



Smailes Goldie Group
CREATING ADVANTAGE



**Company Registration Number:
06545396**

The Constellation Trust (A Company Limited by Guarantee)

Financial Statements

31st August 2021



SD-0202062-1-6

The Constellation Trust

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The Constellation Trust

Reference and Administrative Details

Members

N Porteus
L Probert
S Hornby
P D Duffield

Trustees (Directors)

N Porteus, (Chairman)
JC Wright
D Swaby
NL Rhodes
R Koyuncu
L Brattan
K Burden
E Wharton

Company Secretary

R Kennington

Senior Leadership Team

Dr C Taylor, Head of Trust
I Ravenscroft, Head of School
G Ransom, Head of School
A Dulson, Vice Principal for Behaviour & Student Welfare
T Taylor, Chief Operating Officer
C Fletcher, Head of Teaching School
T Attwater, Executive Primary Lead
R Kennington, Executive Director of Finance and Business
S Yardley, Executive Lead – Alternative Provision inc SEN
L Richardson, Executive Lead for HR
M Langton, Headteacher
H Stannard, Head of School
L Martin, Head of School
N Leach, Head of School
C Smith, Headteacher
P Mountain-Wade, Head of School
J Raw, Head of School
A Saunders, Headteacher

The Constellation Trust

Reference and Administrative Details (continued)

Principal and Registered Office

Sirius Academy
296 Anlaby Park Road South
Hull
HU4 7JB

Registration Number

06545396

Auditors

Smailes Goldie Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Bankers

Lloyds Bank Plc
1 Lovell Park Road
Leeds
LS1 1NS

Solicitors

Womble Bond Dickinson
1 Whitehall Riverside
Leeds
LS1 4BN

The Constellation Trust

Trustees' Report for the Year Ended 31 August 2021

The Trustees who are also directors of the Multi-Academy Trust for the purposes of the Companies Act 2006, present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st September 2020 to 31st August 2021. The trustees have adopted the provisions of 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) (Effective 1st January 2015) and the Academies Accounts Direction issued by the Education Skills Funding Agency.

The capacity of student places within the Multi-Academy Trust is 5,884 (2020 5,438). This includes 200 sixth form places. The reason for the increase in capacity this year was the addition of Victoria Dock Primary School to the trust on the 1st July 2022 (420 place primary plus 26 FTE place Nursery).

The student numbers on roll as at October 2020 were 5,040 (October 2019: 4,921). The reason for the increase this year was a small increase in pupil numbers at Sirius North in line with projected pupil number increases from the LA.

Structure, governance and management

Governing document

The Multi-Academy Trust is a company limited by guarantee and is registered as an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Multi-Academy Trust. The trustees of The Constellation Trust also act as directors of the charitable company for the purposes of company law. The trustees hold office for a term of 4 years. At the end of their term, trustees are eligible for reappointment to serve a further term. Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The Multi-Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Principal Activities

The Multi-Academy Trust's objective as detailed in the Memorandum of Association is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum that is enriched with a diverse range of opportunities which extend beyond timetabled lessons.

All schools in the Trust have adapted their provision to meet the needs of the pupils during the ongoing pandemic. Continuing on from the previous academic year the curriculum was implemented across Key Stage 1 to Key Stage 4 and further developed and refined to reflect the 'curriculum intent'. All primary schools continued with the Ruth Miskin phonics scheme 'Read, Write, Inc' to improve standards in reading and writing. In KS4, pupils were given a wider opportunities to study vocational subjects in the 'open bucket' that led to improved outcomes and progress.

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The National 'lockdown' in March 2020 saw all schools in the Trust swiftly adapt to providing remote learning for the majority of the pupils. Schools re-opened within the Trust to all pupils in September 2020. RM, the Trust's managed service provider, continue to make virtual learning possible through TEAMS for those students who have had to self-isolate or shield. A blended curriculum of on-line, real time lessons, together with resources and activities accessed through websites provided pupils who were isolating with continuation of their education. All pupils were provided with resources to be completed to complement the on-line work. Pupils without access to IT were provided with workbooks and sheets to enable them to study at home. The DfE provided free IT devices to children who were supported by a social worker and to pupils in Year 10 who did not have access to IT at home. Despite this being supportive, there were still a large number of children across the Trust that did not have access to suitable IT, many were reliant on parents' mobile phones that had limited access to data.

Safeguarding systems were implemented to ensure contact was maintained with all families and children.

Most of the schools in the Trust serve areas of high deprivation. Food vouchers to the value of £15 per week were sent to all families who were eligible for free school meals. Sirius Academy North, that serves the most deprived area in Hull, provided food parcels to the families with the greatest need in their school community. The parcels were funded through donations and delivered by staff. This offered a further safeguard to the most vulnerable children during a national crisis.

The Covid-19 pandemic has necessitated a significant cost to provide pupils and staff with a safe place to work.

Method of recruitment and appointment or election of Trustees

Those entitled to make appointments to the board of trustees are the members of The Constellation Trust and the Secretary of State for Education. The Chair of the Trust continues to seek to recruit Trustees who would support the vision and value of the organisation and offer an area of expertise to complement the existing members of the Board.

Policies and procedures adopted for the induction and training of Trustees

After appointment, trustees receive induction training and are supplied with all necessary documents that they need to fulfil their role as trustees. All new trustees will be given a tour of the Academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, an induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The organisational structure consists of the Multi-Academy Trust board (the trustees) and the senior leadership team. The aims of the organisational structure are to declare responsibility and encourage involvement in decision making at all levels.

The Multi-Academy Trust has established a Local Governing Body (LGB) for each Academy within the Trust. The LGB's meet several times during the academic year and their role is to receive reports from the Head Teacher and other members of the senior leadership team on key operational matters affecting each Academy. The chair of each LGB is a member of the Chair of Chairs committee together with the Chair of the Trust Board, Chief Executive of the Trust and the Executive Lead Primary. Matters discussed at this meeting can be referred to the Board of Trustees for further consideration.

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Trustees' Report for the Year Ended 31 August 2021

The Constellation Trust board is responsible for the overall strategic direction of the Multi-Academy Trust and for those statutory duties that cannot be delegated to sub-committees.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi-Academy Trust by the use of budgets and making major decisions about the direction, capital expenditure and senior staff appointments.

In addition to the Trust Board are two sub-committees, the Pay Committee, which ratifies all senior leader pay decisions, and the Audit Committee, which leads on financial matters and governance. Both these sub-committees support and feed into the Trust Board.

The Multi-Academy Trust leadership team consist of the Chief Executive, Primary Executive Lead, two Heads of School, and Executive Lead for Alternative Provision, Lead for Safeguarding, the Director of Finance & Business, the Director of Operations, Executive Lead for HR and Head of Teaching School. Each school has its own extended leadership team who are responsible for its day to day operation and are accountable for the quality of education provided to the students. They are also accountable for the outcomes achieved by students and must ensure they meet the expectations of the Department for Education (DfE) and Ofsted.

The Multi-Academy Trust team are responsible for implementing the policies and recommendations agreed by the trustees and are required to provide regular and appropriate feedback to furnish trustees with the knowledge and information to provide strategic leadership. Members of the trust team lead the day to day operation of the charitable company, including the authorisation of spending within agreed budgets, the appointment of staff and the curriculum provision. The behaviour and safety of students is also the responsibility of the Multi-Academy Trust team which includes safeguarding young people and providing an infrastructure to ensure children have the appropriate environment conducive to learning.

Arrangements for setting pay and remuneration of key management personnel

The Multi-Academy Trust considers key personnel to be the staff who are members of the senior leadership team. Remuneration of members of the senior leadership team of the Trust and each school is decided by the Pay Committee, the members of which are Trustees.

New appointments and changes to the remuneration of members of the senior leadership team are considered and approved by the Trust Board.

Trade Union Facility Time

Trade unions have the opportunity to hold meetings with their members on the individual school sites, when requests are made. Regular Joint Consultative Committee (JCC) meetings are held between the major unions and the Trust to encourage discussion of emerging staffing matters.

Relevant Union Officials

Relevant union officials are allocated time to conduct their business within the school as appropriate to the need of members.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
9	9

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Trustees' Report for the Year Ended 31 August 2021

Due to the pandemic all Trade Union meetings and training (External) were cancelled and time spent on remote meetings were done so during the period staff worked at home and managed around normal staffing duties. These External meetings/Training have since returned from September 2021.

Employee Engagement Statement

The Trust had to take the difficult decision to approve a staffing restructure at Sirius Academy West to help safeguard the financial future of the school and ensure financial sustainability going forward. This was led on by the Head of School, Director of Finance & Business and Executive Lead for HR. Consultation was carried out early with all staff affected alongside the relevant Trade Unions bodies and the restructure was carried out professionally and sensitively to ensure that staff were at the heart of all decisions being made.

The Trust continues to make great strides in increasing communication channels between staff, SLT and ultimately the Board via the creation of a Staff Well Being Committee, which has representatives from SLT, HR and staff. Together with this a Staff well-being policy has been drafted and will be going to the board for approval shortly.

The Trust takes great pride in looking after and engaging with its employees on all matters that may affect them, with the Trust holding an 'Investors in People' silver award as well as having excellent relationships with all of the major Trade Unions with regular JCC meetings taking place.

During this academic year, the Trust has sought to support its employees and encourage engagement with regards to the impact of COVID 19, lockdown and partial school closures by encouraging staff to work from home, supporting those staff who were vulnerable or shielding as well as including staff on the risk assessment process to ensure staff were appropriately engaged.

There is now a common awareness of the need to budget appropriately at each Academy given the current financial pressures that all Trusts face, with the Heads of Schools, Budgetholders and Director of Finance and Business communicating effectively and linking the individual Academy Development Plans to the Financial Plans of each Academy and the Trust.

Heads of School and Budgetholders share the importance of value for money and managing their budget through appropriate procurement.

Statement of engagement with suppliers, customers and others in a business relationship

The Trust strives to ensure that its engagement with all stakeholders with a business relationship is a positive one that benefits both the Trust and the stakeholder themselves.

Throughout this year and during the pandemic where several businesses were impacted upon, the Trust has had clear dialogue explaining the current situation and where possible supporting both suppliers and customers during the period, either through extension of credit terms for customers or the early payment of creditors and or supporting of suppliers during the period for services that were contracted but not required.

Communication with customers has been key with regards to lettings, with the closure of the Academies meaning that customers could no longer use the facilities and therefore not generate income themselves, the Trust has sought to find a way of reopening parts of the Academy so that these lettings can resume by the start of the new academic year, subject to strict procedures.

Any significant contracts with businesses that are coming to an end or are under review are dealt with professionally and suppliers and stakeholders affected are notified in good time, with robust procurement procedures followed to protect all.

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COVID-19

2020-21 continued to be a significant challenge for all of the Academies within our Trust, due to the continued impact of COVID 19 and the ensuing virus control measures placed upon us by the UK government and the associated guidance from the DfE and Public Health England.

A huge amount of work has been carried out and continues to be carried out by the Senior Leadership team of the Trust and the Heads of each individual academy to ensure that the robust risk assessments that have been agreed, are adhered to, and implemented correctly to help control the spread of the virus in schools and protect students, staff and visitors.

The pandemic has continued to impact on the Trust financially. Significant additional expenditure has been incurred through a need to invest in additional ICT resources for home learning as well as significant investment in protection for staff and pupils in the form of safety screening and cleaning products. In addition, the Trust has had to continue to pay catering staff without any access to the furlough scheme and with reduced catering income being received during the year.

The Trust also chose to support staff who were employed on zero hours contracts, 80% of their average hours over the last year, despite not being eligible to use the furlough scheme. Clearly this came at a cost financially as income generated from lettings was significantly hit, however morally, this is something that the Trust felt it should do to help support those most vulnerable due to the outbreak.

Several local suppliers were also assisted through the period in line with the DfE guidance despite their services not being required, payments were made for services that were contracted during the period of the lockdown regardless of whether they were taken up. These instances, following the reopening of schools, have been much fewer this year.

The Trust so far, has managed to avoid any significant impact across its Academies amongst staff and pupils, thanks largely to the professionalism amongst the workforce and the mature behaviour of its pupils, who during this difficult period have shown great resilience and willingness when attending school.

Going forward, COVID 19 still presents significant challenges to the trust, whilst there are appropriate safeguards in place in terms of risk assessments and associated procedures to protect pupils and staff, any significant outbreak risks a partial closure at any of our Academies. The Trust is well placed to deal with these, through the significant investment in home learning resources that were used during the period of school closure, and the Trust feels confident that it will continue to be able to deliver the curriculum to all of its pupils effectively.

Finances will continue to be assessed and Reserves utilised where appropriate, to ensure that disruption to schools is minimised, with additional budget to be made available if necessary to support additional spend in Supply, Cleaning and ICT resources. These decisions will be taken at the monthly board meetings alongside a review of the Trusts Risk Register.

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Trustees' Report for the Year Ended 31 August 2021

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of the Multi-Academy Trust is to provide an education for students of a wide range of abilities between the ages of 3 and 19.

The main objectives of the Multi-Academy Trust during the year ended 31st August 2021 are summarised below:

- To ensure that every child enjoys a high quality education to enable them to achieve or exceed their personal potential despite the impact of the pandemic;
- To provide a quality education enriched with a wide range of learning opportunities for every pupil who attends a school within our Multi-Academy Trust;
- To refine organisation structures, protocols and practices to reflect the changing needs of the students and to meet with Government targets;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Multi-Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

The academic year 2020/2021 has been an unprecedented time in education due to the pandemic that affected the pupils' education in the autumn term. Attendance of both pupils and staff was negatively affected by the high rates of Covid-19 amongst the local community. The national lockdown in March 2020 necessitated the majority of pupils to continue their learning at home whilst a small number of children continued to attend school because they were vulnerable or their parents/carers were key workers. The impact of the lockdown has resulted in significant 'gaps' in pupils' knowledge and understanding.

Staff have adapted the curriculum to enable the gaps in pupils learning to be effectively addressed. Time has been taken to fully identify the topics where pupils have been disadvantaged by not being in school and taught by a teacher. To afford the time to 'catch up' some areas of the curriculum have been 'slimmed down' to focus on core skills.

The DfE guidance was carefully followed to create 'bubbles' of pupils to enable effective track and trace systems to be implemented. Schools organised their timetables to limit pupils interacting with others outside of their 'bubble'. When a positive case of Covid-19 was confirmed the full bubble isolated for a period of 10 days creating a significant disruption to the continuity of learning.

The DfE provided the trust IT devices and some support for connectivity. These resources were distributed to those pupils whose did not have access IT from home. Unfortunately the impact of access to additional IT did not significantly increase pupils' engagement in some of the schools serving the most deprived areas of the city.

SATS, GCSE and A' level examinations were cancelled for a second year. However there was greater support for all schools in terms of the expectations of validating centre assessed grades. . The trust ensured that there was a rigorous process to quality assure the grades. Outcomes were in-line with results from 2019 (validated exam data).

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Trustees' Report for the Year Ended 31 August 2021

Public benefit

The trustees have reviewed the current activities of the charitable company and confirm that they are in line with its objectives. All of the activities of the organisation carried out during the 2020-2021 academic year are in pursuance with the Multi-Academy Trust's objectives and are considered to be for the public benefit. All services provided are free to all beneficiaries irrespective of capacity, ethnicity, faith, religious conviction or social economic environment. The trustees also confirm that the organisation's aims and objectives fall within the descriptions of purposes in the Charities Act 2016, are recognised as charitable and are carried out for the public benefit. The Multi-Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Multi-Academy Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the Multi-Academy Trust is to support recruitment and retention of students and employees with disabilities. The Multi-Academy Trust does this by adapting to the physical environment, by making support resources available and through training and career development.

Risk management

The Trustees have assessed the major risks to which the Multi-Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. They have introduced systems, operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Multi-Academy Trust has an effective system of internal controls and this is explained in more detail in the Governance Statement. The Multi Academy Trust has risk management software solution which helps to improve and enhance risk management, throughout the Trust.

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Trustees' Report for the Year Ended 31 August 2021

Strategic Report

Achievements and performance

Charitable activities

The Trust schools have worked in collaboration to address the challenges that have arisen from the pandemic and in the development of the curriculum. An emphasis on curriculum developments pre-Covid-19 has provided a strong foundation for adapting the schemes of learning to address the gaps in pupils' knowledge and understanding. Shared assessment strategies and the use of a common 'recovery curriculum, have been used to begin the process of catch up for all pupils. Collaboration has strengthened the provision across all of the schools and provided development opportunities staff to gain experience of supporting colleagues.

The two secondary academies have adapted the curriculum to ensure that pupils have a firm grasp of the core knowledge needed to progress and build on their learning. Effective use of core knowledge booklets that have been created to identify the information that is essential to know have been instrumental in the catch programme. CPD to support staff in using strategies to revisit learning over time is showing a very positive impact across all year groups; for example interleaving.

The impact of a broader and more vocational curriculum offer has also had a positive effect on pupil engagement, achievement, outcomes and progress.

Centre assessed grades were used by all examination boards to award grades. The results from 2021 will not be published or used by the DfE or Ofsted.

In 2021 the results for pupils at Sirius West showed a slight decline from 2020 as expected from prior attainment data that showed a lower ability profile than 2020. 59% of pupils achieving a grade 4 or above in both English and mathematics. 33% of the Year 11 cohort achieved a grade 4 or above in both English and mathematics. 13% of pupils achieved the English Baccalaureate. The key areas to monitor in the forthcoming academic year include the high ability pupils and those with additional needs.

Results for Sirius Academy North also showed a slight decline from 2020 with 57% of pupils achieving a grade 4 or above in English and mathematics although there was an improvement in the percentage of pupils gaining grades 5 or above; from 33% in 2020 to 36% in 2021. 20% of the Year 11 cohort achieved the English Baccalaureate. Further development is needed to support the progress of boys, the more able pupils especially those who benefit from Pupil Premium funding. The results from 2021 will not be published or used by the DfE or Ofsted as they are invalidated and cannot be compared with 2019 with any accuracy.

Rise Academy reported positive outcomes with 13% of year 11 achieving grade 4 or above in English and mathematics and 8% of the cohort gaining 5 or more qualifications at grade 4 or above.

At Post 16, there was a 100% pass rate. 32% of students achieved grades A* or A. 86% of candidates awarded grades A*-C. This was an improvement from 2020. Vocational outcomes were also very positive with 18 of the 24 pupils achieving a distinction or Distinction* in their chosen course. All students progressed to their first choice university (90% of the cohort). 28% of pupils gained places at Russell Group Universities. One pupil has been successful in gaining a place to study medicine; the first in the history of the 6th form.

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Trustees' Report for the Year Ended 31 August 2021

Strategic Report

Low attendance has had a huge impact on the education of pupils within the trust. Self-isolation and the need to work at home due to the pandemic has had many consequences on pupils. There is a higher number of pupils suffering from SEMH issues, anxiety and stress. The long term effect of the pandemic, lockdown and their impact on young people's lives will be prevalent for a number of years despite children's apparent resilience.

The Trust now includes seven primary schools. The schools work closely together, supported by a small primary school improvement team.

A key focus during 2020-21 was to embed the Read Write Inc programme to ensure that phonics and early reading was taught in a sequential and consistent way. Training has been provided to all staff, including those at Key Stage 2, so that all teachers and support staff have the skills to teach early reading and to develop reading fluency in older pupils who have not yet secured this skill. This has been followed up by a series of development days, led by a RWI consultant, to ensure the programme is delivered with fidelity. This has also supported the work on catch up and intervention following the disruption of the pandemic, as reading is a key area of focus. It is essential that we have a programme in place to provide rapid catch-up support to ensure all pupils become fluent readers and can access the full broad and balanced curriculum by Key Stage 2.

Once again, there were no test results in 2021. Teacher assessments, informed by standardised testing, took place at the end of the academic year and this data was compared to baseline data from Autumn 20. This internal data showed that positive progress was made across all schools during the year, although it highlighted that further work is needed in 21-22 to fully address gaps in learning caused by the pandemic. This was particularly noticeable in schools with the highest levels of deprivation. Question level analysis was completed following these end of year assessments which will be used to inform the curriculum, catch up programmes and intervention during 21-22.

A significant amount of Trust support was put into Francis Askew during 20/21. A new Head of School and Deputy Head were appointed, and roles and responsibilities have been strengthened and clarified. This has allowed a clear focus on curriculum development and quality of education. The school had two monitoring visits from Ofsted during the year. The first focused on remote learning and provision during the pandemic and recognised the effective work the school was doing during this period. The second monitoring visit concluded that leaders are taking effective action to move the school to good. A full inspection is expected during the next academic year.

Paisley Primary School has also become a priority. During the pandemic, leaders had not developed the curriculum or addressed the quality of education to the same extent as other Trust schools, and had not acted on Trust advice and support. Concerns were raised during a school review and as a result, the Deputy has been acting Head since June. Extensive support from the Trust Primary Improvement Team has been placed into the school since the review and additional capacity will be deployed into the school during next year.

Priorities for the next academic year will be to embed the curriculum changes and to ensure a focused programme of catch up and intervention to address the gaps in learning caused by the pandemic. Francis Askew and Paisley Primary will require the most intensive support from the Trust.

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Strategic Report

A significant amount of work has taken place to further strengthen the curriculum across Trust Primary Schools, led by the primary improvement team. An extensive programme of work took place during the summer term with subject leaders to develop foundation subjects. For each curriculum area, a set of progressive objectives were developed for agreed key concepts, building to clearly defined end points for the end of each key stage. Schemes of work were written or purchased for

each subject to strengthen pedagogy and ensure a consistent approach. Time and support will be needed during the next academic year to fully embed these.

The Trust continued to work in partnership with Victoria Dock Primary School through the year until they formally joined the Trust in June 21. All schools have adopted a common framework for curriculum planning and assessment to ensure school improvement needs can be rapidly identified and targeted and a Primary School Improvement Team has been established. A programme of school reviews and standardised quality assurance procedures ensure that issues can be identified and addressed accurately and rapidly.

The Trust's School Centred Initial Teacher Training (SCITT), Yorkshire and Humber Teacher Training (YHTT) has continued to expand its scope to both offer recruitment solutions to the Trust schools and to generate income for Trust activities. Over 300 teachers have now been trained by the SCITT and new partnerships have resulted in a national programme (National Online Teacher Training) being established in 2018 and successfully training a cohort of teachers across the country. In addition, YHTT is the partnership lead for Active Teacher Training (covering the Eastern region) and Ilkley Teacher Training. The SCITT is the national partner for provides teacher training through the apprenticeship programme to a number of local authorities including East Riding of Yorkshire Council, North Yorkshire Council and Wakefield City Council as well as commercial entities and multi academy trusts.

As a registered Apprenticeship Provider, the SCITT and therefore the Trust can draw down levy funding to pay for training. This is utilised for training Teaching Assistants and Teachers both within and beyond the trust. Additionally, we are registered as an End Point Assessment Organisation and receive contracts to quality assure external apprenticeship providers' provision across the country.

The SCITT holds a number of commercial contracts with the DfE and ESFA which allows generated income to be used by the Trust to support its schools.

The Trust's CPD provision, through Blueprint Alliance, delivers training for partners regionally and nationally on a commercial basis. For example, Blueprint facilitates the National Professional Qualification (NPQ) suite of leadership development courses for Best Practice Network. This results in high quality training being made available for Trust school staff and generates income for supporting those schools. Blueprint also delivered the Early Careers Framework (ECF) on a commercial basis to the trust and beyond.

The expectation of all staff members is high and everyone is challenged to develop their knowledge, skill and understanding. The ambition that every student achieves or exceeds their potential is consistently reflected in the expectations from all of the staff and is embedded within the ethos of the Multi-Academy Trust

Over the past three years The Constellation Trust has taken time to build capacity within the trust team and develop effective collaboration between our schools. The trust school improvement team has had a positive impact on the standards across all schools despite the adversity resulting from the pandemic.

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Trustees' Report for the Year Ended 31 August 2021

Strategic Report

Despite pupils' outcomes at KS4 showing a slight decline, the centre assessed grades are accurate and reflect the low prior attainment of the cohorts. Assessments in KS1 and 2 were suspended so very little data is available for pupils making the transition to secondary school in 2021. Effective 'catch-up' is needed across all schools and all year groups. For 8 of the 10 schools in the trust the challenge will be greater due to the high level of deprivation within the areas they serve. Strong, well curricula will support the gaps in pupils' knowledge and understanding being closed. All schools have strategies to support the catch up programme but it will take time for pupils to make up for 'lost learning'. Despite the challenges there has been some positive learning that has been born out of the pandemic and some lessons have been learnt. One very positive outcome has been the creative use of IT and videoconferencing.

Two of the schools in the trust remain in an Ofsted category. It is anticipated that both of these schools should be judged to be good in the forthcoming year. At the stage when all schools in the trust are judged to be good or better then it will be timely to consider the possibility of a third secondary school joining the group.

The Multi-Academy Trust's arrangements for safeguarding students meet statutory requirements. The single central record is well-maintained and up-to-date. An e-safety 360 review to ensure all staff and students are aware of the risks of on-line safety has been completed.

Key financial performance indicators

The standard of achievement of pupils attending the Academies is above the National Floor Standards. The performance of students in English and Mathematics together with Science, Humanities and Languages is a priority for improvement over the forthcoming academic year.

Attendance has become an emerging priority for all schools in the trust, particularly the secondary schools. The directive for pupils to work from home during the period of lockdown followed by the recommendation that children without symptoms self-isolate due to close contact with a positive case of Covid-19 has adversely affected the culture of 100% attendance. Time will be required until the number of cases of the virus has declined and the general immunity of our schools communities has improved.

Going concern

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

Section 172 (1) Promoting the success of the company

The Board of Trustees recognises the importance of promoting the success of each of its schools and the Constellation Trust as a whole to ensure that it meets its charitable purpose- in this case the teaching, learning, development and safeguarding of the circa five thousand pupils it supports every year.

All decisions made by the board that will have a direct impact on its pupils and the wider community are subject to rigorous and stringent decision process with the impact on the pupils and the staff being at the heart of the process, to ensure that the decisions made, will have a positive impact on themselves and the Trust itself.

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Trustees' Report for the Year Ended 31 August 2021

Strategic Report

All members of the Board are unpaid and come from a range of backgrounds with different skills and experiences, with the driving force behind their appointment being their commitment to children and young adults and the need to nurture and develop them during their time at the Trust and within its constituent schools.

The Board of Trustees takes great pride in fostering excellent relationships with its staff and with the trade unions that represent numerous members of the workforce.

Staff Wellbeing Committees have been set up, direct lines of communication through SLT are open and regularly used to feedback from the board direct to employees and vice versa to ensure all employees feel well engaged.

Weekly staff briefings are held with a bulletin sent out each week to all staff, all staff are encouraged to contribute to the bulletin, with a clear focus of trying to encourage staff to engage with each other.

Any decisions made at Board level have due consideration for the staff who work within each school with a clear focus of trying to ensure adequate support and challenge is provided for all employees when principal decisions are made that may impact them directly.

The Board, in conjunction with the SLT and Director of Finance & Business has sought to achieve a common awareness of the current financial and economic factors currently affecting the Trust by having allocated budgetholders across the trust.

Staff are given responsibility for financial management of their areas and are encouraged to seek value for money, as well as encouraging staff to communicate with the Finance Team and vice versa to ensure that all staff are well informed with regards to budget.

As noted in the Trustee Report, The Board of Trustees has sought to ensure excellent relationships between its suppliers, customers and other stakeholders have been fostered.

The Trust seeks to support local businesses and when tendering, procuring or renegotiating contracts is always aware of the impact on the current provider and any potential impacts. This need to have close working and business relationships with local businesses has been key during the difficult and ongoing COVID 19 crisis, with the Trust seeking to support where it can.

As can be seen in the SECR report later in the report, the Trust is keen to ensure that it takes due consideration of the impact of its operations on the community as well as the environment.

The Trust has developed an excellent reputation within the local community with its openness and willingness to meet with members of the community and deal with any concerns quickly and sensitively. Where possible schools within the trust offer the use of their facilities, often at a much lower rate than those who operate commercially, to help support local customers as well as offer opportunities to pupils within the Trust Schools and those from outside of the Trust.

The Trust is seeking to reduce its carbon emissions and its footprint by seeking to spend significant amounts of capital funds over the coming years to upgrade to energy efficient lighting and heating systems as well upgrading and refurbishing older school blocks within the trust.

The school receives significant capital funding through the SCA fund and one of the highest priority criteria within the schools capital policy is projects which deliver energy efficiency. The Board will also be looking at the new £1bn decarbonisation fund that has just been launched alongside the Salix Finance fund to help support larger capital projects.

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In addition to these larger capital projects, the Trust is passionate in sharing a culture of reduced waste, recycling and the importance of respecting the environment. By reflecting this in the curriculum and through several initiatives such as the removal of single use plastics within the catering function, the Bottles to Pens scheme and the use of specialist recycling contractors such as Foodwise and separate recycling Bins, the Trust is well on with reducing its carbon footprint and becoming more environmentally friendly.

The Trust Board and the Director of Finance & Business pride themselves on leading a Trust that seeks to maintain the highest level of standards for Business Conduct. Robust and well established financial procedures as well as an established audit committee and internal audit schedule ensure that decisions made by Trustees and the Director of Finance & Business are appropriately informed, scrutinised and challenged.

The Trust has sought to ensure that a well-balanced, informed and well supported group of Trustees have been appointed to the Board. Each member of the board has equal voting power and open dialogue, challenge and discussion is always encouraged. Significant decisions are always voted on in line with the Articles and schemes of delegation. An independent Clerk to the Board is also in place to ensure objectivity, support, guidance to the Board and that all actions taken are fair and have met the appropriate legislation.

Financial review

The principal sources of funding and how expenditure has supported the key objectives of the academy trust

Most of the Multi-Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE along with other restricted grants from other sources and their associated expenses are shown as restricted funds in the Statement of Financial Activities.

The Multi-Academy Trust generated unrestricted income during the year of £2,107,000 (2020 £1,775,000). This was mainly generated from surplus funds transferred on conversion, catering income and hire of facilities. The costs of activities for generating funds were £816,000 (2020 £930,000).

The Multi-Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2015'), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2021, total restricted revenue expenditure of £36,726,000 (2020 £34,913,000) was not covered by recurrent grant funding from the DfE and the deficit was funded from reserves brought forward. The restricted net outgoing resources before transfers for the year (excluding restricted fixed asset funds) were £3,153,000 (2020 £2,771,000).

At 31st August 2021 the net book value of fixed assets was £85,989,000 (2020: £80,936,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Trust and the community.

The Constellation Trust

Trustees' Report for the Year Ended 31 August 2021

Strategic Report

Reserves policy

The trustees review the reserve levels of the Multi-Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Multi-Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The trustees need to ensure that the Multi-Academy Trust has sufficient working capital to cover delays between receipt of grants and spending; and to be able to deal with unexpected emergencies that may arise such as urgent maintenance, and this is reflected in the level of cash balances held. The Multi-Academy Trust's current level of general restricted reserves in note 17 is £364,000 (2020 £NIL). In addition, as noted above, the Multi-Academy Trust has £3,049,000 (2020 £2,950,000) of free reserves held. Taking into account the nature of the Multi-Academy Trusts income streams, the trustees are of the view that reserves at these levels are sufficient to cover its working capital needs and future capital expenditure and a provision for long term maintenance as required through the Building Schools for the Future Programme (BSF). Schools within the Trust are all of differing ages and some may therefore require additional capital investment in order to maintain and enhance the level of facilities for students. Cash balances are used to maintain and enhance resources for the benefit of both current and future students.

Strategic Report

Investment policy

The trustees have agreed to invest in short term guaranteed investments to maximise the Multi-Academy Trust's return without compromising cash flow.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Multi-Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances.

The Local Government Pension deficit within restricted funds is £18,994,000 (2020 £13,084,000), as the total market value of assets does not cover the present value of liabilities. This does not mean that the liability for this amount will be called in.

Fundraising

The Multi Academy Trust does not use any external fundraiser. All fundraising undertaken during the year was monitored by the Trustees.

The Constellation Trust

Trustees' Report for the Year Ended 31 August 2021

Strategic Report

Streamlined Energy and Carbon Reporting (SECR)

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only. This includes all 10 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period. Victoria Dock Primary School joined the Trust on 1st July 2021; however, a full annual period of energy use has been included to provide representative intensity ratios.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Energy and emissions associated with Trust-owned vehicles were calculated from mileage records. Grey fleet mileage claims are considered immaterial to the Trust's overall energy use and emissions (less than the 2% guidance threshold). Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities (scope 3).

The Constellation Trust

Trustees' Report for the Year Ended 31 August 2021

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Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20	2020/21
Mandatory requirements:		
Gas	5,410,043	5,919,712
Purchased electricity from the grid	2,579,030	2,874,197
Transport fuel	63,327	66,699
Total energy (mandatory)	8,052,399	8,860,608

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20	2020/21
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	994.7	1,084.3
Transport - Company owned vehicles (mini-buses)	16.0	16.6
<u>Scope 2</u>		
Purchased electricity (location-based)	601.3	610.3
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	0.0	0.0
Total gross emissions (mandatory)	1,612.1	1,711.2
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.325	0.321
Tonnes of CO ₂ e per square meter floor area	0.034	0.035

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

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Trustees' Report for the Year Ended 31 August 2021

Strategic Report

Energy efficiency action during current financial year

This year has seen the implementation of the following energy efficiency measures (estimated energy savings have not been calculated):

- New energy efficient LED lighting has been installed across the first floor at Sirius Academy West at a cost of about £29,500.
- A new roof has been installed at Appleton Primary School which included additional insulation. This has improved the thermal efficiency of the building at a cost of about £51,000.
- New 'A' rated gas boilers have been installed at Rise Academy and Paisley Primary School, improving heating and gas use efficiency at a cost of about £75,000.

Plans for future periods

The Multi-Academy Trust has a strategic three-year plan which outlines developments for the future. In summary the plan focuses on seven key areas:

- To ensure that all Academies within the Multi-Academy Trust continue to achieve positive measures across all Key Stages;
- To support all schools in the Trust to provide a good or better standard of education as judged by Ofsted
- To support the school communities during the continued pandemic
- To continue to strengthen the post 16 provision to meet the Ofsted 'outstanding' criteria ;
- To build stronger links with parents and carers to enable greater parental engagement to support all students and their engagement in learning opportunities;
- To maximise opportunities for partnership to continue to be a 'good' provider of initial teacher training through the School Centred Initial Teacher Training - SCITT;
- To explore the benefits of working with other schools within the Multi-Academy Trust.

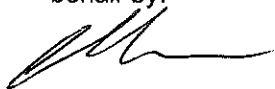
Auditor

In so far as the Trustees are aware:

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

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Trustees' Report was approved by the Board of Trustees on 13 December 2021 and signed on its behalf by:



N Porteus
Trustee

The Constellation Trust

Governance Statement

Scope of responsibility

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

As Trustees we have reviewed and taken account of guidance in DfE's Governance Handbook and Competency Framework for Governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Full Trust Board Meetings

Trustee	Meetings attended	Out of a possible
L Bratten	6	7
N Porteus	7	7
E Wharton	5	7
Prof K Burden	7	7
JC Wright	0	7
D Swaby	7	7
R Koyuncu	6	7
NL Rhodes	5	7

The Constellation Trust

Governance Statement (continued)

Audit Committee Meeting Attendance

Trustee	Meetings attended	Out of a possible
L Bratten	2	4
N Porteus	4	4
D Swaby	4	4
Dr C Taylor	4	4
R Kennington	4	4

The role and the purpose of the Trust's Audit Committee is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework and provide assurance to the Trust Board. The Committee in normal circumstances meets three times a year and is made up of Trustees with significant financial experience and backgrounds as well as the CEO and Director of Finance & Business.

Review of value for money

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

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

- Ensuring the Blueprint Alliance and Yorkshire and Humber Teacher Training has continued to develop both the successful expansion of the School Centred Initial Teacher Training (SCITT) function and the provision of income generating training. To date, the SCITT has recruited and trained over 250 trainee teachers. It continues to develop partnerships with other schools and Local Authority's and through the award of grant funding has generated increased revenue which has been used for the benefit of students throughout the Multi-Academy Trust
- Continued movement of existing primaries to new reprographics provider saving significant amounts on the current contract whilst increasing the number of and specification of existing machines
- Continued benefit of new Energy Contract with Total agreed in 2019-20, which in hindsight looks increasingly like an excellent decision, given the current record high prices
- New contracts signed with Turner Price (our main catering food provider) for all elements of food supply to include the free purchase of the Kafoodle subscription service for allergies (saving of circa £7k per annum)

As the Multi-Academy Trust has increased in size it has been possible to negotiate improved terms and conditions across a number of mutual contracts and agreements with suppliers. As other schools join the Multi-Academy Trust we will continue to explore cost savings as a result of increased purchasing power and economies of scale by sharing resources where possible.

The Constellation Trust

Governance Statement (continued)

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

Capacity to handle risk

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

The risk and control framework

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

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

The Constellation Trust

Governance Statement (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trustees have commissioned the role of Internal Scrutiny Advisor to SAAF Education to provide Internal Audit Scrutiny for the Trust. This role includes giving advice on financial matters and performing a range of checks on the Multi-Academy Trust's financial systems. On an bi-annual basis, the Internal Scrutiny Advisor provides a report to the board on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

The report includes the following areas:

- Payroll
- Purchase Orders
- Invoiced income
- Bank Reconciliations
- Petty Cash

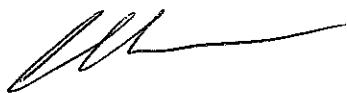
Review of effectiveness

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

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

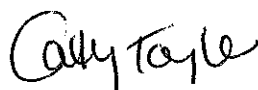
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 13 December 2021 and signed on its behalf by:



N Porteus

Trustee



Dr C Taylor

Accounting Officer

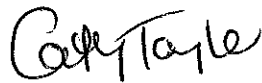
The Constellation Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Constellation 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 2021.

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 2021.

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.



Dr C Taylor
Accounting Officer

13 December 2021

The Constellation Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of The Constellation Trust and 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 Annual Accounts Direction published by the Education & Skills Funding Agency, 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" 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 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; and
- 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 the 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 13 December 2021 and signed on its behalf by:



N Porteus
Trustee

The Constellation Trust

Independent Auditor's Report on the Financial Statements to the Members of The Constellation Trust

Opinion

We have audited the financial statements of The Constellation Trust (the 'Multi-Academy Trust') for the year ended 31 August 2021, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 Multi-Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Multi-Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The Constellation Trust

Independent Auditor's Report on the Financial Statements to the Members of The Constellation Trust (continued)

Other information

The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 (incorporating the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Multi-Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

We have nothing to report in respect of the following matters where 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.

The Constellation Trust

Independent Auditor's Report on the Financial Statements to the Members of The Constellation Trust (continued)

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 31], the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Multi-Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Multi-Academy Trust 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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP 2019, Academies Accounts Direction 2020 to 2021, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence as necessary.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;

The Constellation Trust

Independent Auditor's Report on the Financial Statements to the Members of The Constellation Trust (continued)

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and relevant regulators.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

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 Multi-Academy Trust's Trustees, 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 Multi-Academy Trust's Trustees 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 Multi-Academy Trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Shipley FCA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

13 December 2021

Note:

The maintenance and integrity of The Constellation Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Constellation Trust

Independent Reporting Accountant's Report on Regularity to The Constellation Trust and the Education & Skills Funding Agency

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

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

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

The Accounting Officer is responsible, under the requirements of The Constellation Trust's funding agreement with the Secretary of State for Education dated 28 October 2016 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 from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the academy, including those procured from related parties of the Multi-Academy Trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE
- Ensuring that expenditure incurred through the Multi-Academy Trust's bank accounts and debit card is appropriate for the purposes of the Multi-Academy Trust and that there has been no personal expenditure from the Multi-Academy Trust's funds.

The Constellation Trust

Independent Reporting Accountant's Report on Regularity to The Constellation Trust and the Education & Skills Funding Agency (continued)

- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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.



Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

13 December 2021

The Constellation Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	-	-	1,133	1,133	784
Transfer from local authority on conversion	28	190	(426)	5,802	5,566	-
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	1,840	33,295	-	35,135	33,177
Teaching schools	29	-	704	-	704	583
Other trading activities	4	76	-	-	76	152
Investments	5	1	-	-	1	5
Total		2,107	33,573	6,935	42,615	34,701
Expenditure on:						
Raising funds	6	98	-	-	98	109
<i>Charitable activities:</i>						
Academy trust educational operations	7	718	36,219	2,378	39,315	37,464
Teaching schools	29	-	507	16	523	598
Total		816	36,726	2,394	39,936	38,171
Net income/(expenditure)		1,291	(3,153)	4,541	2,679	(3,470)
Transfers between funds		(1,192)	1,201	(9)	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	25	-	(3,958)	-	(3,958)	(1,716)
Net movement in funds		99	(5,910)	4,532	(1,279)	(5,186)

The Constellation Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account) (continued)

Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Reconciliation of funds					
Net movement in funds	99	(5,910)	4,532	(1,279)	(5,186)
Total funds/(deficit) brought forward at 1 September 2020	2,950	(13,084)	81,208	71,074	76,260
Total funds/(deficit) carried forward at 31 August 2021	3,049	(18,994)	85,740	69,795	71,074

The Constellation Trust

(Registration number: 06545396)
Balance Sheet as at 31 August 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	13	85,989	80,936
Current assets			
Stocks	14	80	37
Debtors	15	1,513	1,629
Cash at bank and in hand		4,866	4,110
		<u>6,459</u>	<u>5,776</u>
Creditors: Amounts falling due within one year	16	<u>(3,295)</u>	<u>(2,554)</u>
Net current assets		<u>3,164</u>	<u>3,222</u>
Total assets less current liabilities		<u>89,153</u>	<u>84,158</u>
Net assets excluding pension liability		89,153	84,158
Pension scheme liability	25	<u>(19,358)</u>	<u>(13,084)</u>
Net assets including pension liability		<u>69,795</u>	<u>71,074</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(18,994)	(13,084)
Restricted fixed asset fund		85,740	81,208
		<u>66,746</u>	<u>68,124</u>
Unrestricted funds			
Unrestricted general fund		<u>3,049</u>	<u>2,950</u>
Total funds		<u>69,795</u>	<u>71,074</u>

The financial statements on pages 38 to 70 were approved by the Board of Trustees, and authorised for issue on 13 December 2021 and signed on their behalf by:



N Porteus
Trustee

The Constellation Trust

Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	1,268	(304)
Cash flows from investing activities	21	<u>(512)</u>	<u>(8)</u>
Change in cash and cash equivalents in the year		756	(312)
Cash and cash equivalents at 1 September		<u>4,110</u>	<u>4,422</u>
Cash and cash equivalents at 31 August	22	<u>4,866</u>	<u>4,110</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation

The financial statements of the multi-academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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.

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

Income

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

Grants

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 period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Multi-Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Multi-Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi-Academy Trust's policies.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Donated fixed assets

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 a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Expenditure on raising funds

This includes all expenditure incurred by the Multi-Academy Trust 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 Multi-Academy Trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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.

Asset class	Depreciation method and rate
Leasehold land introduced	Over the period of occupation
Leasehold buildings introduced	50 years, based on the original valuation on occupation
Leasehold buildings improvements	Between 10 and 25 years from the date of first use
Motor vehicles	between 3 and 7 years
Computer equipment and software	between 3 and 6 years
Fixtures and fittings	between 3 and 10 years

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity'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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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 charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Multi-Academy 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 Multi-Academy 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.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit current 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 Multi-Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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.

Critical accounting estimates and areas of judgement

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

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Multi-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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, 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

2 Donations and capital grants

	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Other voluntary income			
Capital grants	799	799	784
Other donations	334	334	-
	<hr/> 1,133	<hr/> 1,133	<hr/> 784

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	26,001	26,001	25,067
Other DfE/ ESFA grants	-	3,464	3,464	3,465
Covid-19 Reclaim	-	23	23	3
Covid-19 Catch Up	-	372	372	-
	-	29,860	29,860	28,535
Other government grants				
Local authority grants	-	3,025	3,025	2,501
Non-government grants and other income				
Other income from the academy trust's operations	1,840	410	2,250	2,141
Total grants	1,840	33,295	35,135	33,177

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Hire of facilities	30	-	30	62
Other income	46	-	46	90
	76	-	76	152

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	2020/21 Total £ 000	2019/20 Total £ 000
Short term deposits	1	-	1	5

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure

	Non Pay Expenditure			2020/21	2019/20
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
Expenditure on raising funds					
Direct costs	52	-	46	98	109
Academy's educational operations					
Direct costs	24,237	1,862	3,173	29,272	28,239
Allocated support costs	5,642	1,675	2,726	10,043	9,225
Teaching School	238	16	269	523	598
	<u>30,169</u>	<u>3,553</u>	<u>6,214</u>	<u>39,936</u>	<u>38,171</u>

Net income/(expenditure) for the year includes:

	2020/21 £ 000	2019/20 £ 000
Operating lease rentals	142	126
Depreciation	2,395	2,328
Fees payable to auditor - audit	17	17
Fees payable to auditor - other audit services	9	9
	<u>9</u>	<u>9</u>

7 Charitable activities

	2020/21 £ 000	2019/20 £ 000
Direct costs - educational operations	29,272	28,239
Support costs - educational operations	10,043	9,225
	<u>39,315</u>	<u>37,464</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities (continued)

	2020/21 Total £ 000	2019/20 Total £ 000
Analysis of support costs		
Support staff costs	5,642	5,569
Catering	1,557	1,097
CRB Police Checks	49	49
Maintenance of premises and equipment	596	534
Cleaning	59	37
Rent and rates	308	276
Energy Costs	536	559
Insurance	142	149
Security and transport	53	43
Other costs	1,026	868
Governance costs	75	44
Total support costs	<u>10,043</u>	<u>9,225</u>

8 Staff

Staff costs

	2020/21 £ 000	2019/20 £ 000
Staff costs during the year were:		
Wages and salaries	21,472	20,757
Social security costs	2,081	1,947
Pension costs	6,078	5,837
	<u>29,631</u>	<u>28,541</u>
Agency staff costs	379	752
Staff restructuring costs	159	29
	<u>30,169</u>	<u>29,322</u>
	2021	2020
	£ 000	£ 000

Staff restructuring costs comprise:

Redundancy payments	130	-
Severance payments	29	29
	<u>159</u>	<u>29</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £29,465 (2020: £29,470). Individually, the payments were:

Non-contractual payments £24,765

Non-contractual payments £4,700

Staff numbers

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

	2020/21 No	2019/20 No
Charitable Activities		
Teachers	335	316
Administration and support	445	440
Management	44	42
	<hr/>	<hr/>
	824	798

Staff Numbers

The increase in staff numbers is due to the addition of Victoria Dock Primary School within the year leading to an increase in staff numbers in each category.

Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	10	6
£70,001 - £80,000	9	8
£80,001 - £90,000	3	5
£90,001 - £100,000	2	2
£140,001 - £150,000	1	1

Staff earning over £60k has remained generally the same as the previous year, with only a small increase in staff within £60-70k banding following four members of staff receiving incremental awards following successful PMR's which led to them now being captured within the band.

One of the above employees was a member of the Local Government Pension Scheme and the remainder were in the Teachers Pension Scheme. Pension contributions relating to these employees amounted to £298,069 (2020: £268,474).

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Key management personnel

The key management personnel of the Multi-Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi-Academy Trust was £1,809,167 (2020: £1,842,952).

Leadership pay 2021 is in line with 2020's pay figures. The reason for the small drop in pay this year is as a result of two members of the Key Leadership Team electing to reduce their working hours.

9 Related party transactions - trustees' remuneration and expenses

The value of trustees' remuneration and other benefits was £Nil (2020 £Nil).

During the year ended 31 August 2021, travel and subsistence expenses totalling £36 (2020 - £361) were reimbursed or paid directly to 1 trustee (2020- 2 trustees)

Other related party transactions involving the Trustees are set out in note 26.

10 Trustees' and officers' insurance

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

11 Central services

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

- Personnel
- Finance
- Payroll management
- School improvement
- ICT
- Buildings and resource management

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

11 Central services (continued)

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

- Management charges are made based on 5-6% of GAG income

The actual amounts charged during the year were as follows:

	2021
	£ 000
Sirius Academy North	463
Sirius Academy West	517
Appleton Primary School	64
Bricknell Primary School	122
Rise Academy	36
Paisley Primary School	72
Francis Askew Primary School	103
Stoneferry Primary School	37
Rokeby Primary School	41
Victoria Dock Primary School	62
	<hr/>
	1,517

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Statement of financial activities for prior year

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	-	784	784
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,618	31,559	-	33,177
Teaching schools		-	583	-	583
Other trading activities	4	152	-	-	152
Investments	5	5	-	-	5
Total		1,775	32,142	784	34,701
Expenditure on:					
Raising funds	6	109	-	-	109
<i>Charitable activities:</i>					
Academy trust educational operations	7	821	34,325	2,318	37,464
Teaching schools	29	-	588	10	598
Total		930	34,913	2,328	38,171
Net income/(expenditure)		845	(2,771)	(1,544)	(3,470)
Transfers between funds		(578)	343	235	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(1,716)	-	(1,716)
Net movement in funds/(deficit)		267	(4,144)	(1,309)	(5,186)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		2,683	(8,940)	82,517	76,260

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Statement of financial activities for prior year (continued)

Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000
Total funds/(deficit) carried forward at 31 August 2020	2,950	(13,084)	81,208	71,074

13 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2020	90,563	2,294	171	1,809	94,837
Additions	752	117	13	764	1,646
Transfer on conversion	5,802	-	-	-	5,802
At 31 August 2021	97,117	2,411	184	2,573	102,285
Depreciation					
At 1 September 2020	10,685	1,710	130	1,376	13,901
Charge for the year	1,879	276	15	225	2,395
At 31 August 2021	12,564	1,986	145	1,601	16,296
Net book value					
At 31 August 2021	84,553	425	39	972	85,989
At 31 August 2020	79,878	584	41	433	80,936

The Multi-Academy Trust's transactions relating to land and buildings included the addition of the leasehold land and buildings, relating to Victoria Dock Primary School, which were donated to the Multi-Academy Trust at a value of £5,801,981.

In addition, laptops donated by the DfE have been valued at £333,061.

14 Stock

	2021 £ 000	2020 £ 000
Uniform and catering stocks	80	37

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Debtors

	2021	2020
	£ 000	£ 000
VAT recoverable	329	243
Other debtors	767	920
Prepayments and accrued income	417	466
	<u>1,513</u>	<u>1,629</u>

16 Creditors: amounts falling due within one year

	2021	2020
	£ 000	£ 000
Trade creditors	1,137	846
Other taxation and social security	521	470
Other creditors	732	493
Accruals and deferred income	905	745
	<u>3,295</u>	<u>2,554</u>

	2021	2020
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2020	251	239
Resources deferred in the period	280	251
Amounts released from previous periods	(251)	(239)
Deferred income at 31 August 2021	<u>280</u>	<u>251</u>

Deferred income relates to monies for the 2020-2021 academic year. Amounts carried forward relate to:

	2021	2020
	£ 000	£ 000
School trips	9	-
Bikeability	-	13
Universal Infant Free School Meals	154	138
Business rates relief	50	81
Sports England	40	-
Other grants and income	27	19
	<u>280</u>	<u>251</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	26,001	(26,144)	143	-
Other DfE/ESFA	-	4,168	(4,822)	1,018	364
Pension Reserve	(13,084)	(426)	(1,890)	(3,958)	(19,358)
LEA and Other Grants	-	3,025	(3,025)	-	-
Other Restricted	-	410	(450)	40	-
Covid-19 Catch Up	-	372	(372)	-	-
Covid-19 Reclaim	-	23	(23)	-	-
	(13,084)	33,573	(36,726)	(2,757)	(18,994)
Restricted fixed asset funds					
DfE/ESFA Capital Grant	1,821	799	(158)	(458)	2,004
Capital Expenditure from GAG	815	-	(161)	449	1,103
Donated Fixed Asset Fund	78,572	6,136	(2,075)	-	82,633
	81,208	6,935	(2,394)	(9)	85,740
Total restricted funds	68,124	40,508	(39,120)	(2,766)	66,746
Unrestricted funds					
Unrestricted general funds	2,950	2,107	(816)	(1,192)	3,049
Total funds	71,074	42,615	(39,936)	(3,958)	69,795

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	625	25,067	(26,010)	318	-
Start Up Grant	-	3	(3)	-	-
Other DfE/ESFA	-	3,550	(3,550)	-	-
Pension Reserve	(9,585)	-	(1,783)	(1,716)	(13,084)
LEA and Other Grants	20	3,084	(3,104)	-	-
Other Restricted	-	438	(463)	25	-
	<u>(8,940)</u>	<u>32,142</u>	<u>(34,913)</u>	<u>(1,373)</u>	<u>(13,084)</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	1,278	784	(241)	-	1,821
Capital Expenditure from GAG	773	-	(193)	235	815
Donated Fixed Asset Fund	80,466	-	(1,894)	-	78,572
	<u>82,517</u>	<u>784</u>	<u>(2,328)</u>	<u>235</u>	<u>81,208</u>
Total restricted funds	73,577	32,926	(37,241)	(1,138)	68,124
Unrestricted funds					
Unrestricted general funds	2,683	1,775	(930)	(578)	2,950
Total funds	<u>76,260</u>	<u>34,701</u>	<u>(38,171)</u>	<u>(1,716)</u>	<u>71,074</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

Transfers between unrestricted general fund, general annual grant fund, other restricted funds and the restricted fixed asset funds relate to capital expenditure incurred during the year over and above capital grants received by the Multi-Academy Trust from the DfE/ESFA.

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

DfE/ESFA GAG Funding

DfE/ESFA General Annual Grant (GAG) includes funding allocated per pupil through the school budget share and post 16 funding, it also includes funding for insurance and business rates.

The General Annual Grant (GAG) must be used to meet normal running costs of the Multi-Academy Trust.

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

Other DfE/ESFA Grants

The other DfE/ESFA grants must be used for the specific purpose for which they are given. These grants are given to fulfil the charitable objects of the Multi-Academy Trust.

LEA and Other Restricted Funds

These funds comprise grants receivable from sources other than central government, to be expended for specific purposes within the charitable objects of the Multi-Academy Trust.

Restricted Fixed Asset Fund

The Restricted Fixed Asset Fund represents fixed assets donated by Kingston upon Hull City Council together with assets funded by the DfE/ESFA capital grants.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£ 000	£ 000
Central Services	3,413	2,950
Total before fixed assets and pension reserve	3,413	2,950
Restricted fixed asset fund	85,740	81,208
Pension reserve	(19,358)	(13,084)
Total	69,795	71,074

The Trust operates a Gag Pooling and Top Slice policy, which allows the trust to build up central reserve to support school improvement and provide flexibility and security for schools within the trust, should they require additional support.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2021 £ 000	Total 2020 £ 000
Sirius Academy West	7,614	1,322	517	1,443	10,896	10,785
Sirius Academy North	6,200	867	348	1,264	8,679	8,168
Appleton Primary School Bricknell	1,172	190	23	238	1,623	1,618
Primary School	2,158	478	89	408	3,133	2,928
Rise Academy	2,050	677	40	599	3,366	3,124
Paisley Primary School	1,418	262	21	244	1,945	1,890
Francis Askew Primary School	1,609	384	42	406	2,441	2,395
Stoneferry Primary School	726	125	43	139	1,033	999
Rokeby Primary School	761	212	19	175	1,167	1,145
Victoria Dock Primary School	182	29	8	47	266	-
Central services	585	1,149	2	1,257	2,993	2,791
Academy Trust	24,475	5,695	1,152	6,220	37,542	35,843

18 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	85,989	85,989
Current assets	3,058	3,401	-	6,459
Current liabilities	(9)	(3,037)	(249)	(3,295)
Pension scheme liability	-	(19,358)	-	(19,358)
Total net assets	3,049	(18,994)	85,740	69,795

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	80,936	80,936
Current assets	2,950	2,554	272	5,776
Current liabilities	-	(2,554)	-	(2,554)
Pension scheme liability	-	(13,084)	-	(13,084)
Total net assets	2,950	(13,084)	81,208	71,074

19 Commitments under operating leases

Operating leases

At 31 August 2021 the total of the Multi-Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	313	137
Amounts due between one and five years	245	278
	558	415

Included in the above disclosures for 2021 are amounts relating to the remainder of the service contract on Victoria Dock Primary School. This contract is under an existing Private Finance Initiative (PFI), which expires on 31 July 2023.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2020/21	2019/20
	£ 000	£ 000
Net income/(expenditure)	2,679	(3,470)
Depreciation	2,395	2,328
Capital grants from DfE and other capital income	(1,133)	(784)
Interest receivable	(1)	(5)
Defined benefit pension scheme cost less contributions payable	1,652	1,593
Defined benefit pension scheme finance cost	238	190
Transfer from local authority on conversion	(5,566)	-
Cash transferred from local authority on conversion	190	-
(Increase)/decrease in stocks	(43)	7
Decrease/(increase) in debtors	116	(377)
Increase in creditors	741	214
Net cash provided by/(used in) Operating Activities	<u>1,268</u>	<u>(304)</u>

21 Cash flows from investing activities

	2020/21	2019/20
	£ 000	£ 000
Purchase of tangible fixed assets	(1,312)	(797)
Capital funding received from sponsors and others	799	784
Interest received	1	5
Net cash used in investing activities	<u>(512)</u>	<u>(8)</u>

22 Analysis of cash and cash equivalents

	2021	2020
	£ 000	£ 000
Cash at bank and in hand	<u>4,866</u>	<u>4,110</u>
Total cash and cash equivalents	<u>4,866</u>	<u>4,110</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy serving notice, the Academy shall repay to the Secretary of State for Education sums determined by reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State for Education under the funding agreement.

24 Members' liability

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

25 Pension and similar obligations

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

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

Contributions amounting to £524,764 were payable to the schemes at 31 August 2021 (2020: £484,427).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014 (as amended). Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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 contribution together 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 is due to be implemented from 1 April 2023

The employer's pension costs paid to TPS in the period amounted to £3,094,549 (2020: £2,920,870).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,719,000 (2020 - £1,693,000), of which employer's contributions totalled £1,332,000 (2020 - £1,321,000) and employees' contributions totalled £387,000 (2020 - £372,000). The agreed contribution rates for future years are between 17% and 26.2% for employers and between 5.5% and 12.5% for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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 Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.80	3.10
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
Retiring today		
Males retiring today	21.00	20.90
Females retiring today	23.70	23.30
Retiring in 20 years		
Males retiring in 20 years	22.20	21.80
Females retiring in 20 years	25.50	24.80

Sensitivity analysis

	2021 £000	2020 £000
0.1% decrease in real discount rate	1,037	774
1 year increase in member life expectancy	1,662	-
0.1% increase in salary increase rate	86	71
0.1% increase in pension increase rate	934	690

The Multi-Academy Trust's share of the assets in the scheme were:

	2021 £ 000	2020 £ 000
Equities	15,302	11,321
Other bonds	3,992	2,744
Property	2,439	2,058
Cash and other liquid assets	444	1,029
Total market value of assets	22,177	17,152

The actual return on scheme assets was £2,866,000 (2020 - £95,000).

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2020/21 £ 000	2019/20 £ 000
Current service cost	1,652	1,593
Interest income	(305)	(296)
Interest cost	543	486
Total amount recognised in the SOFA	<u>1,890</u>	<u>1,783</u>

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

	2020/21 £ 000	2019/20 £ 000
At start of period	(30,236)	(24,899)
Conversion of academy trusts	(867)	-
Current service cost	(2,984)	(2,914)
Interest cost	(543)	(486)
Employee contributions	(387)	(372)
Actuarial (gain)/loss	(6,824)	(1,811)
Benefits paid	306	246
At 31 August	<u>(41,535)</u>	<u>(30,236)</u>

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

	2020/21 £ 000	2019/20 £ 000
At start of period	17,152	15,314
Conversion of academy trusts	441	-
Interest income	305	296
Actuarial gain/(loss)	2,866	95
Employer contributions	1,332	1,321
Employee contributions	387	372
Benefits paid	(306)	(246)
At 31 August	<u>22,177</u>	<u>17,152</u>

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted in accordance with the requirements Academy's 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 Multi-Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year, other than certain Trustees' Remuneration and expenses already disclosed in note 9.

Expenditure related party transactions

During the prior year the Multi-Academy Trust made the following related party transactions:

The Deep

(a company of which Mr N Porteus is a Director)

In the prior year the Multi-Academy purchased services from The Deep. The selection of this company was made in full compliance with the Academy's financial regulations.

- Nil payments (2020: £538) were made in the period 1 September 2020 to 31 August 2021 and there were no amounts outstanding at the year end.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2021.

At the balance sheet date the amount due to The Deep was £Nil (2020 - £Nil).

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £1,041,749 and disbursed £978,947 from the fund. An amount of £62,802 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2020 are £765,850 received, £765,850 disbursed and £Nil included in other creditors.

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

28 Additions to the Multi Academy Trust - conversions

On 29 June 2021 the Victoria Dock Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Constellation Trust from the Hull City Council Local Authority for £Nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total £ 000
Freehold land and buildings	-	-	5,802	5,802
Cash transferred	190	-	-	190
LGPS pension surplus/(deficit)	-	(426)	-	(426)
Net assets	190	(426)	5,802	5,566

29 Teaching school trading account

	2020/21 £ 000	2019/20 £ 000
Income		
Direct Income		
Other income	704	583
Total Income	704	583
Expenditure		
Direct costs		
Direct staff costs	193	189
Other direct costs	255	311
Total direct costs	448	500
Other costs		
Support staff costs	45	48
Depreciation	16	10
Other support costs	14	40
Total other costs	75	98

The Constellation Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

29 Teaching school trading account (continued)

	2020/21 £ 000	2019/20 £ 000
Total Expenditure	(523)	(598)
Surplus/(Deficit) from all sources	181	(15)
Teaching school balances at 31 August 2021	181	(15)

The surplus generated from teaching schools relates entirely to SCITT tuition fees payable and is used to help fund the educational operations of the Multi-Academy Trust.

