

Company Registration No. 10020683 (England and Wales)

FLAGSHIP SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2021

FLAGSHIP SCHOOL

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 - 15
Independent reporting accountant's report on regularity	16 - 17
Statement of financial activities including income and expenditure account	18
Balance sheet	19
Statement of cash flows	20
Notes to the accounts including accounting policies	21 - 29

FLAGSHIP SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Ambrose
P Everest
P Gasson (To 27 Sep 2021)
J Lundberg
J Smaldon
D Durrant

Trustees

H Kay (Chair)
A Ambrose
P Gasson (Retired 7 October 2021)
D Durrant
S Hayward (Appointed 8 October 2021)
P Hetherington (Appointed 3 July 2021)
V Osbourne
C Ryder
S Salter (Accounting Officer)

Senior management team

- Principal and Accounting Officer
- Assistant Principal
- School Business Manager

S Salter
D King (From 1 Sep 2021)
Z Jenks (From 1 Jun 2021)

Company registration number

10020683 (England and Wales)

Principal and registered office

40 Collier Road
Hastings
East Sussex
TN34 3JR

Independent auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ
United Kingdom

Bankers

Nat West
Battle Branch
16 High Street
Battle
East Sussex
TN33 0AJ
United Kingdom

FLAGSHIP SCHOOL

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the period 1 March 2021 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates an academy for pupils from year 3 to Year 11. Flagship School does not have a catchment area; the Governing Body set the admissions criteria in line with identified need agreed with East Sussex County Council. The school will have a pupil capacity of 72 when complete, however currently there are 24 pupils on roll.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Flagship School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Flagship School was incorporated on 23 February 2016 and obtained Academy status from 1 September 2021.

Members' liability

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

Principal activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of trustees

The members of the Academy Trust shall comprise the signatories to the Memorandum as detailed in the memorandum and articles.

The number of Trustees shall be not less than 3 but shall not be subject to a maximum. The first Trustees shall be those named in the initial Memorandum. The Academy Trust shall have the following Trustees:

- Up to 10 Foundation Trustees appointed under Article 50;
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-58 and the Headteacher.

The Academy may also have 2 Co-opted Trustees, a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if the number of Trustees who are employed by the Academy Trust would thereby exceed one-third of the total number of Trustees (including the Headteacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher subject to remaining eligible to be a particular type of Trustee, and Trustees may be re-appointed or re-elected.

FLAGSHIP SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

During the period under review the Trustees held 4 meetings. The training and induction provided for new Trustees depends on their existing experience. All relevant 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 in a period, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

During the period 1 March 2021 to August 2021, prior to the school being opened, the structure of the school was under development. The structure for Year One of the school, which began following this accounting period, is comprised of two levels; the Trustees, and Senior Leadership Team. During this, pre-opening year, the Trust employed a consultant Programme Manager whose role was to manage all aspects of the pre-opening of the school and ensure effective liaison with the ESFA team leading on the build of the school. The Trust developed an overall programme plan, setting out the organisational structure to manage this process. The Principal came into post in January 2021 and was able to work with the School Programme Manager to take forward, core developmental work necessary for the opening of the school.

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

The Senior Leadership Team is the Principal, the School Business Manager and the Assistant Principal. The Principal came into Post January 2021, the School Business manager June 2021. The Assistant Principal did not come into post until September 2021. These leaders control the Academy at an executive level implementing the policies laid down by the Trustees.

Arrangements for setting pay and remuneration of key management personnel

The Performance Management process takes place in the Autumn Term every academic year. As this is a new school, the setting of pay and remuneration was agreed by Trustees as part of the development of the overall plan for the school. This was agreed by the ESFA as part of the pre-opening process for the school. As part of the planning for the school, a clear remuneration process for staff was agreed involving a review of the targets set in the previous year, and the setting of targets for the forthcoming year. A process has been agreed for the Principal, including an external expert. For the Assistant Principal, the appraisal is carried out by the Principal and any recommendations for increments in salary are then presented to the Pay Committee for approval. Administration of these arrangements are carried out in accordance with 'School Teachers' Pay and Conditions' document (October 2021).

Related parties and other connected charities and organisations

There are no third party organisations under the management and control of the Trustees.

Objectives and activities

Objects and aims

Our aim is that Flagship School will be a special school for 72 children and young people from years 3 to year 11 who have neuro-diverse profiles and social emotional and mental health needs and who have the capacity to meet age related expectations. These children will be drawn from the local area where many of our pupil's neuro-diverse profiles or experience of adverse early childhood experiences have resulted in them experiencing a range of unmet needs and missing skills that have impacted on their ability to engage positively with learning. At Flagship School, we are committed to being a trauma, attachment and neuro-diverse aware organisation, where every aspect of our school is informed by current psychological and scientific thinking around children's cognitive, psychological and emotional development, so that our children can meet their full potential.

The principal object of the Academy is specifically restricted to the following: to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum being Flagship School.

FLAGSHIP SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

Objectives, strategies and activities

Our core objectives during this period March 2021 to August 2021, was to:

- Ensure that a clear vision, education plan and necessary policies were in place, to ensure the effective opening of the school in September 2021;
- Ensure that Trustees had appropriate training for the role
- Ensure that sufficient pupils were recruited to ensure the financial viability of the school during its first year;
- Recruit staff, and in particular the Principal, with necessary skills and expertise to ensure the effective leadership and management of the school and teaching of pupils during its first year and ensure that appropriate training and induction was carried out

To deliver this we:

- Appointed a project manager, to support Trustees operationalise our overall strategy;
- Worked with external 'experts' to ensure that our planning was on track, that the development of our Education Plan was of a sufficient quality to meet DfE/ESFA requirements.
- Carried out a Section 10 consultation, to ensure that there was sufficient local community support for our school
- Develop the necessary policies, risk assessments and procedures to ensure that the Trust met all regulatory requirements for the opening of a new school
- Worked with ESFA colleagues to ensure that the temporary and permanent build, met the needs of our pupils on opening including the necessary health and safety, fire and risk assessments
- Commissioned the IT systems and necessary financial and IT systems for the effective operation of the school
- Develop the overarching curriculum to meet the needs of pupils
- Recruited the staff team, for the opening of the school in September 2021

The activities that were carried out were:

- Developed the Education Brief for the school. all the necessary policies, risk assessments etc. for the school
- Recruited, through ESSC, the first cohort of 24 pupils for the school.

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

- We carried out and successfully published our Section 10 consultation, to ensure that there was sufficient local community support for our school
- We finalised our Education Brief, so that this met the requirements of the ESFA
- We Developed the necessary policies, risk assessments and procedures to ensure that the Trust met all regulatory requirements for the opening of a new school – we successfully held an Ofsted Readiness to Open meeting
- Commission the IT systems and necessary IT software (Bromcom) to enable the successful running of the school, so that we could open successfully in September 2021.
- Entered into our Funding Agreement for the school
- Created our first School Improvement Plan
- We developed the overarching curriculum to meet the needs of pupils
- Successfully recruited the staff team; teaching staff, school business manager, office staff and school caretaker – necessary for the successful running of the school and organised appropriate training and induction
- Worked closely with ESFA to ensure that the temporary building of the school, was ready for opening in September 2021.
- Recruited 24 pupils, through ESSC for the school
- Ensured that an effective induction plan was in place for staff, on joining the Flagship School
- Set up and started to deliver our overall Governance structure for the school
- Delivered key Trustee Training for Trustees, including safeguarding training for Trustees

FLAGSHIP SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

Key performance indicators

KPIs will be set for the year ended 31 August 2022 once the school is operating.

Going concern

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

Financial review

The income stream for our activities during this period is the Project Development Grant. For the 6 months to August 2021 we were in receipt of £80k of this funding. (12 months to 28.2.21 - £110k). For the period our main areas of expenditure were as follows:

- Staff salaries. From January 2021, our Principal was in post and from June 2021 the School Business Manager.
- Consultancy support. For the 6 months to August 2021, we paid for a programme manager on a consultancy basis and an additional programme officer, again on a consultancy basis, to support the team with the Section 10 consultation and to support with Trustee meetings and core policy development:
- Recruitment was a core cost
- Expert support for the team from New Schools Network, to develop the Education Plan, Governance Plan and prepare for our Ofsted Inspection and Readiness to Open meeting
- The cost of our Section 10 consultation (October 2020)
- The cost of lawyers for this period

Reserves policy

The Trustees will review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments, unexpected emergencies (such as urgent maintenance) and the nature of reserves. In respect of this the Trustees are in the process of determining an appropriate reserve policy.

As at 31 August 2021, the Academy Trust had only received income in respect of the Project Development Grant and the balance of £35k (28 Feb 2021 - £57k) represents planned expenditure in getting the Academy ready to commence on 1 September 2021.

Investment policy

The academy does not hold any investments at the current time. The accounting policy will be determined when the need arises in accordance with the Memorandum and Articles and the Funding Agreement.

FLAGSHIP SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

Principal risks and uncertainties

Principal risks to the academy include :-

- As a new Trust, we are still setting up and finalising all of our systems and processes. A key risk for us is Trustee and staff capacity to deliver all of the required systems and processes, whilst managing the day to day business of the school;
- As a new Trust, staff recruitment and retention;
- Pupil numbers – as a Trust with an initial cohort of 24 pupils, with plans to grow over the next 3 years, ensuring pupil numbers is a key risk;
- Building – ensuring that the building is fit for purpose, that the new build is delivered on time and that any risks to this are mitigated is a key risk;

We have a Risk Register in place. Mitigating risks are discussed regularly at Trustee Board meetings and the plan is updated on an annual basis.

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

The Academy now has in place, measures and controls to limit the risk should we be exposed to a pandemic such as COVID-19 and to assist the School in continuing to operate.

These include :-

- The Trust is ensuring effective ventilation and regular cleaning of school premises – to mitigate against Covid
- Within the school, there are relatively few pupils within each class (8 pupils) and so social distancing is relatively easy to manage
- Where required, single year groups will access learning from home, where teacher and staff absences due to Covid would result in their being too great a risk to pupils coming into school
- The Trust has a clear remote learning policy and practice – to support pupils where remote learning is required due to Covid.

The principal risks and uncertainties that the Academy faces are mitigated by the risk management process that the academy trust has in place.

Financial and risk management objectives and policies

The main financial risks which the academy trust is exposed, taking account of the mitigations in place, relate to the risk of an increased expenditure due to increases in staffing costs and increase in fuel costs and a risk of pupil's leaving. SLT and Trustees are reviewing this regularly and are in regular communication with the Local authority to ensure that if pupil's leave new pupils will be recruited to the school. For the year 2021/22 we have a commitment from both the DfE and the LA to meet the full costs of 24 pupils.

FLAGSHIP SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

Plans for future periods

Our plans for September 2021 onwards are to:

- Ensure the future growth and sustainability of the school. On opening the school had 19 out of the planned 24 pupils to be placed at the school. The aim for this year is to continue to engage with ESCC to ensure that the further 6 pupils are recruited for the school and to ensure the recruitment of a further 16 pupils to ensure the continued growth of the school for 2022/23.
- Ensure that sufficient staff, with the right level of skills and experience are recruited, to meet the needs of the increasing number of pupils attending the school. Our aim is to recruit a further 2 secondary teachers, 4 TAs and a 0.5 therapist this year, for September 2022.
- Ensure that the building works for the school, are completed during 2022 and that the new building meets the special needs of our pupils. This will involve working with ESFA to ensure, if required, that the temporary site is extended in a way that meets the needs of an additional cohort of pupils, and working with ESFA to ensure that all aspects of the permanent build are of the quality necessary to meet the needs of pupils
- Ensure that the curriculum plans for the school; to deliver an embedded and enriched cross curriculum approach are delivered during 2022
- Fully implement the schools approach to behaviour.

The Trustees will continue to ensure that the Governance for the school, is in place to oversee the successful delivery of the above.

This will include an effective support and challenge role in respect of the Standards Committee, the Pupil Welfare Committee, the Finance Committee and the Audit and Review committee in particular.

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 trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2021 and signed on its behalf by:

H Kay
Chair

FLAGSHIP SCHOOL

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2021

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Flagship School and the Secretary of State for Education. The accounting officer 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 4 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
H Kay (Chair)	4	4
A Ambrose	3	4
P Gasson (Retired 7 October 2021)	4	4
D Durrant	3	4
S Hayward (Appointed 8 October 2021)	0	0
P Hetherington (Appointed 3 July 2021)	0	0
V Osbourne	4	4
C Ryder	4	4
S Salter (Accounting Officer)	4	4

All new academy trusts must carry out a review of governance in their first year. Established academy trusts should do this on an annual basis. As of December 2021, the Flagship school has been opened one term. We are planning to carry out a full review of our governance in term 6 of the school's first year. We will aim to bring in an external 'challenge partner' in respect of this review, to ensure that we have set up and are operating our systems appropriately.

FLAGSHIP SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

- One Trustee resigned this year. Other than this, there are no key change in the composition to the Board of Trustees. This year, the Trustees began the formal Committee meetings of the Standards Committee, the Pupil Welfare Committee and the Finance Committee. The first meeting of the Audit Committee was also held.
- The main focus of the Trustee's work, for the period March 2021 to August 2021, was to ensure that all of the pre-opening requirements for the school were addressed. This included ensuring effective oversight of the PDG, ensuring effective oversight and development of the 2021/22 formal budget for the school in order to enter into a Funding Agreement with the ESFA, taking forward all necessary work to ensure that the required policies and risk assessments were in place to meet Ofsted's pre-opening requirements, and oversight of the development of the SIP and curriculum plans so that the school could open in September 2021. The Trustees have overseen the recruitment of the Principal, School Business manager and Assistant Principal – to enable the recruitment of the wider staff team for the school.
- The Trustees have performed well during this period. They have met regularly and reviewed through all of the requirements for Ofsted, for the ESFA and in respect of the needs of a school in pre-opening. We have also, successfully, moved to a new model of operation during this period – from a 'pre-opening group' to a more delegated model of operation – with overall formal Trustee meetings and regular committee meetings to oversee key areas of the school's development and operation. The challenge for the Trustees at this period, was to move from a pre-opening mode of operation to that required for an opened school.
- Trustees receive formal financial reports on a monthly basis to ensure that there is high quality financial oversight of the school. They receive termly update reports from the Principal – which contains key data relating to attendance, FSM, behavioural incidents, safeguarding issues. It is too early – yet to receive performance data as this is the first term after the school being opened. Trustees however, have visited the school regularly and have plans to carry out a 'deep dive' to review pupil starting points and process in term 4 of the school (Dec 2021)

Review of value for money

As accounting officer, the 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 academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Allocating resources to best promote the aims and values of the school;
- Targeting resources to best improve standards and quality of education;
- The use of resources to best support the various educational needs of all pupils.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Flagship School for the period 1 March 2021 to 31 August 2021 and up to the date of approval of the annual report and accounts.

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 an ongoing process for identifying, evaluating and managing the academy trust's significant risks and policies that has been in place for the period 1 March 2021 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process are regularly reviewed by the Board of Trustees.

FLAGSHIP SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has held the first meeting of the Audit and Risk Committee. The Committee has commissioned a Trustee with relevant experience, to carry out an internal 'Audit review', which will inform the development of an overall work programme for the work of the Finance and Audit Committee. An initial meeting was held in December, with the relevant Trustee and School Business Manager, with the view to beginning the initial auditing work in January 2022

Review of effectiveness

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

- the work of the external auditor;
- the financial management process

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 15 December 2021 and signed on its behalf by:

H Kay
Chair

S Salter
Accounting Officer

FLAGSHIP SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE PERIOD ENDED 31 AUGUST 2021*

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

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

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

S Salter
Accounting Officer

15 December 2021

FLAGSHIP SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2021

The trustees (who are also the directors of Flagship School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 15 December 2021 and signed on its behalf by:

H Kay
Chair

FLAGSHIP SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAGSHIP SCHOOL FOR THE PERIOD ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Flagship School for the period ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

FLAGSHIP SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAGSHIP SCHOOL (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

FLAGSHIP SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAGSHIP SCHOOL (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

17 December 2021

Chartered Accountants
Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
United Kingdom
BR6 0NZ

FLAGSHIP SCHOOL

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

FOR THE PERIOD ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 25 November 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Flagship School during the period 1 March 2021 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 Flagship School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Flagship School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Flagship School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Flagship School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Flagship School's funding agreement with the Secretary of State for Education dated 25 February 2021 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 period 1 March 2021 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

FLAGSHIP SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FLAGSHIP SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

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 period 1 March 2021 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services

Dated: 17 December 2021

FLAGSHIP SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2021

		Unrestricted funds	Restricted funds:		Total 2021 6 months	Total 2021 12 months
	Notes	£	General	Fixed asset	£	£
Income and endowments from:						
Charitable activities:						
- Funding for educational operations	3	-	80	-	80	110
Total		-	80	-	80	110
Expenditure on:						
Charitable activities:						
- Educational operations	5	-	102	-	102	64
Total	4	-	102	-	102	64
Net income/(expenditure)		-	(22)	-	(22)	46
Reconciliation of funds						
Total funds brought forward		-	57	-	57	11
Total funds carried forward		-	35	-	35	57
Comparative year information						
Year ended 31 August 2020						
	Notes	Unrestricted funds	Restricted funds:		Total 2021 6 months	
		£	General	Fixed asset	£	£
Income and endowments from:						
Charitable activities:						
- Funding for educational operations	3	-	110	-	-	110
Total		-	110	-	-	110
Expenditure on:						
Charitable activities:						
- Educational operations	5	-	64	-	-	64
Total	4	-	64	-	-	64
Net income		-	46	-	-	46
Reconciliation of funds						
Total funds brought forward		-	11	-	-	11
Total funds carried forward		-	57	-	-	57

FLAGSHIP SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2021 £	£
Current assets					
Debtors	8	17		-	
Cash at bank and in hand		51		57	
		<u>68</u>		<u>57</u>	
Current liabilities					
Creditors: amounts falling due within one year	9	(33)		-	
		<u></u>		<u></u>	
Net current assets			35		57
			<u></u>		<u></u>
Funds of the academy trust:					
Restricted funds	10				
- Fixed asset funds			-		-
- Restricted income funds			35		57
			<u>35</u>		<u>57</u>
Total restricted funds			35		57
Unrestricted income funds	10		-		-
			<u>-</u>		<u>-</u>
Total funds			<u>35</u>		<u>57</u>

The accounts on pages 18 to 29 were approved by the trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:

H Kay
Chair

Company Number 10020683

FLAGSHIP SCHOOL

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2021

		2021	2021
		6 months	12 months
	Notes	£	£
		£	£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	12	(6)	46
		—	—
Net (decrease)/increase in cash and cash equivalents in the reporting period		(6)	46
Cash and cash equivalents at beginning of the year		57	11
		—	—
Cash and cash equivalents at end of the year		51	57
		==	==

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the 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.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy 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.

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

1.5 Liabilities

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

1.6 Leased assets

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

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.7 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.8 Taxation

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

1.9 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure 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.

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

1.10 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust 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.

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2021 £
DfE / ESFA grants				
Other DfE / ESFA grants:				
Project Development Grant	-	80	80	110
	==	==	==	==

4 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2021 £
Academy's educational operations					
- Direct costs	51	-	3	54	13
- Allocated support costs	31	-	17	48	51
	==	==	==	==	==
	82	-	20	102	64
	==	==	==	==	==

Net income/(expenditure) for the period includes:

	2021 £	2021 £
Fees payable to auditor for:		
- Audit	6	-
- Other services	3	-
	==	==

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

5 Charitable activities

	2021 £	2021 £
All from restricted funds:		
Direct costs		
Educational operations	54	13
Support costs		
Educational operations	48	51
	<u>102</u>	<u>64</u>
	<u><u>102</u></u>	<u><u>64</u></u>
	2021 £	2021 £
Analysis of support costs		
Support staff costs	31	25
Technology costs	1	1
Legal costs	5	12
Other support costs	2	12
Governance costs	9	1
	<u>48</u>	<u>51</u>
	<u><u>48</u></u>	<u><u>51</u></u>

6 Staff

Staff costs

Staff costs during the period were:

	2021 £	2021 £
Wages and salaries	49	13
Social security costs	1	-
Pension costs	14	-
	<u>64</u>	<u>13</u>
Staff costs - employees	64	13
Agency staff costs	18	25
	<u>82</u>	<u>38</u>
Staff development and other staff costs	1	-
	<u>83</u>	<u>38</u>
	<u><u>83</u></u>	<u><u>38</u></u>

Staff numbers

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

	2021 Number	2021 Number
Management	2	1
	<u>2</u>	<u>1</u>

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

6 Staff

(Continued)

Higher paid staff

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

	2021 Number	2021 Number
£70,001 - £80,000 (Annualised)	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £64k(2021: £13k).

7 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S Salter (Principal) (31.8.21 - 6 months : 28.2.21 - 2 months)

- Remuneration £35,001 - £40,000 (Year to 28.2.21 - £10,001 - £15,000)
- Employer's Pension contributions £10,001 - £15,000 (Year to 28.2.21 - £nil)

8 Debtors

	2021 £	2021 £
VAT recoverable	10	-
Prepayments and accrued income	7	-
	17	-

9 Creditors: amounts falling due within one year

	2021 £	2021 £
Other taxation and social security	4	-
Other creditors	15	-
Accruals and deferred income	14	-
	33	-

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

10 Funds

	Balance at 1 March 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
Project Development grants	57	80	(102)	-	35
	=====	=====	=====	=====	=====
Total restricted funds	57	80	(102)	-	35
	=====	=====	=====	=====	=====
Unrestricted funds					
	=====	=====	=====	=====	=====
Total funds	57	80	(102)	-	35
	=====	=====	=====	=====	=====

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

Project Development Grant: Income received from the ESFA to cover the set up costs of the Academy.

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

	Balance at 1 March 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 28 February 2021 £
Restricted general funds					
Project Development grants	11	110	(64)	-	57
	=====	=====	=====	=====	=====
Total restricted funds	11	110	(64)	-	57
	=====	=====	=====	=====	=====
Unrestricted funds					
	=====	=====	=====	=====	=====
Total funds	11	110	(64)	-	57
	=====	=====	=====	=====	=====

11 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Current assets	-	68	-	68
Creditors falling due within one year	-	(33)	-	(33)
	=====	=====	=====	=====
Total net assets	-	35	-	35
	=====	=====	=====	=====

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

11 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 28 February 2021 are represented by:				
Current assets	-	57	-	57
	<u>-</u>	<u>57</u>	<u>-</u>	<u>57</u>
Total net assets	<u>-</u>	<u>57</u>	<u>-</u>	<u>57</u>

12 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(22)	46
Adjusted for:		
(Increase) in debtors	(17)	-
Increase in creditors	33	-
	<u>(6)</u>	<u>46</u>
Net cash (used in)/provided by operating activities	<u>(6)</u>	<u>46</u>

13 Analysis of changes in net funds

	1 March 2021 £	Cash flows £	31 August 2021 £
Cash	57	(6)	51
	<u>57</u>	<u>(6)</u>	<u>51</u>

14 Long-term commitments, including operating leases

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

	2021 £	2021 £
Amounts due within one year	3	-
Amounts due in two and five years	6	-
	<u>9</u>	<u>-</u>

FLAGSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE PERIOD ENDED 31 AUGUST 2021*

15 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees 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 Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

16 Post balance sheet events

On 1 September 2021, The Flagship school started operations as an Academy Trust

17 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.