	(104,338)	-	-	291,467
Start up grants	-	25,000	(25,000)	-	-	-
General annual grant	162,885	12,295,043	(11,888,904)	257,572	-	826,596
Other ESFA grants	-	651,077	(651,077)	-	-	-
Pupil premium	-	318,656	(318,656)	-	-	-
UIFSM	-	215,000	(215,000)	-	-	-
Local authority funding	-	1,379,405	(1,379,405)	-	-	-
Covid grants	-	258,320	(258,320)	-	-	-
Transfers on conversion	225,633	31,939	-	(257,572)	-	-
Pension reserve	(5,320,000)	(1,546,000)	(958,000)	-	(818,000)	(8,642,000)
	(4,690,081)	13,782,844	(15,798,700)	-	(818,000)	(7,523,937)

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

**Restricted
fixed asset
funds**

Restricted fixed asset fund	14,787,130	72,704	(448,352)	20,963,919	-	35,375,401
Funds on conversion	9,429,941	11,399,273	-	(20,829,214)	-	-
CIF funding	-	771,130	-	(134,705)	-	636,425
	<u>24,217,071</u>	<u>12,243,107</u>	<u>(448,352)</u>	<u>-</u>	<u>-</u>	<u>36,011,826</u>
Total Restricted funds	<u>19,526,990</u>	<u>26,025,951</u>	<u>(16,247,052)</u>	<u>-</u>	<u>(818,000)</u>	<u>28,487,889</u>
Total funds	<u>19,978,536</u>	<u>26,279,219</u>	<u>(16,277,447)</u>	<u>-</u>	<u>(818,000)</u>	<u>29,162,308</u>

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

Restricted General Funds - ESFA grants (including GAG), which must be used to meet the cost of running The Circle Trust. Under the funding agreement with the Secretary of State, the academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other Restricted Funds - represents donations and fundraising income generated by the school, which is for restricted use as stipulated by the donor, along with trip income and expenditure.

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Restricted Fixed Asset Funds - these funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose. Transfers represent the movement of fixed asset income for the purchase of fixed assets and the subsequent movement into the fixed assets held at the period end.

Transfer - The Trust has made a transfer from unrestricted funds to restricted fixed asset funds to fund capital additions in the year.

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

18. Statement of funds (continued)

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

	Balance at 1 September 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted general fund	352,405	134,413	(35,272)	-	-	451,546
Restricted general funds						
School fund	171,561	197,347	(206,453)	78,946	-	241,401
Start up grants	-	50,000	(50,000)	-	-	-
General annual grant	-	7,561,556	(7,398,671)	-	-	162,885
Other ESFA grants	-	1,471,073	(1,471,073)	-	-	-
Pupil premium	-	304,579	-	(78,946)	-	225,633
UIFSM	-	141,281	(141,281)	-	-	-
Local authority funding	-	35,079	(35,079)	-	-	-
Pension reserve	(2,694,000)	(1,618,000)	(442,000)	-	(566,000)	(5,320,000)
	<u>(2,522,439)</u>	<u>8,142,915</u>	<u>(9,744,557)</u>	<u>-</u>	<u>(566,000)</u>	<u>(4,690,081)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	14,995,059	40,151	(257,900)	-	-	14,777,310
Funds on conversion	-	9,439,761	-	-	-	9,439,761
	<u>14,995,059</u>	<u>9,479,912</u>	<u>(257,900)</u>	<u>-</u>	<u>-</u>	<u>24,217,071</u>
Total Restricted funds	<u>12,472,620</u>	<u>17,622,827</u>	<u>(10,002,457)</u>	<u>-</u>	<u>(566,000)</u>	<u>19,526,990</u>
Total funds	<u><u>12,825,025</u></u>	<u><u>17,757,240</u></u>	<u><u>(10,037,729)</u></u>	<u><u>-</u></u>	<u><u>(566,000)</u></u>	<u><u>19,978,536</u></u>

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

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
St Crispin's School	1,118,913	666,086
Nine Mile Ride Primary School	196,049	186,270
The Circle Trust	(26,811)	(4,301)
Shinfield Infant and Nursery School	42,003	23,391
Wescott Infant School	68,263	95,530
Westende Junior School	176,677	114,489
The Emmbrook School	217,388	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,792,482	1,081,465
Restricted fixed asset fund	36,011,826	24,217,071
Pension reserve	(8,642,000)	(5,320,000)
	<hr/>	<hr/>
Total	29,162,308	19,978,536
	<hr/> <hr/>	<hr/> <hr/>

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

18. Statement of funds (continued)

The Circle Trust fund balance is currently in deficit. Trustees have deliberately resolved in this financial year to incur costs which invests in the operational capacity of the Trust. This recognises a period of significant actual growth of a one new school (2020: three schools) joining the Trust part way through this financial year. This strengthens the Trust's central offer and ability to deliver its strategic aims.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
St Crispin's School	5,070,349	974,174	300,774	830,894	7,176,191	6,783,605
Nine Mile Ride Primary School	1,164,652	192,226	39,448	232,446	1,628,772	1,517,059
The Circle Trust	76,927	171,918	-	328,007	576,852	424,660
Shinfield Infant and Nursery School	1,180,173	237,433	14,742	234,129	1,666,477	650,439
Wescott Infant School	697,043	178,535	15,395	135,398	1,026,371	166,466
Westende Junior School	1,047,667	259,478	5,278	185,706	1,498,129	237,600
The Emmbrook School	1,544,503	295,123	112,919	303,758	2,256,303	-
Academy	10,781,314	2,308,887	488,556	2,250,338	15,829,095	9,779,829

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	35,178,261	35,178,261
Current assets	674,419	2,919,551	833,565	4,427,535
Creditors due within one year	-	(1,801,488)	-	(1,801,488)
Provisions for liabilities and charges	-	(8,642,000)	-	(8,642,000)
Total	<u>674,419</u>	<u>(7,523,937)</u>	<u>36,011,826</u>	<u>29,162,308</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	As restated Restricted fixed asset funds 2020 £	As restated Total funds 2020 £
Tangible fixed assets	-	-	23,998,509	23,998,509
Current assets	451,546	1,316,874	218,562	1,986,982
Creditors due within one year	-	(686,955)	-	(686,955)
Provisions for liabilities and charges	-	(5,320,000)	-	(5,320,000)
Total As restated	<u>451,546</u>	<u>(4,690,081)</u>	<u>24,217,071</u>	<u>19,978,536</u>

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

20. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	10,001,772	7,719,511
Adjustments for:		
Depreciation	448,352	257,900
Interest receivable	(468)	(1,335)
Defined benefit pension scheme cost less contributions payable	2,413,000	2,003,000
Defined benefit pension scheme finance cost	91,000	57,000
Increase in debtors	(730,547)	(416,385)
Increase in creditors	1,114,533	343,779
Transfer of fixed assets from Local Authority	(11,290,000)	(9,340,000)
Net cash provided by operating activities	2,047,642	623,470

21. Cash flows from financing activities

	2021 £	2020 £
Interest received	468	1,335
Net cash provided by financing activities	468	1,335

22. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(338,104)	(26,123)
Net cash used in investing activities	(338,104)	(26,123)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank	3,161,290	1,451,284

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

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,451,284	1,710,006	3,161,290
	<u>1,451,284</u>	<u>1,710,006</u>	<u>3,161,290</u>

25. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	636,425	-
	<u>636,425</u>	<u>-</u>

Capital commitments are fully funded by grant income.

26. Pension commitments

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

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

Contributions amounting to £281,594 were payable to the schemes at 31 August 2021 (2020 - £189,463) 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,492,809 (2020 - £1,071,857).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £698,000 (2020 - £364,000), of which employer's contributions totalled £528,000 (2020 - £275,000) and employees' contributions totalled £ 170,000 (2020 - £89,000). The agreed contribution rates for future years are 20.6 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 31 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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

26. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.30

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

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

Share of scheme assets

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

	2021 £	2020 £
Equities	3,358,000	1,861,000
Other bonds	979,000	418,000
Property	648,000	453,000
Cash and other liquid assets	113,000	302,000
Longevity insurance	(310,000)	(189,000)
Target return portfolio	239,000	98,000
Commodities	-	12,000
Infrastructure	471,000	233,000
Total market value of assets	5,498,000	3,188,000

The actual return on scheme assets was £515,000 (2020 - £175,000).

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26. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	1,392,000	658,000
Interest cost	91,000	57,000
Administrative expenses	3,000	2,000
Conversion of academy trusts	1,546,000	1,618,000
Total amount recognised in the Statement of financial activities	3,032,000	2,335,000

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

	2021 £	2020 £
At 1 September	8,508,000	4,405,000
Conversion of academy trusts	2,609,000	2,501,000
Estimated benefits paid net of transfers in	37,000	(10,000)
Current and past service costs	1,392,000	658,000
Interest cost	155,000	98,000
Actuarial loss/(gain)	1,269,000	767,000
Employee contributions	170,000	89,000
At 31 August	14,140,000	8,508,000

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

	2021 £	2020 £
At 1 September	3,188,000	1,711,000
Conversion of academy trusts	1,063,000	883,000
Estimated benefits paid plus unfunded net of transfers	37,000	(10,000)
Interest income	64,000	41,000
Actuarial gains	451,000	201,000
Employer contributions	528,000	275,000
Employee contributions	170,000	89,000
Administrative costs	(3,000)	(2,000)
At 31 August	5,498,000	3,188,000

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

27. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	12,899	13,549
Later than 1 year and not later than 5 years	4,179	8,721
	<u>17,078</u>	<u>22,270</u>

28. 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.

29. Related party transactions

During the year £300 (2020: £2,500) was paid to Wellington College Academy Trust in relation to membership fees. During the year £nil (2020: £100,000) was donated from Wellington College Academy Trust in relation to a donation. Ginny Rhodes (resigned 26 March 2020) is a Governor of Wellington College and a Trustee of Wellington College Academy Trust. David Walker is Deputy Headteacher of Wellington College and a member of the Executive Team.

In the year £21,950 (2020: £19,368) was paid to Pixl in relation to membership fees. Ginny Rhodes and Julian Bushell are members of Pixl.

No other related party transactions took place in the period of account, other than certain Trustees remuneration and expenses already disclosed in note 12.

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

30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2021 the trust received £5,152 (2020: £5,326) and disbursed £5,353 (2020: £5,125). An amount of £nil (2020: £201) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS
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31. Conversion to an academy trust

On 1 April 2021 The Emmbrook School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Circle Trust from Wokingham County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - transfer from local authority on conversion.

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	11,290,000	11,290,000
Current assets			
Cash - representing budget surplus on LA funds	31,939	109,273	141,212
Pension liability on conversion	(1,546,000)	-	(1,546,000)
Net (liabilities)/assets	<u>(1,514,061)</u>	<u>11,399,273</u>	<u>9,885,212</u>