

Company Registration Number: 09284368 (England & Wales)

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Geoffrey Marsh (resigned 8 November 2021)
Andrew Griffiths
Diane Cochran
Col. K Knutton
John Harris (appointed 1 September 2021)
Robert Dimmock (appointed 27 September 2021)

Trustees

Tony Bowles, Chief Executive Officer
William Caldwell
Geoffrey Marsh (resigned 8 November 2021)
Richard Westwood
Robert Evans
John Harris (resigned 31 August 2021)
Sir David Nicholson (resigned 20 September 2021)
Robert Dimmock, Chair of Trustees
Gillian Withers (resigned 27 September 2021)
Tracey Pearce, Vice Chair (appointed 4 November 2020)
Gemma Marie Draycott (appointed 4 November 2020)

Company registered number

09284368

Company name

Invictus Education Trust

Principal and registered office

Invictus Education Trust Headquarters
Kinver High School
Enville Road
Kinver
South Staffs
DY7 6AA

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

Company secretary

Amy Buttery

Chief executive officer

Tony Bowles

Executive Headteachers Board

Tony Bowles, Headteacher - Chief Executive Officer and Accounting Officer
Carla Leslie, Headteacher - Ellowes Hall Sports College
Gemma Smith, Headteacher - Wombourne High School
Nicola Clifton, Headteacher - Kinver High School
Caroline Sutton, Headteacher - The Crestwood School
Matthew Mynott, Headteacher - Leasowes High School
Gareth Lloyd, Headteacher - Pedmore High School
Alice Middleton, Headteacher - Rufford Primary School (School joined the Trust 1 September 2021)

Independent external auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Barclays Bank plc
PO Box 5
Wolverhampton
WV1 1DS

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Independent internal auditor

Bishop Fleming
1-3 College Yard
Worcester
WR1 2LB

INVICTUS EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Invictus Education Trust ("the Trust") for the year ended 31 August 2021. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the FRS'102, including the Charities SORP 2015. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under Company Law.

At the 31 August 2021, Invictus Education Trust consists of six of the leading schools in Dudley and South Staffordshire who form the Invictus Multi Academy Trust.

The schools in the Borough of Dudley are The Crestwood School in Kingswinford, Ellowes Hall Sports College in Gornal, Leasowes High School in Halesowen, Pedmore High School in Pedmore, and from Staffordshire County Kinver High School in Kinver and Wombourne High School in Wombourne.

Rufford Primary School academised on 1 September 2021 and also joined the Trust. This is the Trust's first primary school.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Trust is a company limited by guarantee and is an exempt charity. The charitable company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Trust. The Charitable Company was incorporated on 18 October 2014, and commenced operations on 1 March 2015.

The Trust is constituted under a Memorandum of Association dated 18 October 2014.

The Trustees of Invictus Education Trust are also the directors of the charitable company for the purpose of company law. The Promoting the Success of the Company Statement as required by Section 172(1) of the Companies Act 2006 is within this element of the Trustees report further down.

The charitable company is known as Invictus Education Trust.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Trustees benefit from Indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust or breach of duty to which they may be guilty in relation to the Trust.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed by the Board of Members at Invictus Education Trust and they are appointed for a 4 year term. Where a vacancy arises, through the completion of term or by the resignation of a serving Director, Trustees will be recruited in accordance with the Articles of Association and 'A Guide to the Law for School Directors.'. Candidates are interviewed by the Members and formal appointment to the Board of Trustees is then offered to the successful candidate.

On appointment the following documentation is issued:

- Letter of appointment
- Job Description
- Trust Governance Arrangements
- Trustee Declaration of Office
- Email Usage Consent Form
- DBS (Disclosure and Barring Service) Checks

The Trust Governance Arrangements Documents sets out the Trust Structure and the roles and responsibilities, terms of office etc.

The term of office for any Trustee is 4 years however, they may be re-elected.

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trust is a member of the National Governors' Association and through this professional Body. Each member receives regular updates on current legislation by email and the NGA magazine. A programme of Governor specific training is provided by the Local Authority and additional training is sourced as required based on individual or collective need from external providers such as Browne Jacobson.

f. ORGANISATIONAL STRUCTURE

Chief Executive Officer/Accounting Officer

The Chief Executive Officer is also the Accounting Officer of the Trust, and as such, has ultimate responsibility for the operations and controls in place.

Board of Trustees

At the 31 August 2021, the Trust had a Board of Trustees with responsibility and accountability for the six schools, with a School Governing Board including Link Governors at each school.

The Board of Trustees is responsible for setting the Trust's policies, approval of budgets, monitoring performance against these plans and making major decisions about the direction of the Trust including its curriculum, the achievement and welfare of students, and staffing.

Groups of Trustees may be formally organised outside of this structure as necessary to support the Trust as required.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Finance and Audit Committee

The Trust's Finance and Audit Committee works across the Trust. The formal structure of voting members consists of the Trustees, with invited finance Governor representation from each Trust school, together with the Chief Finance Officer and Chief Operating Officer in attendance for professional support and guidance. Where appropriate, duties can be delegated to sub committees and employees of the Trust. although the Board of Trustees maintains overall control for the activities and performance of the Trust.

Management Structure

An aim of the management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Trust nurtures the talents of its entire staff to support continual improvement and excellence.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Pay and remuneration is outlined in the Trust's Pay Policy and Appraisal Policies: Support staff are paid in line with National Joint Council (NJC) pay structure and Teaching Staff are paid in line with School Teachers' Pay and Conditions Document (STPCD). The Trust's Scheme of Delegation sets out the pay approval levels.

The Board of Trustees recognise the range of powers which it has a duty, or discretion, to exercise in respect of the remuneration of staff. Pay and remuneration is reviewed annually as required by the School Teachers' Pay and Conditions Document (STPCD).

All posts within the Trust have a Job Description and set pay range/scale applicable to that post.

It is the responsibility of the Board of Trustees to approve annual pay increases of Key Management Personnel.

- The Chief Executive Officer has a seven point pay range which is set out in the Pay Policy
- Headteachers, Directors are paid within the ranges set out in the Pay Policy
- Teaching Staff and support staff are paid within the ranges set out in the Pay Policy

Appraisal is undertaken annually and staff progression up the relevant pay range is determined by the outcome of a successful appraisal.

Trust Governors, Trustees or Members receive no pay or remuneration.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the Year	7
Full-time equivalent employee number	7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	-
Total pay bill	23,849,272
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

I. ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)

The Trust actively engages with its employees. It has shared electronic folders on the school IT systems, the Trust's school and Trust websites contain a wealth of information. The administrative and professional services team are now centralised and work closely with school staff in all areas. There are a significant number of regular meetings at all level of the organisation where information is shared and opinions sort, this is across all groupings of staff. The Trust has a staff wellbeing service to support our employees 24/7.

The Trust employes a dedicated Media, Marketing and Communications Director who is responsible for not only external communications and marketing but internal communications. The Chief Executive Officer sends regular updates to staff via Trust wide email groups. The CEO meets regularly with Headteachers and central Senior Leadership Team and this information is shared across schools and Trust Head Quarters.

The Trust has an Equality and Diversity Policy which sets out the Trust's framework for ensuring disabled staff have the same care and opportunities as other employees and are not disadvantaged.

Disabled persons are not disadvantaged by our recruitment processes, appraisal process, or job opportunities that arise in the Trust.

Should any employee become disabled, we would do our very best to meet their needs and make any reasonable adjustments to their working environment/role to ensure they can continue. If needed we would seek professional advice or provide particular equipment to enable staff to continue in their role which would be identified as part of the support/risk management arrangements.

The Trust actively engage with Unions when restructuring or making changes to the organisation which impact on workforce.

j. ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE ACADEMY

The Trust works hard to promote strong business relationships with our suppliers and service providers. Over the last 6 years the Trust has worked at centralising all of the major service providers and will continue with this work going forward.

The Trust's ethos is to get the very best quality of service for the Trust's schools, students and staff, and to build working relationships with those service providers acknowledging the benefits.

Where possible the Trust will engage with local businesses, which in turn financially supports the local communities and the families that attend the Trust schools. By doing business more locally it is the aim to reduce the Trust's carbon footprint.

The Trust has a community engagement policy which promotes the use of the six school/sports facilities by clubs and individuals locally based.

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

OBJECTIVES AND ACTIVITIES

OBJECTIVES, STRATEGY AND AIMS

The principal object and activity of the Trust is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum with a strong emphasis on the specified specialisms of those academies. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

k. EDUCATIONAL AIMS

To ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.

Year 7 Student Intake September 2021 and Ofsted Grading.

Trust School	Year R or 7 PAN	Actual Number Admitted Sept 2021	Last Inspection	OFSTED Grading
Crestwood School	210	211	2018	Good with outstanding features in respect of personal development, behaviour and welfare
Ellowes Hall Sports College	180	223	2019	Requires Improvement with good features in personal development and 6 th form provision
Kinver High School	120	131	2018	Requires Improvement with good features in respect of personal development, behaviour and welfare and the 16-19 study programme.
Leasowes High School	150	197	2019	Good
Wombourne High School	192	163	2018	Requires Improvement with good features in respect of personal development, behaviour
Pedmore High School	150	138	2016	Good with outcomes for pupils Requires improvement
Rufford Primary School	30 (+30 place Governor led nursery)	26	2019	Requires Improvement with Good for personal development, behaviour and welfare and Early year provision. A monitoring visit in July 2021 recorded "Leaders and those responsible for governance are taking effective action in order for the school to become a good school"

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

School Improvement Process

Invictus Education Trust has been created with a distinctive identity, and focus on Independent Minded Education and Elite Opportunities.

The Trust starts (and ends) with its Values, Value One being the most important – Every Day in every way our students come first. It strives for academic excellence and it is academic excellence for all. We are relentless in our ambition to ensure all students achieve their potential, in order to prepare them for their next stage of learning, whatever that may look like, and make a positive contribution to society. We work tirelessly to overcome barriers. This was evidenced by the amount of the virtual lessons delivered at all of our schools over the Lockdown periods and the IT equipment supplied for our more vulnerable students so that they could continue to access their lessons. To that end, we will look to expand our provision across our borough as appropriate.

Students have the opportunity to try out a wide and rich range of experiences and unique opportunities. The aim is to expose them to the best of cultural, vocational and sporting opportunities, understanding that those aspects are not just recreational but critical to the students' independent development and success.

There is an established, rigorous system of School Improvement which has been developed with an emphasis on the gathering of evidence to show the impact of the work to date whilst identifying the areas that need to be developed further. Each department within our schools has a regular internal Health Check led by Heads of Departments. These are further quality assured by a Senior Leader Health Check. This in turn supports line management and can also feed into appraisal to ensure the cycle of school improvement is robust, ensures accountability and also provides opportunities for CPD and the sharing of best practice.

The Quality Assurance (QA) process in Invictus schools begins with a detailed scrutiny of each school generated by its data. This Data is triangulated alongside pupil interviews, learning walks and work trawls. Each school produces a Self Evaluation Form (SEF) to review its work against its priorities. These are revised throughout the year. The school SEF support its School Improvement Plan, giving clarity to the key areas of development within a school. These are then cascaded down to Departmental Improvement Plans, ensuring school improvement at all levels

The Trust has developed an additional layer of school improvement within the process which is developmental and supportive known as Focus Days. The Chief Executive Officer (CEO), Strategic Leads for School Improvement, Teaching and Learning/Quality Assurance and Teaching and Learning/Continuing Professional Development, peer Headteachers and Directors of subject visit each school with a specific focus. Directors and peer Headteachers alternate depending on the area chosen. External educational advisors are used to quality assure this process. The growth of the central teaching and learning team has ensured a robust approach and facilitate a more targeted approach to supporting and eradicating areas of key weakness.

The day concentrates on the priorities of the School Improvement Plan (SIP) and involves a 'Deep Dive' approach. This process is in line with the most recent Ofsted framework and includes professional conversations round curriculum, data and leadership before lessons are visited to observe learning, interview pupils and scrutinize books.

Our Strategic Lead for QA compiles a report, based on the key Ofsted judgments. This is then shared with Senior Leaders, and the actions of which are followed up in half termly Challenge and Support Meetings with the individual headteachers. The reports are shared with governors alongside actions to address areas of development. The process allows areas of strength to be celebrated, and signposted across other schools in the Trust. Continuous Professional Development (CPD) and collaboration across the Trust supports post Focus Day actions.

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

In addition to the whole school improvement process there are several Teaching and Learning initiatives that the Trust is focusing on, with central staff leading and supporting. For example, November 2021 sees WALKTHRU's being introduced across the Trust to support high quality teaching and learning.

The impact of these strategies will be sought through the QA systems of Focus Days and also through in school 'Health Checks'.

Tony Stephens, an independent Education Support Consultant, supports and advises the Trust Board and Chairs of Governors through the CEO and Headteachers' appraisals ensuring greater rigor and accountability within the process.

Additional Educational Expertise

Pupil Premium, Most Able and boys' performance continues to be a priority across the Trust. There are now Subject Directors (specialists) in the vast majority of subjects, to guide and lead on improvement across the Trust. Their roles have grown and developed to include curriculum planning, CPD facilitation across their subject teams, assessment and examination preparation and development. From September 2020 the Director of Maths is full time, as are the Directors of English and Science from September 2021.

The Board also receives updates on schools' progress during each meeting. There are formal 'data drops' when GCSE predictions outlining attainment and progress which are presented to Trustees.

Factors Relevant to Achieve Objectives

In order to achieve the objectives and future-plans of the Trust we must:

- Maintain our student numbers in those secondary schools oversubscribed and work to increase our student numbers, particularly in two of our smaller schools, which remain undersubscribed; student numbers,
- Work with our new primary school, Rufford, to welcome and intergrate the school into the Trust. There is a need to provide school improvement support to make the school a "Good" school and to further promote the school in the local area to increase the pupil numbers up to its capacity.
- Ensure all schools are working to the Trust's reserve % target to provide a contingency fund;
- Improve and grow our Sixth Form Provision with an aim to rationalise the number of school sites pupils need to commute between;
- Maximise income and optimise alternative funding/grants;
- Optimise staffing and expenditure in line with need/income;
- Share good practice and seek opportunities to upskill staff through an effective programme of continued professional development;
- Support those schools across the Trust with an Ofsted grading of below Good to work towards eradicating the weaknesses in preparation for the next Ofsted visit.

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives and Aims - Business and Financial Management

Financial Management

To improve financial management within the Trust, the following controls have been implemented:

- Revised and enhanced internal control processes were put in place during 2017/18 on the appointment of a CCAB qualified accountant. These controls continue to be embedded and added to across the Trust each year to ensure internal security arrangements are in place and achieve a consistent approach across all Trust schools' and compliance with the Academy Trust Handbook.
- This culminated in the Trust's Financial Procedures and Policies handbook being updated and overhauled completely for September 2020. This version was adopted by Trust Board at the September 2020 having received extended audit assurance testing. The handbook is a live working document, to be approved by Trust Board on an annual basis. Due to COVID 19 pandemic, it was not possible to deliver the internal operational and strategic training to update and refresh key staff of the main principles and polices within the Financial handbook. This is scheduled for 2021/22. In particular:
 - Ordering and purchasing requirements and best practice
 - School Lettings with a revised lettings policy adopted for 2020/21
 - Register of Business Interests and Related Party Payments
 - Cash management and internal control principles
 - Cyber Fraud management
 - Check of portable assets, particularly as the Trust has invested significantly in laptops and online digital platform learning since COVID lockdown in schools
 - Use of credit cards
 - IR35 off payroll working
- The centralised administration staff restructure of April 2020 is now fully in place and operational.
- The role of Chief Finance Officer has been formally adopted by the Trust using existing employed Trust HQ staff.
- The Trust now has three centralised qualified accountants supporting the Trustees, Chief Executive and Headteachers, all maintaining continued professional development. This focused professional support has enabled a robust, consistent and regular framework of financial management to be developed across the Trust and is validated by the increase in the Trust's available surplus reserves from a very low base in 2017/18.
- A formal competitive tendering process was undertaken during 2020/21 in respect of Internal Audit services. Bishop Fleming were appointed for a three-year period. Work is underway with the Finance and Audit Committee to agree a programme of works.
- The key financial control processes are independently reviewed each month by the Senior Finance Officers supporting each of the Trust Schools. Bishop Fleming, the Trusts recently appointed internal auditors, carried out a Core Compliance internal audit in June 2021. The outcomes were good with some minor action points to follow up.
- In June 2021, the use of Pebble, as a separate financial information system for school fund activities, was ceased. This has enabled six school bank accounts to be closed and a saving on software subscriptions. This efficient action to rationalise processes means that the Trust now has a fully integrated financial system using one financial information system, PS Financials, for all schools income and expenditure recording.
- All Trust secondary schools are now using Tucasi Booking Pro software for school lettings which brings all Trust schools into line for lettings administration.
- All Trust secondary schools are using G4S for cash collection services. This ensures the safe delivery of cash to the bank and avoids the inefficiencies of staff time in attending the bank regularly. Rufford Primary School will be added during the Autumn 2021 term.
- Crestwood School now offers internal catering facilities for school meals having ended the long-standing contract with an external provider.

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

- Further work will be undertaken during 2021/22 to extend cash less pay options wherever possible across the Trust's schools.
- The Fixed Asset Management Register of items in excess of £5,000 is now retained and controlled centrally. The FAR has been reformatted with enhanced processes for capturing the data. Schools will continue to maintain their own inventory of all assets under £5,000 in school for internal control purposes.
- The Chief Operating Officer of the Trust maintains a centrally controlled Significant Risk Register which is presented to Trust Board for approval. In December 2019 this was subject to Extended Assurance testing by the internal auditors.
- Trust school staff credit cards are continually reviewed. During 2020/21 the back-office portal was overviewed by the CFO with the service provider to ensure all data remains relevant.

Condition Improvement Funding

Invictus Education Trust has been extremely successful in the bids for Condition Improvement Funding. Between 2015 and 2017 grants totalling £15m have been awarded to the Trust covering all Trust Schools during that period.

Due to the number of students on roll, the Trust is no longer able to submit applications for Condition Improvement Funding. However, since 2018, the Trust has been awarded £6.7m of formulaic Schools Condition Funding Allocation by the ESFA. At 31 August 2021, £2.046m remains unspent, of which most of this is earmarked, with a remaining sum held as a contingency for emergency works.

Finance Systems

All finance staff use the PS Financial Management System.

Banking

All schools within the Trust bank with Barclays bank. This allows the Trust to have full online access to all bank accounts, statements, users and to have full control over access security and banking limits.

Traded/External Services

HR Transactions/Payroll

Dudley Transaction and Payroll Department on an annual contract. This is a fully managed payroll and pension service operating from September August.

HR Partner Plus Service

Browne Jacobson Solicitors on a 2 year contract December 2020 to December 2022. To provide HR Advice in matters such as disciplinary, capability, policies, employment law.

Insurance

Zurich Insurance via Solihull MBC Brokers on an annual contract. Cover runs from September August and covers, inter alia land, buildings, assets, public liability, employer liability, school trips, mini buses.

Legal Services

Browne Jacobson Legal Advisory Service to the Trust dealing with schools converting to academy and joining the Trust.

Gas & Electricity

Northern Gas & Power have a fixed term 7 year energy supply contract which expires in November 2022.

Recruitment Subscription

Times Educational Supplement recruitment contract renewed in 2020 for 2 years till October 2022.

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

Internal Audit

Bishop Fleming appointed June 2021 for a three year contract academic period to August 2023 with an option to extend by one year.

Broad Band/WAN services

Provided by Dudley local authority for a six year period which ends 31 March 2022 when the service will be retendered.

School Fund

All schools in the Trust now use PS Financials to record School Fund transactions. This system is linked to Parent Pay, which allows parents to have an online account therefore reducing cash management in the school office.

Tucasi Facility and Lettings Management System

Tucasi Booking Pro system is used the Trust secondary schools since September 2020. This does not integrate with PS Financials however the Trust has evaluated the merits and decided that Booking Pro is a better form of software for the end user in the school lettings office and that financial procedures can be put in place to ensure the transactions are accurately recorded in PS Financials.

I. PUBLIC BENEFIT

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

a. KEY PERFORMANCE INDICATORS

The following areas are deemed to be the key performance indicators for the Trust.

Cash Flow

Cashflow across the Trust school's always needs to be carefully monitored as the main GAG funding is received in equal instalments over 12 months. Therefore, all schools maintain a cash flow forecast and a vigilant check on cash against creditors and are proactive to ensure that debtor income is collected in a timely manner. Wherever possible payment of the supplier is made on a monthly payment plan through a direct debit arrangement to ease the cash flow position.

At the meeting on 30th September 2019, Trust Board approved a cash loan to Kinver High School of up to £0.2m with a five year repayment plan to assist the school's cash flow position which is due to their deficit reserve position reported at 31 August 2019. Since that date a sum of £0.107m has been drawn.

On the 1st June 2020 an emergency cash flow loan was approved for Pedmore High School to assist with their cash flow difficulties which had been discussed at Trust Board on previous occasions.

Both of the cash loans were made from Invictus Headquarters funds. These will be repaid by the schools' when it is safe and there is no danger of reputational risk to the school.

Credit

Trust school finance staff have access to a credit card for purchases to ensure procurement opportunities are both efficient and economical. There is a credit limit set on all credit purchases. The administrative arrangements with the credit card agent are held by the Chief Finance Officer and the Chief Operating Officer.

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

STRATEGIC REPORT (CONTINUED)

Student Numbers

The total number of students in Invictus Trust secondary Academy schools at 1 September 2021 are as follows. Previous years have been shown for comparative purposes.

Student Numbers	Key Stage	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16
N, KS1 to K4							
Rufford School	N, KS1 & KS2	210					
Crestwood School	KS3 & KS4	984	937	894	822	747	717
Ellowes Hall School	KS3 & KS4	1,095	1,066	1,046	1,029	1,019	994
Kinver High School	KS3 & KS4	586	548	548	532	549	500
Leasowes High School	KS3 & KS4	984	955	896	848	789	719
Wombourne High School	KS3 & KS4	854	871	858	836	804	784
Pedmore High School	KS3 & KS4	619	598	595	567	584	598
6 th Form across the Trust	KS5	341	262	217	245	191	196

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

STRATEGIC REPORT (CONTINUED)

The following summarises students' achievements in GCSE results:

	Crestwood			Elbowes			Kilver			Leaswates			Pedmore			Wombourne		
	All	PP	Non-PP	All	PP	Non-PP	All	PP	Non-PP	All	PP	Non-PP	All	PP	Non-PP	All	PP	Non-PP
Cohort Size	106	70	36	194	45	149	94	15	79	173	49	124	118	35	82	181	31	150
Average ESZ Level	4.32	4.37	4.64	4.68	4.30	4.80	4.83	4.58	4.88	4.68	4.40	4.78	4.50	4.43	4.62	4.74	4.41	4.81
PP%	42.2	100.0	0.0	23.2	100.0	0.0	16.0	100.0	0.0	28.3	100.0	0.0	30.5	100.0	0.0	17.1	100.0	0.0
RA High %	23.5	21.4	25.0	30.9	15.6	35.6	43.6	33.3	45.6	22.5	18.4	24.2	30.5	27.8	31.7	33.7	19.4	36.7
RA Mid %	55.4	52.9	57.3	51.1	57.8	51.7	43.6	46.7	43.0	63.6	61.1	64.5	49.2	47.2	50.0	55.8	61.3	54.7
RA Low %	20.5	25.7	16.7	12.9	26.7	8.7	9.6	13.3	8.9	9.2	18.4	5.6	14.4	25.0	8.8	10.5	19.4	8.7
SEN %	20.5	24.3	17.7	9.3	13.3	8.1	21.3	23.3	19.0	24.9	40.8	18.5	22.9	44.4	13.4	10.5	22.6	8.0
Boys %	57.8	61.4	55.2	51.5	68.9	45.3	70.2	66.7	70.9	54.3	65.3	50.0	54.2	52.8	54.9	50.3	61.3	48.0
Girls %	42.2	38.6	44.8	48.5	31.1	53.7	29.8	33.3	29.1	45.7	34.7	50.0	45.8	47.2	45.1	49.7	38.7	52.0
Attainment 8	47.02	41.55	51.01	45.64	32.89	49.49	55.66	37.53	50.10	43.26	37.34	45.00	43.22	35.78	46.48	50.64	40.03	52.83
- English	9.80	8.91	10.44	9.03	6.58	9.77	11.57	8.80	12.10	9.14	8.12	9.55	9.54	8.22	10.12	10.49	8.97	10.80
- Maths	8.91	7.69	9.83	8.39	5.82	9.17	10.38	6.93	11.04	8.03	6.53	8.63	8.97	7.50	9.61	9.62	7.42	10.08
- E-Bacc	11.54	10.71	12.88	11.12	8.92	14.38	16.44	11.07	17.45	12.18	10.22	12.96	11.99	9.47	13.09	14.91	11.60	15.59
- Open	15.76	14.24	16.86	15.11	11.57	16.18	17.26	10.73	18.50	13.89	12.46	14.46	12.72	10.58	12.66	15.62	12.05	16.36
Progress 8	0.64	0.36	0.85	0.17	-0.38	0.34	0.75	-0.44	0.96	0.11	-0.27	0.29	0.26	-0.38	0.57	0.48	0.02	0.58
- English	0.44	0.25	0.58	-0.24	-0.82	-0.06	0.65	-0.16	0.80	-0.06	-0.32	0.05	0.37	-0.25	0.67	0.31	0.10	0.35
- Maths	0.64	0.34	0.87	-0.02	-0.46	0.11	0.48	-0.55	0.65	-0.06	-0.50	0.14	0.64	0.05	0.92	0.40	-0.04	0.49
- E-Bacc	0.38	0.06	0.61	0.21	-0.37	0.40	0.97	-0.28	1.07	0.18	-0.32	0.41	0.16	-0.51	0.49	0.62	0.15	0.71
- Open	1.03	0.75	1.24	0.53	-0.04	0.71	0.87	-0.71	1.16	0.28	-0.03	0.42	0.04	-0.61	0.36	0.52	-0.14	0.66
E-Bacc Entry %	6.6	4.3	8.3	7.8	5.1	8.9	30.9	13.3	34.2	70.5	57.1	75.8	28.0	16.7	32.9	39.8	22.6	43.3
E-Bacc Pass (5+) %	6.0	4.3	7.3	29.9	8.9	36.2	28.7	6.7	32.9	38.7	24.5	44.4	16.1	5.6	20.7	34.6	16.1	38.7
E-Bacc Pass (4+) %	5.4	4.3	6.3	15.5	0.0	20.1	23.4	6.7	26.6	21.4	16.3	23.4	11.0	2.8	14.6	21.0	6.5	24.0
E-Bacc Score	3.62	3.15	3.96	4.04	2.69	4.45	4.85	3.27	5.15	3.91	3.26	4.17	3.70	2.93	4.04	4.46	3.40	4.68
7+ in English & Maths %	15.7	7.1	21.9	7.7	0.0	10.1	20.2	13.3	21.5	6.4	0.0	8.9	12.7	8.3	14.6	13.8	3.2	16.0
5+ in English & Maths %	44.0	32.6	52.1	37.1	6.7	46.3	57.4	20.0	64.6	35.8	28.6	38.7	44.9	27.8	52.4	49.7	25.8	54.7
4+ in English & Maths %	60.8	52.9	66.7	63.0	26.7	75.2	79.8	46.7	86.1	53.8	36.7	60.5	62.7	44.4	70.7	77.3	54.8	82.0
7+ in English %	39.7	22.9	36.5	13.9	4.4	16.8	31.9	13.3	35.4	14.5	6.1	17.7	17.8	11.1	20.7	23.2	6.5	26.7
5+ in English %	53.6	45.7	58.4	50.5	20.0	59.7	76.6	33.3	84.8	49.7	40.8	51.2	56.8	33.3	67.1	63.5	38.7	68.7
4+ in English %	68.7	62.9	72.9	70.6	37.8	80.5	89.4	66.7	93.7	71.7	61.2	75.8	74.6	61.1	80.5	89.0	74.2	92.0
7+ in Maths %	18.7	8.6	26.0	12.4	2.2	15.4	26.6	13.3	29.1	12.7	6.1	15.3	21.2	13.9	24.4	19.9	6.5	22.7
5+ in Maths %	50.0	37.1	59.4	43.3	11.1	53.0	60.6	20.0	68.4	41.0	28.6	46.0	47.5	27.8	56.1	56.9	35.5	61.3
4+ in Maths %	68.7	57.1	77.1	67.5	35.6	77.2	80.9	53.1	86.1	57.8	42.9	63.7	57.8	50.0	75.6	79.0	58.1	81.2

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STRATEGIC REPORT (CONTINUED)

COVID 19 PANDEMIC 2020-21

The national Government lockdown and the school closures in late March 2020 were unprecedented. However, with a very strong and united teaching and non teaching staff, 'business as usual' measures were put in place very quickly. A return to school in September 2020 was challenging time for schools, particularly Headteacher and teaching staff, due to outbreaks of COVID in school and the need for pupils and staff to self isolate. This culminated in January 2021 with a second national lockdown until late March 2021. Since that date, schools have maintained a "business as usual" approach to the education of its pupils.

Leadership

During the first lock down the CEO, CFO and COO were working from home remotely and communicating on a regular basis with each other, Headteachers and immediate staff, either via video linked conferencing or telephone and email. In June 2020, working to the Governments social distancing and hygiene guidelines there was a return to work at Trust leadership level. Work continued at this level during the pandemic with no adverse impact on finances or the strategic delivery of the Trust's business. All Government returns were submitted on time and the, Trustee and Member meetings continued as scheduled albeit remotely for from June 2020, despite many of the members themselves shielding.

Whilst schools were closed to parents and the public, other than students of key workers, the Headteachers were either in school on a rostered basis or working from home remotely, accessible at all times. There was a weekly communication with the CEO, CFO and COO to share the Government COVID guidance which was essential. Particularly as the Trust had two of six Headteachers who were newly appointed within the Spring 2020 term. The Headteachers were directing their own staff in respect of the on line curriculum needs of the students who were undertaking remote learning.

Teaching and Curriculum Staff

Within a week of School closures in March 2020, the Trust had instigated full remote virtual learning for our students. Staff fully engaged and applied themselves coping with a totally new way of teaching highly effectively over the period of lockdown, as a Trust we provided 15,407 lessons which engaged 130,166 students. This practice continued during the second lockdown in 2021.

Non Teaching Staff

All staff, where appropriate, were either working in school full time (site staff/cleaners) or on a rostered basis or when not rostered they were working from home remotely.

Students Learning

For students who were not engaging, or having difficulty the Trust provided laptops even before the Government issued ones arrived. The Government issue was also greatly received. We feel that altogether, student learning had not been as negatively impacted as many others. We were/are very proud of our efforts in 'meeting the needs of our students'.

Finance

The Trust was already on target by March 2020 to increase its revenue surplus in excess of approved budget for 2019/20 due to good financial management processes which are outlined above under 'Objectives and Aims Business and Financial Management' and the determination to restore the Trust's reserves in line with its reserve policy (outlined below). This course of action has continued in 2020/21 with further planned increases to the Trust's school surpluses.

Whilst the COVID period from April to August 2020 and January to March 2021 did see "business as usual" from a finance operational perspective: suppliers were paid; internal controls and procedures were adhered to; the PPN 02/20 and 04/20 were complied with; the additional surpluses accrued this year are as a result of specific COVID related issues. Such as summer 2021 exam fee credits savings from the exam boards of between 22%

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STRATEGIC REPORT (CONTINUED)

to 42%; utility savings were made as building required less light and water usage; teaching and administration supplies savings. These savings were offset against lettings income which was down and as a result of the closure of the lettings facilities during COVID, the lettings staff were furloughed and the Trust did receive a small amount of income from the Coronavirus Job Retention Scheme. Schools experienced shortages of materials and goods during the summer 2021, which has led to planned purchases or building related schemes being pushed into 2021/22. The Government's COVID grant funding has enabled school life to be as normal as possible during 2020/21

COVID 19 Catch Up Premium

Children and young people across the country have experienced unprecedented disruption to their education as a result of coronavirus (COVID 19). Those from the most vulnerable and disadvantaged backgrounds will be among those hardest hit. Schools will use this catch up funding for specific activities to support their pupils to catch up for lost teaching over the previous months, in line with the guidance provided nationally.

The Government, in recognition of the learning opportunities lost for our students, allocated a one off grant in 2020/21 to be used by schools. For Invictus Trust it is £385k in total. This initiative has been extended to 2021/22 as the COVID recovery premium. For Invictus Trust the grant is £195k to include Rufford primary school.

Lateral Flow Testing

The return to school in September 2020 and again March 2021 was "enabled" by the use of LFT in all Trust schools for staff and pupils. Whilst this was a time-consuming process for staff in school it was effective. Grant funding in 2020/21 of £194k.

School-Led Tutoring Grant

The school-led tutoring grant is a new grant available in 2021/22 to support disadvantaged pupils in catch-up learning and schools will select the pupils in need of support. This will focus on providing tuition to pupils eligible for pupil premium but also includes pupils with other types of disadvantage or additional needs. For Invictus Trust the grant is £163k to include Rufford primary school.

Summer School Grant

The aim of the programme, drawing on the evidence of good practice, was to deliver a short summer school, offering a blend of academic education and enrichment activities. The purpose of the grant was to deliver face-to-face summer schools during the 2021 school summer holidays to pupils identified by the school as being most in need of educational recovery and/or wellbeing support. The summer school was required to include a mix of academic and enrichment activity.

The 2021 summer school activities were very successful and every Trust school ran a five day programme and in total over 3000 forthcoming year 7 pupils attended. A grant claim of £187k has been submitted.

b. GOING CONCERN

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

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

STRATEGIC REPORT (CONTINUED)

c. PROMOTING THE SUCCESS OF THE COMPANY STATEMENT
(As required by Section 172(1) of the Companies Act 2006)

Since 2015, six of the leading secondary schools in Dudley and South Staffordshire have joined together to form the Invictus Education Trust a Multi Academy Trust.

The schools are: from Dudley area, The Crestwood School in Kingswinford, Ellowes Hall Sports College in Gornal, Leasowes High School in Halesowen, Pedmore High School in Pedmore, and from Staffordshire: Kinver High School in Kinver and Wombourne High School in Wombourne.

From 1 September 2021, Rufford primary school, Dudley, has academised and joined the Invictus Trust. This is the first primary school to join the Trust and is a strategic and planned addition. Rufford primary school has close allegiances to Pedmore secondary school based in the same education catchment area.

The Directors (otherwise known as Trustees in a Multi Academy Trust) act in good faith to make decisions, the outcome of which, they consider will be most likely to promote the success of the Company (the Trust) for the benefit of its members (employees) and the direct stakeholders (students/parents) as a whole both in current periods and in the longer term.

In discharging their duties above and as part of their decision making process, the Directors also have due regard to the impact on and interests of other, indirect, stakeholders (suppliers), in addition to their public duty, as a public sector grant funded organisation.

Objectives, Strategy and Aims

The principal object and activity of the Company, as set out in the Trustee Report above, is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum with a strong emphasis on the specified specialisms of those academies. In setting their objectives and planning their activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Company's educational aims are to ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.

External Factors Relevant to Achieve Objectives

In order to achieve its non financial objectives and future plans the Company must:

- Maintain their student numbers in those schools oversubscribed and work to increase the student numbers.
- Share good practice and seek opportunities to upskill staff through an effective programme of continued professional development.

Employees

Directors receive information on various staff KPI's. The Directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing; the Company has a staff wellbeing service to support their employees 24/7.

The Directors keep staff informed of key issues through structured communication channels such as:

- a dedicated Media, Marketing and Communications Director;
- an integrated Company website;
- promoting inclusion in the workplace;
- provide training and development opportunities where they are considered of benefit to the Company and employees.

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STRATEGIC REPORT (CONTINUED)

Using the Company's recruitment and development strategies, the Directors seek to attract, develop and retain talented staff.

The Company actively engage with trade unions when restructuring or making changes to the organisation which impact on the workforce.

The Company's policy regarding disabled persons is set out in the Directors' Report as well as further detail regarding communication with employees.

Stakeholders

The stakeholders are fundamental to the Company's existence and survival (both academic and financial). Therefore, the Directors commit considerable time, effort and resources into understanding and responding to the evolving needs of their stakeholders through the Senior Leaders and management structures in the organisation. As a Company regulated by Central Government, this includes responding proactively and responsibly at a local level to Government changes in the national education system. The Company starts (and ends) with academic excellence and it is academic excellence for all.

Students will have the opportunity to try out a wide and rich range of experiences and unique opportunities. The aim is to expose them to the best of cultural, vocational and sporting opportunities, understanding that those aspects are not recreational but critical to the students' independent development and success.

The Company is committed to its aims and vision and believe that more children will benefit from this educational promise and as a consequence is determined to grow students in confidence, in articulation and as leaders.

Suppliers

The Directors have established procedures to ensure that regularity, propriety and value for money is maintained for the Company.

The Company's ethos is to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable.

Wherever possible the Company will engage with local businesses, which in turn financially supports the local communities and the families that attend the six schools. By doing business more locally it is the aim to reduce the Company's carbon footprint.

In respect of contractors on site in the six schools', there is a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the Company's policies and procedures. The Company adheres to the Procurement Policy Note (PPN 06/19) which provides the new threshold levels to apply for the purposes of the Public Contracts Regulations from 2020.

Payment for supplies and services will be made upon receipt of an invoice and within 30 days once it has been confirmed that goods or services have been received and are of the quality expected. Although every effort is made to ensure the school benefits from early payment discounts and complies with the Public Sector Prompt Payment Policy.

Community and the Environment

The Company takes its role within the community very seriously and promotes and encourages community and charitable contribution. The Company has a community engagement policy which promotes the use of the six school/sports facilities by clubs and individuals locally based.

The Company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental

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FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (CONTINUED)

standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Reputation and Public Benefit

As a publicly funded Company our results cannot be measured by "profit" and therefore there has to be a different and deeper reason as to why the Company is successful, whilst ensuring that public accountability is demonstrated at all times.

Our reputation can be measured by the follow actions:

- The Board of Directors will manage their affairs in accordance with the high standards detailed in 'Guidance on Codes of Practice for Board Members of Public Bodies' and in line with the seven principles of public life.
- In setting Company objectives and planning our activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.
- There is a strong emphasis on achievement and excellence. The Directors will make every effort to maximise the potential of all the students. This sums up what we want for the students – a strong sense of direction and a strong independence rooted in robust values.
- The Trust schools firmly believe that, by working together, they will be highly achieving, and able to provide elite educational experiences for their students. In simple terms, we want to be able to give any school in the country – be it state or independent – a 'run for its money'. We believe that whilst we are locally based we could become nationally important.
- We have come to believe that such a Company is absolutely the best way forward for our communities and especially for those most intimately involved, i.e. students, parents and staff.

FINANCIAL REVIEW

Principal Funding and financial performance

The Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during the year.

Restricted General Fund

The majority of the Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants and the associated expenditure made against them are detailed in the SOFA. General Restricted Fund income for the year was £31,363,277 (2020: £28,110,258); expenditure against the fund was £29,864,740 (2020: £26,485,025) including £1,340,000 (2020: £824,000) in relation to Actuarial movements in the LGPS pension deficit. After transfers, there is an in year surplus/deficit of £669,770 (2020: in year surplus of £386,879) in the restricted general fund before Actuarial losses.

Unrestricted Funds

Income received into the Unrestricted Fund was £862,125 (2020: £1,150,798). Expenditure against the fund was £942,773 (2020: £1,080,495) for the year, giving an Unrestricted Fund, in year deficit of £80,648 (2020: surplus of £70,303). After transfers there is an in year deficit of £41,569 (2020: surplus of £109,382) on the unrestricted fund.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life off the assets concerned in line with the Trust's Depreciation Policy.

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STRATEGIC REPORT (CONTINUED)

Income received into the fund included £2,281,077 (2020: £1,925,235) of School Capital Allocation Funding (SCA), £109,529 (2019: £112,035) of Devolved Capital Grant Funding, £5,575,691 (2020: £nil) of donated fixed assets and a legacy fixed asset of £210,000. Expenditure from the fund equates to £2,802,882 of depreciation (2020: £2,656,873), £2,954,800 of losses on disposal (2020: £21,808 profits on disposal) which leaves an overall amount of £5,757,682 (2020: £2,635,065).

Summary of Financial Position

Total fund balance as at 31st August 2021 was £108,764,169 (2020: £108,613,665) comprised of a surplus of £474,050 (2020: £515,619), surplus of £3,404,254 (2020: £1,394,484) and surplus of £123,371,865 (2020: £121,503,562) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively excluding the pension fund deficit of £18,486,000 (2020: £14,800,000).

Balance Sheet

The Trust's assets were predominantly used for providing education to school students within the Trust.

Some assets were used by the local community, predominantly for sports but also working with local charities to raise funds and support for the elderly and disadvantaged.

The net book value of the Trust's tangible fixed assets was £120,723,689 (2020: £117,180,195) as at 31st August 2021. Cash at bank at 31st August 2021 was £8,784,523 (2020: £7,718,044), which includes capital grants received, but not yet spent at the year end.

Reserves Policy

The Trust's Reserve Policy adheres to the legal requirement not to retain available reserves for an excessive period of time. Usually, restricted reserves derived from grant income would be excluded from the definition of reserves, since expenditure on such income is allocated for specific purposes. However, the Trust needs to balance the potential volatility in pupil numbers, increasing inflation, the uncertainty of Government targeted and specific grant funding, the COVID 19 pandemic and the need to invest in its capital infrastructure to maintain a good state of repair against this policy. Therefore, its main consideration since 2018 has been to build up its reserves as a minimum to approximately 3% of annual expenditure for such areas of unexpected expenditure and to ensure the ongoing financial security of the Trust. The financial management processes across the Trust schools are now consistent and effective and at 31 August 2021, five of the Trust's Schools have reserves in excess of 3% and one Trust School is very close to the 3% reserve level.

Once all schools have reached a sustainable 3% reserve level they must work towards 5% as a Trust standard and acceptable retained reserve. Any reserve in excess of this the Chief Executive Officer, Chief Finance Officer and School Headteacher would agree how the reserves are to be invested. This could be:

- for the betterment of the individual school infrastructure and students and will draw upon the priorities of the school as agreed with their School Governing Board; or
- a Trust wide project which will benefit all Trust schools' and the pupils.

The Trust's free reserves as at 31 August 2021 amounted to £3,878,304 which comprised of unrestricted and restricted reserves excluding the pension reserve. Note 17 to the financial statements Includes an overview of the Trusts free reserves by academy.

In addition to the above free reserves, the Trust has been allocated a further £2,204,570 School Condition Capital Maintenance during 2020/21. At 31 August 2021, the Trust has £2,046,328 still to be allocated overall.

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

a. INVESTMENT POLICY

With the potential growth and diversity of the Trust, Trustees recognise the need for a formal Investment Policy ratified by Trustees. Where cash flows identify a base level of cash funds that will be surplus to requirements, these funds may be invested, following approval from the Finance and Audit Committee. In making decisions regarding where and how any surplus funds should be invested, and the pursuit of optimum performance consistent with due regard given to risk.

The Trust's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provisions of the Trust business, services and charitable objectives is an important, but secondary objective.

The Trust acknowledges that effective treasury management will provide support towards the achievement of its charitable objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of risk management.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which the Trust is exposed, as identified by the Trustees and Auditors will be reviewed, systems, and procedures established including internal controls to manage and mitigate these risks. Risks will be regularly reviewed and reported to the Audit and Finance Committee and any significant non compliance actioned upon.

The Trust regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of financial management activities will be measured. Risk management will be embedded into the ongoing planning and strategy process of the Board of Trustees.

c. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objectives of the Trust's Risk Management Procedure, is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurances.

The Board of Trustees has compiled a comprehensive risk management process to Identify and monitor the risks faced by the Trust within the context of the Trust constitution.

The financial risks considered include; economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial statutory requirements.

FUNDRAISING

The Trust does not work with any commercial partners or professional fundraisers but is aware of the Charity Commission publication "charity fundraising: a guide to trustee duties" which covers fundraising practices.

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STREAMLINED ENERGY AND CARBON REPORTING

The academy's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	11,255,520	10,735,889
ENERGY CONSUMPTION BREAKDOWN (KWH):		
Gas and oil	8,303,168	7,876,473
Electricity	2,853,125	2,785,062
Transport fuel	99,226	74,353
SCOPE 1 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Gas and oil consumption	1,633	1,563
Owned transport	23	16
TOTAL SCOPE 1	<u>1,656</u>	<u>1,579</u>
SCOPE 2 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Purchased electricity	<u>605</u>	<u>649</u>
SCOPE 3 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Business travel in employee-owned or rental vehicles	<u>2</u>	<u>2</u>
TOTAL GROSS EMISSIONS (IN TONNES OF CO2 EQUIVALENT):	<u>2,263</u>	<u>2,230</u>
INTENSITY RATIO:		
Tonnes of CO2 equivalent per pupil	<u>0.43</u>	<u>0.44</u>

The academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2021 UK Government's Conversion Factors for Company Reporting.

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

Measures taken to improve energy efficiency

Invictus Headquarters

In August 2020 we relocated the Headquarters Offices to a two-storey independent block at Kinver High School, where we now have control over lighting and heating. We have installed new radiators throughout the building which are more energy efficient than the previous ones. At the end of the day we have procedures to secure the building which ensures all lighting is switched off overnight. We have re-roofed the building with added insulation and have added additional insulation between the floors in the building and the walls of the building.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

We have reduced the amount of car mileage with the use of increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Schools

We have installed new boilers at Ellowes, Pedmore and Kinver. The new gas boilers are more energy efficient.

We have installed smart meters across all sites.

As part of the Site Security areas of school not in use the heating is switched to low and all lighting is switched off, this was a significant saving when we were under lockdown.

We have moved to in house catering at three of our schools and moving another school in house next year, this allows us to select local suppliers and therefore reduces the carbon footprint of the catering provision.

We have re-organised the ordering of goods to bulk buying and limit the amount of deliveries to sites.

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

Students of the Invictus Education Trust

The Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be, into further and higher education or employment. The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Trust strives to provide exceptional behaviour and attendance management support to its students, and to offer a broad range of extra-curricular activities.

The Crestwood School Expansion Plans

Crestwood School had an approved basic need capital project underway, funded by the Dudley local authority to expand this "popular" School. This project is now complete and has provided a new teaching block with additional school places at an overall cost of £5m. This has allowed the School's PAN to increase from 150 to 210 from September 2020. The building and associated donation in kind has been recognised in the Trust's fixed asset register and recorded in the balance sheet.

Legacy Donation to The Crestwood School

In 1971 the late Mr Humphries left in Trust the balance of his residuary estate to the Governors of Brierley Hill Grammar School, "upon Trust to invest the same and provide two annual cash prizes from the income thereof for the boy and girl who (during their last year in school prior to their attendance at university) the headmaster shall in his absolute discretion consider to be the most brilliant."

The Brierley Hill Grammar School became The Crestwood High School on or around 1 September 1976.

The estate has been held in Trust since 1971 and subject to a condition of continuous family occupation for life.

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

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

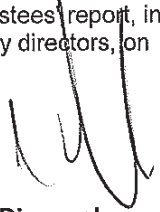
The Academy Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances, the Trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

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, on _____ and signed on its behalf by:



Robert Dimmock
Chair of Trustees

29/11/2021

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

PLANS FOR FUTURE PERIODS (CONTINUED)

In March 2020 the last occupant passed away and the estate can now be formally transferred to The Crestwood School which is part of the Invictus Education Trust.

Mr Humphries will currently state three Trustees, they are the ex Headteacher of The Crestwood School and now the Invictus Trust CEO (Mr Bowles), the ex Chair of Governors at The Crestwood School (AW) and the independent solicitor executor of the Will/Trustee as appointed by the deceased (CM).

As at the 31 August 2020 the Invictus Trust solicitors, Browne Jacobson were in the process of establishing the full extent of the assets before a legal transfer could occur. Therefore, for that reason, the 2019/20 Invictus Education Trust accounts did not recognise the financial records of the legacy. The assets were formally transferred to the Trust in March 2021 and have now been recognised in the Trust's fixed asset register and recorded in the balance sheet as a donation in kind. The Board of Trustees have agreed that the assets will be sold in due course in order to fulfil the late Mr Humphries bequest in respect of annual cash prizes to students at The Crestwood School.

Post 16 Expansion of the Trust

Invictus Sixth Form is now securely established in terms of high academic achievement, allied to providing students with a broad, rich and confidence growing set of experiences. Consequently, when we consider expansion we recruit schools that could fit, or be grown to fit, our values and ambition. This is demonstrated by the increased number of Year 11 students from non-Invictus students who have shown an interest or have applied to our Sixth Form in more recent times.

Invictus Sixth Form continues to evolve. Between September 2016 to Sept 2021, student numbers have increased significantly year on year and results, especially at Advanced Level, have improved greatly, placing us in the top 10 for all multi academy trusts in the country. Our ALPS data also places us in the top 10% of Post 16 results nationally, based on our students' progress. Whilst student numbers in 2019 dropped a little, they have increased steeply for September 2021. In 2019, we attracted 97 new students to Year 12, 168 new students in 2020 and in 2021 83 students have joined us. Across the six Invictus campuses, we currently offer:

- 45 A Level and BTEC courses, which means an extremely wide student choice
- Through collaboration, an opportunity to study one or more subjects at Halesowen College, again increasing student options
- The opportunity for students to study Core Mathematics for those who don't meet the entry requirements for A level Mathematics but still wish to study Mathematics beyond GCSE
- A high quality enrichment programme. This includes the opportunity to be part of a rugby, netball or football academy or our brand-new academy for September 2021, the Performing Arts Academy, alongside studying for high quality Level 3 courses
- Small class sizes for a significant number of subjects, though fewer than in previous years, due to significantly increased student numbers
- Collaboration across school campuses to ensure the best KS5 teachers are teaching our students, alongside making the best use of our schools' facilities
- Excellent information, advice and guidance alongside outstanding pastoral care
- Student progress which matches or exceeds local competitors

In order to continue the expansion of the sixth form and to make it increasingly attractive to students in Year 11, we have reduced the number of subject taught campuses to three from September. The aim is to have one brand new, purpose built, single campus in the near future. This change will support our ambition of continued and rapid growth.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. For 2019/20 and onwards and under the new governance framework there were six scheduled Trust Board meetings for the year.

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

Trustee	Meetings attended	Out of a possible
Tony Bowles, Chief Executive Officer	8	8
William Caldwell	8	8
Robert Dimmock, Chair of Trustees	8	8
Robert Evans	6	8
Geoffrey Marsh (resigned 8 November 2021)	7	8
John Harris (Resigned 31/08/2021)	6	8
Sir David Nicholson (Resigned 20/09/2021)	3	8
Richard Westwood	7	8
Gillian Withers (Resigned 27/09/2021)	8	8
Tracey Pearce (Appointed 04/11/2020)	6	7
Gemma Marie Draycott (Appointed 04/11/2020)	7	7

Governance Reviews

The Invictus Education Trust commissioned a full governance review from the Confederation of School Trusts (CST) in early 2021. The review was commissioned to review the effectiveness of Trust Board Governance, including the functioning of the Trust Board itself, the committee structure and its operation, and the governing bodies in the Trust's schools. The Review was conducted between April and June 2021, and outcomes of the report were presented to the Trustees, SLT and Headteachers on 15 June 2021. Alongside this review, the Trust have now established a Working Group on Governance to take forward the recommendations from the review and commissioned CST to support this group. The appointment of a dedicated Head of Governance and Compliance has already been actioned in the Trust. The outcomes will be reported in due course including the adoption of the DfE recent model Articles of Association.

Members are scheduled to meet three time per year with Trust Board meeting six times per year from 2019/20.

INVICTUS EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Diane Cochrane	1	1
Andrew Griffiths	1	1
Colonel Kim Knutton	1	1
Geoffrey Marsh (resigned 8 November 2021)	1	1
John Harris (Appointed 01/09/2021)	0	0
Tony Bowles - Invited	0	0
Robert Dimmock (Appointed 27/09/2021)	0	0

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Board of Trustees.

All members of the Committee shall be Board Members of the Trust. There are no employees of the Trust on the Committee. However, the External Auditor, Trust Employees and Chairs of the School's Governing Board Finance Committee are invited to attend meetings of the Committee on a regular basis and other non-members invited attend all or part of any meeting as and when appropriate and necessary.

The Committee's purpose is to oversee the Trust's financial and audit considerations as required as part of the Trust's Funding Agreement to support the Trustee's role in ensuring regularity and propriety in use of the Trust's funds, and achieve economy, efficiency and effectiveness.

The Committee's terms of reference are detailed in the Trust's Governance Arrangements and Scheme of Delegation.

Key responsibilities of the Finance & Audit Committee

Financial Management & Reporting

- Ensure that the provision of non-audit services does not impair the External Auditors' independence or objectivity.
- Discuss with the External Auditors the nature and scope of each forthcoming audit and to ensure that the External Auditor receives the fullest co-operation.
- Review the External Auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- Review the reports and recommendations of the Internal Auditor, together with the appropriateness of management's response.
- Monitor the implementation of action agreed by management in response to reports from the External Auditor and Internal Auditor.
- Ensure that the Trust's audit services comply with the standards specified in the Academies Financial Handbook, complies in all other respects with these guidelines and meets the agreed level of service.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - Critical accounting policies and practices, and any changes in them.
 - Decisions requiring a major element of judgement.
 - The extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed.
 - The clarity and transparency of disclosures.
 - Significant adjustments resulting from the audit.
 - The going concern assumption; compliance with accounting standards.
 - Compliance with Department for Education and legal requirements.

Monitoring, Oversight and Scrutiny

The Committee monitors the integrity of the financial statements of the Trust, including its annual reports, and any other formal announcement relating to its financial performance, reviewing and reporting to the Trust Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to the Auditor.

Where requested by the Trust Board, the Committee will review the content of the Annual Report and Accounts and provide the Trust Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for readers to assess the Trust's performance, business model and strategy.

Whistleblowing, Fraud, Bribery and Corruption

Review the adequacy and security of the Trust's arrangement for its employees and contractors to raise concerns, in confidence, about possible wrong doing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Internal controls and risk management systems

Keep under review the adequacy and effectiveness of the Trust's internal financial controls and internal control and risk management systems. and review and approve the statements to be included in the Trustees Report and the Governance statement concerning internal controls and risk management.

During 2021, Gemma Draycott, a recently appointed Trustee with primary school education (Chief Operating Officer) responsibility joined the Committee.

Trustee	Meetings attended	Out of a possible
Richard Westwood (Trustee) Chair	4	4
Tony Bowles (Trustee/ Accounting Officer and CEO)	4	4
Robert Evans (Trustee)	4	4
Craig Cartwright (Invited)	3	4
Suresh Patel (Invited)	3	4
Peter Hipkiss (Invited)	4	4
Andrew Dyehouse (Invited)	4	4
Gary Lloyd (Invited)	3	4
Crowe UK LLP - External Audit (Invited)	1	1
Bishop Fleming - Internal Audit (Invited)	1	1
Gemma Draycott (Trustee Joined June 2021)	1	1

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- In December 2020 the Trust used the services of a School Resources Financial Management Advisor from the ESFA. This was a planned piece of collaborative work which included a detailed exercise using the Integrated Curriculum Financial Modelling software toolkit. The outcomes have been discussed with Headteachers and Trustees. The exercise has been reworked in respect of 2021/22 budget setting and will be used going forward as a curriculum planning tool.
- The Trust already complies with and uses the DfE school resource management self-assessment tool kit.
- Appointing lead educational professionals in school improvement, teaching and learning and school standards to work across all Trust schools to ensure standards are consistent and outcomes good, ensuring school pupils receive value for money in their educational outcomes.
- Appointing a Head of Governance and Compliance to ensure the Trust governance is sound and compliant, particularly as the Trust grows strategically in size. This will ensure that the core Trustee business is conducted in line with the regulations and avoiding any possible breach of role. This role will also complement the financial governance work of the CFO.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Invictus Education Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

The Trust identifies on a risk-basis (with reference to its Risk Register) the areas it will review each year, modifying its checks accordingly. This may involve greater scrutiny where procedures or systems have changed.

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

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

Invictus Education Trust has since 2015 until 2020 chosen the bought in internal audit service, which was under a separate letter of engagement as the internal audit and external audit is performed by Crowe LLP. In line with the Financial Reporting Council releasing a new ethical standard in December 2019, the Trust have now appointed Bishop Fleming as the internal audit partners from June 2021. This service contract was subject to a competitive tender process and the Finance and Audit Committee confirmed the appointment at the March 2021 meeting.

The Trust must keep its approach to internal scrutiny under review. If it changes in size, complexity or risk profile, it should consider whether its approach remains suitable.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial related systems or processes. During the 2020/21 period there have been two specific internal audits arranged. In April 2021 the Governance Review and in June 2021 a Core Compliance audit was undertaken. Internally, The Trust' Financial Policy and Procedures Manual was updated in the summer of 2021 to reflect the Academies Trust Handbook 2021 amendments. This was approved at Trust Board in July 2021.

Key financial controls are independently reviewed each month by the centralised Chief Finance Officer supporting the Trust Schools and supported by the Senior Finance Officers.

Review of effectiveness

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

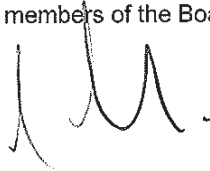
- the extended assurance tests undertaken by the internal audit function during 2019/20;
- the procedural work undertaken and issue of the Trust's Financial Management, Policies and Procedures manual;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- by the CFO together with the Chartered Accountants in the centralised finance team;
- the work of the Chief Operating Officer, the HR Director and other IT executive managers within the Trust who have responsibility for the maintenance of other internal control frameworks.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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

Robert Dimmock
Chair of Trustees



29/11/2021

and signed on

Tony Bowles
Accounting Officer



29/11/2021

INVICTUS EDUCATION 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.

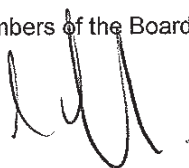
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

and signed on its behalf by:

Robert Dimmock
Chair of Trustees



29/11/2021

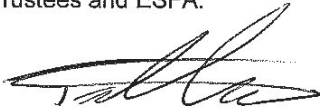
INVICTUS EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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



Tony Bowles
Accounting Officer
Date:

29/11/2021

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Invictus Education 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.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INVICTUS EDUCATION 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.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

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

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

Use of our report

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



Dave Darlaston (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 2/12/2021

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Invictus Education 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 Invictus Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Invictus Education 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 Invictus Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Invictus Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Invictus Education Trust's funding agreement with the Secretary of State for Education dated 26 February 2015 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.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INVICTUS
EDUCATION 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.



Reporting Accountant
Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 2/12/2021

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Income from:					
Donations and capital grants:					
3					
Transfer on conversion	-	-	-	-	(66,402)
Other donations and capital grants	2,001	8,399	8,176,297	8,186,697	2,054,174
Charitable activities	232,417	31,232,636	-	31,465,053	28,607,047
Other trading activities	627,707	-	-	627,707	703,507
	<u>862,125</u>	<u>31,241,035</u>	<u>8,176,297</u>	<u>40,279,457</u>	<u>31,298,326</u>
Total income					
Expenditure on:					
Raising funds	6	-	-	569,855	580,203
Charitable activities	6	372,918	31,082,498	5,757,682	37,213,098
		<u>942,773</u>	<u>31,082,498</u>	<u>5,757,682</u>	<u>37,782,953</u>
Total expenditure					
Net (expenditure)/income	<u>(80,648)</u>	<u>158,537</u>	<u>2,418,615</u>	<u>2,496,504</u>	<u>273,741</u>
Transfers between funds	17	39,079	511,233	(550,312)	-
Net movement in funds before other recognised gains/(losses)		<u>(41,569)</u>	<u>669,770</u>	<u>1,868,303</u>	<u>2,496,504</u>
Actuarial losses on defined benefit pension schemes	26	-	(2,346,000)	-	(2,346,000)
		<u>(41,569)</u>	<u>(1,676,230)</u>	<u>1,868,303</u>	<u>150,504</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward	515,619	(13,405,516)	121,503,562	108,613,665	110,381,924
Net movement in funds	(41,569)	(1,676,230)	1,868,303	150,504	(1,768,259)
Total funds carried forward	<u>474,050</u>	<u>(15,081,746)</u>	<u>123,371,865</u>	<u>108,764,169</u>	<u>108,613,665</u>

The notes on pages 45 to 73 form part of these financial statements.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09284368

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	120,723,689	117,180,195
Current assets			
Debtors	13	2,316,653	2,297,374
Cash at bank and in hand		8,784,523	7,718,044
		<u>11,101,176</u>	<u>10,015,418</u>
Creditors: amounts falling due within one year	14	(4,513,884)	(3,621,819)
Net current assets		<u>6,587,292</u>	<u>6,393,599</u>
Total assets less current liabilities		<u>127,310,981</u>	<u>123,573,794</u>
Creditors: amounts falling due after more than one year	16	(60,812)	(160,129)
Net assets excluding pension liability		<u>127,250,169</u>	<u>123,413,665</u>
Defined benefit pension scheme liability	26	(18,486,000)	(14,800,000)
Total net assets		<u><u>108,764,169</u></u>	<u><u>108,613,665</u></u>
Funds of the academy			
Restricted funds:			
Restricted fixed asset funds	17	123,371,865	121,503,562
Restricted income funds	17	3,404,254	1,394,484
Restricted funds excluding pension reserve	17	<u>126,776,119</u>	<u>122,898,046</u>
Pension reserve	17	(18,486,000)	(14,800,000)
Total restricted funds	17	<u>108,290,119</u>	<u>108,098,046</u>
Unrestricted income funds	17	<u>474,050</u>	<u>515,619</u>
Total funds		<u><u>108,764,169</u></u>	<u><u>108,613,665</u></u>

INVICTUS EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09284368

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 41 to 73 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:


Robert Dimmock
Chair of Trustees

The notes on pages 45 to 73 form part of these financial statements.

29/11/2021

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,110,574	1,564,208
Cash flows from investing activities	22	(879,794)	(1,445,244)
Cash flows from financing activities	21	(164,301)	(221,653)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,066,479	(102,689)
Cash and cash equivalents at the beginning of the year		7,718,044	7,820,733
Cash and cash equivalents at the end of the year	23, 24	<hr/> 8,784,523 <hr/>	<hr/> 7,718,044 <hr/>

The notes on pages 45 to 73 form part of these financial statements

INVICTUS EDUCATION 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.

The financial statements represent the financial results and financial position of Invictus Education Trust ("the trust"), which comprised of the following member academies as at 31 August 2021:

The Crestwood School
Elloes Hall Sports College
Kinver High School
Wombourne High School
Leasowes High School
Pedmore High School.

Invictus Education Trust meets the definition of a public benefit entity under FRS 102

1.2 COMPANY STATUS

The trust is a company limited by guarantee and was incorporated in England and Wales (registered number 09284368). The address of the registered office is Invictus Education Trust Headquarters, Kinver High School, Enville Road, Kinver, West Midlands, DY7 6AA. The members of the company are named in the reference and administration pages. In the event of the trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the trust.

1.3 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.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

• **Grants**

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

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

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

• **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.

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

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

Legacies

For legacies, entitlement is taken as when a distribution is received from the estate.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE

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

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.6 TAXATION

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

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

1.7 TANGIBLE FIXED ASSETS

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Freehold Property	- 50 years straight line
Leasehold Property	- 50-125 years straight line
Furniture and equipment	- 8 years straight line
Motor vehicles	- 4 years straight line
ICT	- 3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

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.

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 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.

1.12 OPERATING LEASES

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

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

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

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

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

1.14 AGENCY ARRANGEMENTS

The trust acts as an agent in disturbing bursary funds and grants from the ESFA and other government bodies. Payments received 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. In some instances the trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

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.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgment:

There are no further critical judgements which would have a material impact on the financial statements.

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	2,001	8,399	-	10,400
Capital Grants	-	-	2,390,606	2,390,606
Donated Fixed Assets	-	-	5,575,691	5,575,691
Legacy fixed assets	-	-	210,000	210,000
Total 2021	2,001	8,399	8,176,297	8,186,697

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	535	16,369	-	16,904
Capital Grants	-	-	2,037,270	2,037,270
LA surplus/deficit on conversion	-	(66,402)	-	(66,402)
<i>Total 2020</i>	<i>535</i>	<i>(66,402)</i>	<i>2,037,270</i>	<i>1,987,772</i>

4. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Lettings income	169,722	169,722
Other income	153,470	153,470
Productions and similar income	117,067	117,067
Coach income	116,369	116,369
Swimming income	71,079	71,079
Total 2021	627,707	627,707

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

4. Income from other trading activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings income	222,468	222,468
Other income	212,060	212,060
Productions and similar income	91,241	91,241
Coach income	99,942	99,942
Swimming income	77,796	77,796
<i>Total 2020</i>	<u>703,507</u>	<u>703,507</u>

5. Funding for academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General annual grant (GAG)	-	26,547,282	26,547,282
Other DfE/ESFA grants			
Start-up grants	-	25,000	25,000
Others	-	1,363,889	1,363,889
Pupil premium	-	1,196,127	1,196,127
	<u>-</u>	<u>29,132,298</u>	<u>29,132,298</u>
Other Government grants			
Local authority grants	-	1,103,968	1,103,968
Other income from the academy's funding for the academy trust's educational operations	232,417	-	232,417
Exceptional government funding			
Catch-up Premium	-	397,920	397,920
Other Coronavirus grants	-	571,359	571,359
Coronavirus Job Retention Scheme grant	-	27,091	27,091
	<u>-</u>	<u>996,370</u>	<u>996,370</u>
TOTAL 2021	<u>232,417</u>	<u>31,232,636</u>	<u>31,465,053</u>

INVICTUS EDUCATION TRUST
(A company limited by guarantee)

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

5. Funding for academy's educational operations (continued)

- The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Other Coronavirus grants" and includes:

- Coronavirus exceptional support reclaim of £(18,610) (2020: income of £55,364);
- Lateral flow grant of £193,560 (2020: Nil);
- Summer school grant of £310,143 (2020: Nil);
- Free school meals supplementary grant of £72,450 (2020: Nil)
- Workforce grant of £13,817 (2020: Nil)

The reclaimed costs these grants relate to are included in notes 6 and 7 below as appropriate.

- The academy furloughed some of its ancillary staff under the government's CJRS. The funding received of £27,091(2020: £35,004) relates to staff costs which are included within note 9 below as appropriate.

- The academy received £397,920 (2020: Nil) of funding for catch-up premium and costs incurred in respect of this funding totalled £296,455 (2020: Nil), with the remaining £101,465 to be spent in 2021/22 (2020: Nil).

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General annual grant (GAG)	-	24,351,599	24,351,599
Other DfE/ESFA grants			
Others	-	1,618,337	1,618,337
Pupil Premium	-	1,173,656	1,173,656
	-	27,143,592	27,143,592
Other Government grants			
Local authority grants	-	926,331	926,331
Other income from the academy's funding for the academy trust's educational operations	446,756	-	446,756
Exceptional government funding			
Other Coronavirus grants	-	55,364	55,364
Coronavirus Job Retention Scheme grant	-	35,004	35,004
	-	90,368	90,368
TOTAL 2020	446,756	28,160,291	28,607,047

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 Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	142,393	-	427,462	569,855
Funding for the Academy Trust's educational operations:				
Direct costs	20,593,618	2,802,882	1,450,829	24,847,329
Support costs	5,946,878	5,291,271	1,127,620	12,365,769
Total 2021	<u>26,682,889</u>	<u>8,094,153</u>	<u>3,005,911</u>	<u>37,782,953</u>
	<i>Staff Costs</i> 2020 £	<i>Premises</i> 2020 £	<i>Other</i> 2020 £	<i>Total</i> 2020 £
Expenditure on fundraising trading activities:				
Direct costs	153,563	-	426,640	580,203
Funding for the Academy Trust's educational operations:				
Direct costs	19,188,755	2,635,065	1,342,960	23,166,780
Support costs	4,926,898	1,406,741	943,963	7,277,602
<i>Total 2020</i>	<u>24,269,216</u>	<u>4,041,806</u>	<u>2,713,563</u>	<u>31,024,585</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

7. Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	5,946,878	4,926,898
Technology costs	220,484	171,694
School trip expenditure	292,841	361,762
Recruitment & support	74,653	71,600
Maintenance of premises & equipment	1,233,068	140,042
Cleaning	113,817	120,731
Rents & rates	203,817	214,860
Energy costs	581,529	506,288
Insurance and security	204,240	220,738
Disposal of fixed assets	2,954,800	-
Bank interest & charges	21,902	16,913
Other support costs	473,045	477,241
Professional services	9,395	15,280
Governance costs	35,300	33,555
	<u>12,365,769</u>	<u>7,277,602</u>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

8. Net (expenditure)/income

Net (expenditure)/income for the Year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	100,907	160,531
Depreciation of tangible fixed assets	2,802,882	2,656,873
(Profit)/loss on disposal of fixed assets (See note 12)	2,954,800	(21,808)
Fees paid to trust's auditor for:		
- audit	22,750	22,750
- other services	2,500	2,500
	<u>2,802,882</u>	<u>2,656,873</u>

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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	18,940,165	17,412,971
Social security costs	1,906,196	1,755,132
Pension costs	5,662,956	4,812,859
	<u>26,509,317</u>	<u>23,980,962</u>
Staff restructuring costs - severance payments	69,008	95,755
Supply costs	104,564	192,499
	<u>26,682,889</u>	<u>24,269,216</u>

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

There were no non-statutory/non-contractual severance payments during the year. (2020: £43,197, four payments made for £6,575, £25,000, £10,222 and £1,500).

c. Staff numbers

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

	2021 No.	2020 No.
Management	40	38
Teachers	314	291
Support	331	330
	<u>685</u>	<u>659</u>

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9. Staff (continued)

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	24	8
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	5	3
In the band £90,001 - £100,000	-	1
In the band £130,001 - £140,000	1	1
	1	1

e. Key management personnel

The key management personnel of the academy comprise the Headteacher's, the senior members of the Trust finance team. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,017,218 (2020 £1,021,564).

10. 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
	£	£
Tony Bowles, Chief Executive Officer Remuneration	135,000 - 140,000	130,000 - 135,000
Pension contributions paid	20,000 - 25,000	30,000 - 35,000

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

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £738 (2020 - £951). The cost of this insurance is included in the total insurance cost.

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12. Tangible fixed assets

	Freehold Property £	Long term leasehold Property £	Fixtures, fittings and motor vehicles £	Computer equipment £	Assets under construction £	Total £
COST OR VALUATION						
At 1 September 2020	58,815,111	68,635,514	983,244	742,695	73,717	129,250,281
Additions	503,591	6,168,972	741,581	183,373	1,703,659	9,301,176
Disposals	-	(3,320,000)	-	-	-	(3,320,000)
Transfers between classes	(76,905)	76,905	-	-	-	-
At 31 August 2021	<u>59,241,797</u>	<u>71,561,391</u>	<u>1,724,825</u>	<u>926,068</u>	<u>1,777,376</u>	<u>135,231,457</u>
DEPRECIATION						
At 1 September 2020	4,380,694	6,931,066	354,757	403,569	-	12,070,086
Charge for the Year	1,079,774	1,355,950	141,538	225,620	-	2,802,882
On disposals	-	(365,200)	-	-	-	(365,200)
At 31 August 2021	<u>5,460,468</u>	<u>7,921,816</u>	<u>496,295</u>	<u>629,189</u>	<u>-</u>	<u>14,507,768</u>
NET BOOK VALUE						
At 31 August 2021	<u><u>53,781,329</u></u>	<u><u>63,639,575</u></u>	<u><u>1,228,530</u></u>	<u><u>296,879</u></u>	<u><u>1,777,376</u></u>	<u><u>120,723,689</u></u>
At 31 August 2020	<u><u>54,434,417</u></u>	<u><u>61,704,448</u></u>	<u><u>628,487</u></u>	<u><u>339,126</u></u>	<u><u>73,717</u></u>	<u><u>117,180,195</u></u>

Freehold land

Included in freehold property is freehold land amounting to £5,114,940 (2020: £5,114,940) which is not depreciated.

Disposals of Fixed Assets

The academy's transactions relating to land and buildings included disposals of leasehold land & buildings with net book value of £2,954,800, from which a loss of £2,954,800 arose. These had approval from the ESFA prior to disposal as a part of the ongoing Conditional Improvement work at the Education Trust.

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12. Tangible fixed assets (continued)

Leasehold title

Long leasehold property includes property that has been gifted to the trust on 125 year leases upon conversion of constituent schools to the trust. The legal owners of the leasehold properties being Dudley Metropolitan Borough Council and South Staffordshire County Council.

Asset held for resale

Within fixed assets is a £210,000 legacy donation made in the year which is held for resale. ESFA approval has been sought before any action has been taken.

13. Debtors

	2021	2020
	£	£
Trade debtors	161,998	40,968
Other debtors	452,874	331,466
Prepayments and accrued income	813,792	581,866
Accrued capital grants	887,989	1,343,074
	<u>2,316,653</u>	<u>2,297,374</u>

14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Local Authority and ESFA loans	100,576	165,560
Trade creditors	1,428,327	688,585
Capital accruals	1,256,889	1,362,065
Other taxation and social security	464,802	407,618
Other creditors	512,594	507,437
Accruals and deferred income	750,696	490,554
	<u>4,513,884</u>	<u>3,621,819</u>

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Deferred income

	2021 £	2020 £
Deferred income at 1 September 2020	85,351	77,208
Resources deferred during the year	111,311	85,351
Amounts released from previous periods	(85,351)	(77,208)
DEFERRED INCOME AT 31 AUGUST 2021	111,311	85,351

Included in deferred income are grants and other income received in advance of entitlement for the 21/22 academic year.

15. Agency arrangements

The trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £24,475 (2020: £25,120) and disbursed £28,662 (2020: £61,258) from the fund. An amount of £19,305 (2020: £23,492) is included in other creditors relating to undistributed funds.

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

	2021 £	2020 £
Local Authority and ESFA loans	60,812	160,129

Loans

Included in Local authority and Salix loans are the following concessionary loans.

Dudley Metropolitan Borough Council

There are a number of loans from Dudley Metropolitan Borough Council amounting to £45,264 which was full repayable within 1 year. These loans are interest bearing at a rate of 3.5% and 2.5% respectively and were agreed before the constituent schools joined the trust.

ESFA loan for licensed deficit on conversion

This is an interest free loan amounting to £39,079 for Pedmore High School's licensed deficit on conversion into the Trust in 2018 which was fully repayable within 1 year.

Salix and CIF related loans

The remaining loans amounting to £77,045 are interest free Salix loans which were agreed as part of the CIF applications. The loans are due for repayment by installments, with £16,233 being due within 1 year and the remainder being fully repayable within 5 years.

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	437,747	695,806	(649,932)	-	-	483,621
School funds	156,029	166,319	(292,841)	-	-	29,507
Deficit on conversion	(78,157)	-	-	39,079	-	(39,078)
	<u>515,619</u>	<u>862,125</u>	<u>(942,773)</u>	<u>39,079</u>	<u>-</u>	<u>474,050</u>
Restricted general funds						
General annual grant	1,569,182	26,547,282	(25,150,210)	432,011	-	3,398,265
Other DfE/ESFA grants	-	3,556,386	(3,454,921)	-	-	101,465
LA grants	-	1,103,968	(1,103,968)	-	-	-
Start up grants	-	25,000	(25,000)	-	-	-
Salix and LA loans	(174,698)	-	-	79,222	-	(95,476)
Other restricted funds	-	8,399	(8,399)	-	-	-
Pension reserve	(14,800,000)	-	(1,340,000)	-	(2,346,000)	(18,486,000)
	<u>(13,405,516)</u>	<u>31,241,035</u>	<u>(31,082,498)</u>	<u>511,233</u>	<u>(2,346,000)</u>	<u>(15,081,746)</u>
Restricted fixed asset funds						
Restricted fixed assets	117,180,195	2,390,606	(5,757,682)	6,910,570	-	120,723,689
ESFA Capital grants	4,396,200	-	-	(1,721,191)	-	2,675,009
LA loan	(72,833)	-	-	46,000	-	(26,833)
Donated fixed assets	-	5,575,691	-	(5,575,691)	-	-
Legacy fixed assets	-	210,000	-	(210,000)	-	-
	<u>121,503,562</u>	<u>8,176,297</u>	<u>(5,757,682)</u>	<u>(550,312)</u>	<u>-</u>	<u>123,371,865</u>
Total Restricted funds	<u>108,098,046</u>	<u>39,417,332</u>	<u>(36,840,180)</u>	<u>(39,079)</u>	<u>(2,346,000)</u>	<u>108,290,119</u>
Total funds	<u>108,613,665</u>	<u>40,279,457</u>	<u>(37,782,953)</u>	<u>-</u>	<u>(2,346,000)</u>	<u>108,764,169</u>

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17. Statement of funds (continued)

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

Unrestricted funds

These funds represent those resources which may be used towards meeting any of the charitable objects of the charitable company at the discretion of the Directors.

Restricted funds

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Local Authority(ies).

Restricted fixed asset funds

These funds represents the carrying value of fixed assets that have either been received upon conversion of constituent Academies into the Trust or have been funded by grants/loans from the ESFA/LA plus amounts received which have yet to be spent on future capital assets.

Transfers between funds

Transfers between funds represent capital items purchased from GAG offset by capital grants spent on revenue expenditure along with other expenditure transfers.

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

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Ellowes Hall Sports College	756,772	343,211
The Crestwood School	1,263,184	856,072
Kinver High School	203,655	29,464
Wombourne High School	813,033	347,458
Central Services	225,476	252,498
Leasowes High School	553,569	279,132
Pedmore High School	62,615	(197,732)
Total before fixed asset funds and pension reserve	<u>3,878,304</u>	<u>1,910,103</u>
Restricted fixed asset fund	123,371,865	121,503,562
Pension reserve	(18,486,000)	(14,800,000)
Total	<u><u>108,764,169</u></u>	<u><u>108,613,665</u></u>

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Ellowes Hall Sports College	4,040,640	917,336	291,830	491,621	5,741,427
The Crestwood School	3,991,831	800,474	279,464	416,053	5,487,822
Kinver High School	2,148,123	537,722	141,550	889,131	3,716,526
Wombourne High School	3,331,320	696,304	157,250	539,256	4,724,130
Leasowes High School	4,029,955	906,473	238,230	617,672	5,792,330
Pedmore High School	2,353,797	736,547	183,000	341,934	3,615,278
Central services	697,952	1,494,415	159,505	595,886	2,947,758
Academy	20,593,618	6,089,271	1,450,829	3,891,553	32,025,271

Comparative information for the expenditure incurred in each academy in respect of the preceding year is as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Ellowes Hall Sports College	3,965,046	856,177	312,662	405,326	5,539,211
The Crestwood School	3,579,191	626,761	230,746	426,970	4,863,668
Kinver High School	2,035,887	415,252	136,198	323,668	2,911,005
Wombourne High School	3,228,110	634,364	170,001	509,121	4,541,596
Leasowes High School	3,708,786	848,551	222,364	427,067	5,206,768
Pedmore High School	2,234,921	645,461	162,137	333,138	3,375,657
Central services	436,832	1,053,877	108,852	330,246	1,929,807
Academy	19,188,773	5,080,443	1,342,960	2,755,536	28,367,712

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	331,570	845,239	(718,733)	(20,329)	-	437,747
School funds	191,903	305,559	(361,762)	20,329	-	156,029
Deficit on conversion	(117,236)	-	-	39,079	-	(78,157)
	<u>406,237</u>	<u>1,150,798</u>	<u>(1,080,495)</u>	<u>39,079</u>	<u>-</u>	<u>515,619</u>
Restricted general funds						
General annual grant	428,476	24,351,599	(22,659,964)	(550,929)	-	1,569,182
Other DfE/ESFA grants	-	2,882,361	(2,882,361)	-	-	-
LA grants	-	926,331	(926,331)	-	-	-
Salix and LA loans	(244,871)	(66,402)	-	136,575	-	(174,698)
Other restricted funds	-	16,369	(16,369)	-	-	-
Pension reserve	(11,934,000)	-	(824,000)	-	(2,042,000)	(14,800,000)
	<u>(11,750,395)</u>	<u>28,110,258</u>	<u>(27,309,025)</u>	<u>(414,354)</u>	<u>(2,042,000)</u>	<u>(13,405,516)</u>
Restricted fixed asset funds						
Restricted fixed assets	116,605,214	-	(2,635,065)	3,210,046	-	117,180,195
ESFA Capital grants	5,239,701	2,037,270	-	(2,880,771)	-	4,396,200
LA loan	(118,833)	-	-	46,000	-	(72,833)
	<u>121,726,082</u>	<u>2,037,270</u>	<u>(2,635,065)</u>	<u>375,275</u>	<u>-</u>	<u>121,503,562</u>
Total Restricted funds	<u>109,975,687</u>	<u>30,147,528</u>	<u>(29,944,090)</u>	<u>(39,079)</u>	<u>(2,042,000)</u>	<u>108,098,046</u>
Total funds	<u>110,381,924</u>	<u>31,298,326</u>	<u>(31,024,585)</u>	<u>-</u>	<u>(2,042,000)</u>	<u>108,613,665</u>

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

18. Central services

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

- Management services
- Legal services
- Education support services
- Maintenance and admin support services

The academy charges for these services on the following basis:

The charitable company charges for these services based on a percentage of grant income received for each constituent academy. Any surplus generated is held as contingency reserve for use in future periods.

The actual amounts charged during the Year were as follows:

	2021 £	2020 £
The Crestwood School	428,052	280,577
Kinver High School	360,206	270,655
Ellowes Hall Sports College	557,788	373,355
Wombourne High School	476,926	386,540
Leasowes High School	402,649	275,678
Pedmore High School	329,731	286,106
TOTAL	2,555,352	1,872,911

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	-	-	120,723,689	120,723,689
Current assets	513,128	7,913,039	2,675,009	11,101,176
Creditors due within one year	(39,078)	(4,447,973)	(26,833)	(4,513,884)
Creditors due in more than one year	-	(60,812)	-	(60,812)
Provisions for liabilities and charges	-	(18,486,000)	-	(18,486,000)
TOTAL	474,050	(15,081,746)	123,371,865	108,764,169

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

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	117,180,195	117,180,195
Current assets	593,776	5,025,442	4,396,200	10,015,418
Creditors due within one year	(39,079)	(3,536,740)	(46,000)	(3,621,819)
Creditors due in more than one year	(39,078)	(94,218)	(26,833)	(160,129)
Provisions for liabilities and charges	-	(14,800,000)	-	(14,800,000)
TOTAL	<u>515,619</u>	<u>(13,405,516)</u>	<u>121,503,562</u>	<u>108,613,665</u>

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)	<u>2,496,504</u>	<u>273,741</u>
ADJUSTMENTS FOR:		
Capital grants from DfE and other capital income/donations	(7,966,297)	(2,037,270)
Depreciation	2,802,882	2,656,873
LGPS - FRS 102 adjustments through expenditure	1,340,000	824,000
Deficit/surplus transferred on conversion	-	66,402
(Increase)/decrease in debtors	(474,364)	5,216
Increase/(decrease) in creditors	957,049	(202,946)
Loss/(Profit) on disposal of assets (See Note 12)	2,954,800	(21,808)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,110,574</u>	<u>1,564,208</u>

21. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	<u>(164,301)</u>	<u>(221,653)</u>

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22. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(3,725,485)	(3,417,546)
Capital funding received from sponsors and others	2,845,691	1,972,302
NET CASH USED IN INVESTING ACTIVITIES	(879,794)	(1,445,244)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	8,784,523	7,718,044

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	7,718,044	1,066,479	8,784,523
SALIX and LA loan due in 1 year	(165,560)	64,984	(100,576)
SALIX and LA loan due after 1 year	(160,129)	99,317	(60,812)
	7,392,355	1,230,780	8,623,135

25. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements	2,261,647	3,007,271

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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 West Midlands Pension Fund and Staffordshire 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.

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

Teachers' Pension Scheme

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

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

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 £3,198,000 (2020 - £2,940,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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.

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2021 was £1,376,000 (2020 - £1,342,000), of which employer's contributions totalled £1,117,000 (2020 - £1,100,000) and employees' contributions totalled £ 259,000 (2020 - £242,000). The agreed contribution rates for future years are between 20.1% and 26.2% per cent for employers and between 5.5% and 12.5% per cent for employees.

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

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

The Trust has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the following year as follows:

2021/22: £420,620
2022/23: £434,568
2023/24: £443,191

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.58	2.93
Rate of increase for pensions in payment/inflation	2.88	2.20
Discount rate for scheme liabilities	1.65	1.68

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.70	21.55
Females	24.10	23.85
<i>Retiring in 20 years</i>		
Males	22.95	22.95
Females	25.75	25.50

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26. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate -0.1%	32,979,000	25,891,000
Mortality assumption - 1 year increase	33,328,000	26,092,000
CPI rate +0.1%	32,577,000	26,092,000

Share of scheme assets

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

	2021 £	2020 £
Equities	8,590,000	6,109,000
Bonds	1,433,000	1,332,000
Other bonds	660,000	318,000
Property	957,000	795,000
Cash and other liquid assets	483,000	632,000
Other	1,507,000	1,224,000
TOTAL MARKET VALUE OF ASSETS	13,630,000	10,410,000

The actual return on scheme assets was £2,008,000 (2020 - £722,000).

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

	2021 £	2020 £
Current service cost	2,215,000	1,678,000
Net interest on defined liability	240,000	212,000
Administrative expenses	1,000	4,000
Losses on curtailments	1,000	30,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	2,457,000	1,924,000

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26. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	25,210,000	21,167,000
Interest cost	423,000	392,000
Employee contributions	259,000	242,000
Actuarial losses	4,171,000	1,968,000
Benefits paid	(163,000)	(267,000)
Current service cost	2,215,000	1,678,000
Losses on curtailments	1,000	30,000
AT 31 AUGUST	32,116,000	25,210,000

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

	2021 £	2020 £
At 1 September	10,410,000	9,233,000
Interest income	183,000	180,000
Actuarial gains/(losses)	1,825,000	(74,000)
Employer contributions	1,117,000	1,100,000
Employee contributions	259,000	242,000
Benefits paid	(163,000)	(267,000)
Admin expenses	(1,000)	(4,000)
AT 31 AUGUST	13,630,000	10,410,000

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 £
Amounts payable		
Not later than 1 year	79,415	88,826
Later than 1 year and not later than 5 years	98,227	81,814
	177,642	170,640

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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. Contingent liability

The ESFA are currently reviewing previous Condition Improvement Funding (CIF) claims made by the Trust. The review is in its initial stages and therefore whilst there is the possibility for clawback on these grants there is not yet any certainty and no liability has been recognised in the balance sheet.

30. Related party transactions

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.

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

31. Post balance sheet events

From 1 September 2021 the directors have agreed to expand the Trust by welcoming into the trust Rufford Primary School, a primary school based in Stourbridge.

