



PARADIGM TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

PARADIGM TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Helleur J Martin D Syndercombe Court P Wallace (appointed 9 November 2021) A Watson D Willis
Directors	V Hiscock B Holledge, Chief Executive D Hughes M Hydes V Karas P Loft (appointed 23 April 2021) J Martin, Vice Chair L Pipe A Rahman D Syndercombe Court P Wallace (resigned 9 October 2021) D Willis, Chairman
Company registered number	08469218
Company name	Paradigm Trust
Registered office	Culloden Primary Academy Dee Street London E14 0PT
Principal operating office	Ipswich Academy Braziers Wood Road Ipswich IP3 0SP
Company secretary	Emma Vehit
Chief Executive Officer	Bill Holledge

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Senior management team

Bill Holledge, Chief Executive Officer and Accounting Officer
Jon Ruddock, Chief Finance Officer
Bridget Holland, HR Director
Ben Carter, Principal at Culloden Primary Academy and Director of School Improvement
Janet Baker, Principal at Solebay Primary Academy
Abbie Thorrington, Principal at Ipswich Academy
Claire Willis, Principal at Murrayfield Primary Academy (appointed 1 July 2021)
Kimberly Morton, Principal at Piper's Vale Primary Academy
Kevin Jones, Principal at Old Ford Primary Academy
Ben Rogers, Director of Curriculum and Pedagogy
Emma Vehit, Company Secretary
Julie Anderson, Operations systems lead and Director of Payroll

Culloden Primary Academy Senior Management Team

Principal	B Carter
Assistant Principal	C Baker
Assistant Principal	A Gofur
Assistant Principal	A Ingram
Assistant Principal	K Nicholas Raymond
Assistant Principal	E Jansen Van Rensburg
Location	London

Ipswich Academy Senior Management Team

Principal	A Thorrington
Assistant Principal	K Bartrum
Assistant Principal	A Fox
Assistant Principal	K Mills
Assistant Principal	A Riches
Assistant Principal	N Shenton
Location	Ipswich

Murrayfield Primary Academy Senior Management Team

Principal	C Willis (appointed 1 July 2021)
Assistant Principal	R Blackman
Assistant Principal	L Hall
Assistant Principal and SENDCO	R Lemke
Location	Ipswich

Old Ford Primary Academy Senior Management Team

Principal	K Jones
Assistant Principal	L Sherling
Assistant Principal	M Proestos
Assistant Principal	K Neill
Assistant Principal	E Young
Assistant Principal	V Turner
Location	London

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Piper's Vale Primary Academy Senior Management Team

Principal	K Morton
Assistant Principal	N Christian
Assistant Principal	I Bristo
Assistant Principal	D Primus
Assistant Principal	S Brown
Location	Ipswich

Solebay Primary Academy Senior Management Team

Principal	J Baker
Assistant Principal	R Chetty
Assistant Principal	T Ward
Assistant Principal	R Begum
Location	London

Independent auditors MA Partners Audit LLP
Statutory Auditor
7 The Close
Norwich
Norfolk
NR1 4DJ

Bankers Lloyds Bank
Stratford Westfield Branch
PO Box 1000
BX1 1LT

Solicitors Stone King LLP
16 St John's Lane
London
EC1M 4BS

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Review of the year

The overriding feature of 2020/21 was Paradigm's response to the global pandemic. Throughout the year we have focused on four covid-related priorities:

- welcoming pupils back warmly;
- teaching really well, consistently;
- supporting and encouraging families and children who may be anxious; and
- enabling pupils and staff to access high quality mental health support, where that is needed.

The academic year began well, with carefully thought through risk management arrangements enabling all of our schools to open to all pupils. As we approached the end of the autumn term, coronavirus case rates increased significantly, forcing us to offer both on-site and remote education. From the start of January, the country was in the midst of a national lockdown, which necessitated remote education for all pupils, other than vulnerable children and the children of key workers. Staff throughout the Trust worked at pace to refine our blended learning model, ensuring that a full, broad and rich curriculum was provided to all pupils - regardless of whether they were learning at home or in school. We also made significant investments in IT hardware which, combined with equipment provided by the Department for Education, meant that all Paradigm pupils who needed a loan device were provided with one - with more than 2,100 laptops being issued for home use. We were also able to provide the capability for those families with inadequate or no facilities, to access the internet.

We also more than met our pastoral, child protection and wider social responsibilities - keeping up regular contact with all pupils and families, and ensuring that food (actual lunches and vouchers) was provided in a timely manner. Throughout the pandemic all Paradigm schools remained open to key workers and the most vulnerable pupils. As restrictions started to be lifted in March, Paradigm schools reopened rapidly and confidently, and we also rose effectively to the requirement to set up a covid testing centre at Ipswich Academy. The remainder of the spring and summer terms were focused on the daily challenges of responding to confirmed covid cases, while ensuring a consistently high quality of education. We were also able to make arrangements to begin to broaden our pupils' experiences once more, with educational visits including residentials, sports days and crash courses in swimming being organised. Ipswich Academy staff responded professionally to pressures created by the teacher assessed grade arrangements which were put in place by the Government, Ofqual and exam boards.

There can be no doubt that Paradigm rose to the extraordinary challenges which faced it during 2020/21. Feedback from parents/carers - both ad hoc and via a survey - in relation to our online and blended learning offer was highly positive. The Board is very grateful for the commitment and professionalism of our staff during these difficult times.

Curriculum remained a major focus during the year (including when staff were working from home) - with network groups comprising subject leads from each school meeting on a regular basis to develop, implement and evaluate a knowledge-based curriculum which flows seamlessly from nursery to Y9. This has been a real success - as evidenced from feedback from the external, independent reviewers which Paradigm commissions.

We have also moved forward with our work to offer a wide range of instrumental music opportunities, regardless of parent/carer ability to make financial contributions, with the result that Paradigm pupils have been learning to play violin; piano; flute; drums; cornet and guitar.

Other highlights of the year included opening two units for pupils with special needs (attached to Murrayfield Primary Academy and Piper's Vale Primary Academy), which are now well established and making a very important contribution to the education system in Suffolk. Preparation has continued in relation to our special, free school (Woodbridge Road Academy) - for pupils with complex communication and interaction needs - which is due to open in September 2022.

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

The year has seen Paradigm's central functions continue to provide outstanding support to our schools while developing additional capacity. After many months of careful preparation, our payroll system was transferred smoothly, which will also enable much closer integration with our HR management information system. We have continued to implement our estates and IT management strategies and work on key infrastructure projects has moved forward. We conducted a staff engagement survey - action plans have been developed as a result but it was very pleasing to see strong results across all areas, with improvements evident compared to last year's (already strong) position.

Paradigm's responsibilities to develop the next generation of teachers has remained a key priority for the year. Paradigm has developed a challenging and exciting teacher education programme designed to accelerate new teachers from novice to expert. We specialise in applying the best educational research and thought to the classroom. This approach has proven to be popular and successful with all 18 of our candidates passing successfully. We are fully supported through our partnership with EssexITT. Our School Direct salaried programme is designed for trainees who are ready to work in the classroom from the beginning with a salary being offered from the start. We have continued to benefit from partnership with the Institute of Education/UCL, enhancing our leadership and management training offer.

It is pleasing to note that all of the above has been achieved against the backdrop of the challenging financial regime which has affected all state-funded schools.

The Board continues to provide committed and expert non-executive leadership, with Directors supporting and challenging from a vantage point of deep familiarity with the schools.

Despite the challenges caused by the pandemic, 2020/21 has been a hugely successful year for Paradigm and we are well placed to build further on these foundations in 2021/22.

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DIRECTORS' REPORT (CONTINUED)
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The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law. Paradigm Trust ('Paradigm' or 'the Trust') operates a multi-academy trust for pupils aged 2-16 serving catchment areas in London and Ipswich. It has a pupil capacity of 3,839 (2020: 3,839) and had a roll of 3,204 (2020: 3,159) in the school census on 7 October 2021.

Structure, governance and management

a. Constitution

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

The Trust's Memorandum and Articles of Association is the primary governing document of the Trust.

The Directors of Paradigm Trust are also the Directors of the charitable company for the purposes of company law.

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

b. Members' liability

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

c. Directors' indemnities

The Trust has opted into the Department for Education's risk protection arrangement (RPA). This protects Directors and Officers from claims arising from negligent acts, errors or omissions occurring while on Trust business. RPA provides cover up to £10,000,000 on any one claim.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

All current Directors and Members are asked to be vigilant to any new potential Directors who would be a good fit for Paradigm. Paul Loft was identified in this way as a potential Director with the relevant skills and experience to replace Pauline Wallace, who had indicated she was going to step down in Autumn 2021.

In previous years when seeking additional Directors to join the Board, contact was made with Academy Ambassadors, a not-for-profit organisation set up to support academies across England by finding senior figures from the world of business and the professions to join the Boards of multi-academy trusts.

When looking for a parent Director, the recruitment process only differs when we ask parents/carers across the Trust to express their interest in becoming a parent Director. The process is then the same as recruiting an independent Director.

Potential Directors that are a good match for the Trust meet with the Chairman, other Directors and management.

Provisions relating to the appointment of Directors are contained in the Trust's Articles of Association, and can be summarised as follows:

- the Members are entitled to appoint up to seven Directors;
- the Chief Executive Officer is a Director;
- there are up to two parent Directors; and
- the Board is entitled to co-opt up to four additional Directors.

e. Policies adopted for the induction and training of Directors

Training and induction provided for new Directors is assessed based on their existing experience. Directors have many years' experience as members of school governing bodies and/or Directors of other organisations. Directors attend seminars, conferences and similar events to keep abreast of developments in the education sector and internal training with specific emphasis on safeguarding and child protection is also organised including attendance by Directors at staff inset days.

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

f. Organisational structure

Paradigm is led by a team of Members and Directors. Directors provide strategic leadership and oversight, via the Board of Directors ('the Board'). The Board meets monthly during term time and receives reports and recommendations from the three Board committees, and the Chief Executive Officer (CEO).

The Chief Executive Officer has responsibility for the day-to-day management and implementation of the decisions of the Directors. The Chief Executive Officer is also the Accounting Officer.

The Trust has three Board committees - the Education Committee, the Operations and Finance Committee and the Audit and Risk Committee.

Education Committee

The Education Committee monitors and considers:

- the educational performance of each of Paradigm's schools;
- educational aims and the setting of appropriate performance targets.

It is also responsible for adopting, monitoring and reviewing the Trust curriculum statements.

Operations and Finance Committee

The Operations and Finance Committee (OFC) considers:

- Paradigm's financial priorities;
- the management accounts;
- the appropriate charging of expenses; and
- draft budgets submitted by Paradigm schools.

The committee also:

- ensures that Paradigm has proper insurance cover and that the regulations relating to funding are complied with;
- sets and monitors human resource policies/contractual terms;
- is responsible for the annual pay review and oversees performance related pay;
- monitors the Trust's procurement strategies; and
- monitors the management of the Trust's estate including health and safety and energy efficiency.

The Operations and Finance Committee has an Investment Sub-Committee which has delegated authority to invest any available funds in strict adherence to the Trust's investment and reserves policies.

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

Audit and Risk Committee

The Audit and Risk Committee (ARC) advises the Board on:

- the adequacy and effectiveness of internal financial control;
- risk management;
- control and governance processes;
- securing value for money;
- the terms of appointment and the remuneration of the external auditor and the internal audit service provider; and
- audit strategy.

It also receives the Trust annual child protection audit reports and the local authority safeguarding audit reports.

Executive Committee

The CEO convenes and chairs an Executive Committee which comprises the CEO; Principals from each school; together with the heads of the HR and finance functions, the Company Secretary, the Operations systems lead and Director of Payroll and the Director of Curriculum and Pedagogy (as required). The Executive Committee meets on a monthly basis with all attendees able to propose items for consideration. The purpose of the Executive Committee is to facilitate collaboration across Paradigm, providing a forum for sharing ideas, resources and concerns.

Community Forum

The Principal of each school within Paradigm may recommend to the Board that there should also be a community forum to provide an opportunity to raise the profile of the school in the local community and engage with a wider group of benefactors/supporters. A community forum is currently active for the Suffolk academies.

Academy council

Each school within Paradigm also has an academy council, which facilitates communication between parents/carers and the relevant academy Principal. All parents/carers are invited to each meeting and are able to suggest topics for discussion, ask questions of the Principal about the operation/ performance of the school as well as raising any issues of concern.

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

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

The key management personnel of the Trust comprises Directors, Principals, the Chief Executive Officer, Chief Finance Officer, HR Director, Director of School Improvement, the Company Secretary and the Director of Pedagogy and Curriculum.

All Directors of the Trust, other than the CEO, offer their services on a voluntary basis.

The process and parameters for setting and reviewing employees' pay is set out in the Trust's pay policy, last reviewed in May 2020 in consultation with the trade unions recognised by the Trust. The Trust recognises the role that the pay policy has in helping to recruit and retain staff of the highest calibre, and ensuring staff are appropriately remunerated.

The Operations and Finance Committee has the delegated authority to make decisions on employee reward, recognition and pay awards, including annual cost of living increases.

All Trust staff have an annual performance management meeting with their line manager, the focus of which is supporting performance and professional development. Directors are involved in the annual performance management meeting for all key management personnel within the Trust. Responsibility for the performance management of the CEO is delegated by the Board of Directors to its Operations and Finance Committee.

Arrangements for reviewing the CEO's pay follow the requirements within the Academies Financial Handbook, and ensure that:

- the procedure for determining the CEO's pay is agreed by the Board in advance, and documented
- decisions reflect independent and objective scrutiny by the Board and that conflicts of interest are avoided
- the factors determining pay are clear, including whether performance considerations and the degree of challenge in the role have been taken into account
- the pay is defensible relative to the public sector market; and
- the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained.

In deciding on the level of cost of living increase to be applied to teaching and support staff (including key management personnel) the Trust takes into account (but is not bound by) national agreements regarding such matters, i.e. that for teachers as published annually in the School Teachers' Pay & Conditions Document; and the National Agreement for Local Government Employees (for support staff). Cost of living increases agreed for teaching staff (including the CEO and Principals) are effective from 1st September each year, and for support staff (including the CFO and HR director) 1st April.

Additionally, those staff whose contract specifies a salary range are, subject to completion of six months' service in role, entitled to receive an annual incremental increase of one point until they reach the top of their range, unless they have been advised in written form that their performance is not meeting the required standards. Incremental increases are on 1st September for teaching staff and on 1st April for support staff.

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

h. Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where a Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	5.2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1% - 50%	1
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

	£
Total cost of facility time	334
Total pay bill	16,539,195
Percentage of total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Paradigm is committed to school improvement and collaborates with a range of organisations to help develop and spread best practice.

Paradigm has a number of educational business partners including BT, The Mercers' Company and Ropes Trust and is very grateful for the contributions they have made to improve the work of Paradigm's schools. We have also worked closely with the Phoenix school in planning for the opening of Woodbridge Road Academy.

Culloden Primary Academy and Old Ford Primary Academy continue to engage with the Tower Hamlets Education Business Partnership which makes links between local businesses and the schools, although the Partnership's reading, mathematics and ICT partner programmes were suspended this year due to Covid-19.

Ipswich is a DfE designated Opportunity Area of which Murrayfield Primary Academy, Piper's Vale Primary Academy and Ipswich Academy are a part. Paradigm is particularly involved with the Opportunity Area's development of learning behaviour project and early years transition project to support pupils and their families with being ready for school and remove the barriers to attending school. Ipswich Academy is one of the schools within the Opportunity Area collaborating on: mathematics and English interventions; behaviour; and mental health.

Ipswich Academy, Murrayfield Primary Academy and Piper's Vale Primary Academy are part of a Suffolk headteachers peer review scheme.

Paradigm Trust has developed a challenging and exciting teacher education programme designed to accelerate new teachers from novice to expert. We specialise in applying the best educational research and thought to the classroom. We are fully supported through our partnership with Essex ITT. Our Schools Direct salaried programme is designed for trainees who are ready to work in the classroom from the beginning with a salary being offered from the start. We also offer unsalaried placements for trainees to work alongside experienced teachers as they train. To enhance our leadership and management training offer, we have established a partnership with the Institute of Education/UCL.

Paradigm's London schools have also worked closely with:

- Sustran Bike IT Tower Hamlets, in conjunction with Transport for London (TfL), to encourage our pupils to walk, cycle and use public transport when travelling to and from school. Culloden Primary Academy has retained the TfL Stars Gold level for the past two consecutive years and, as a result, Culloden Primary Academy was chosen to benefit from the School Streets project. School Streets aims to encourage activity, reduce pollution and help growth in learning and development.
- Poplar Harca to support parent/carer community groups on the Aberfeldy estate. In addition, Culloden Primary Academy has had the privilege of contributing ideas towards street artistry in the local area of Aberfeldy. Pupils brainstormed ideas and explained what they would like to see as part of the redevelopment of the Aberfeldy estate.

Through its Room 13 art studio, Old Ford Primary Academy has links with an international network of similar studios. Room 13 Old Ford Primary Academy has completed commissions for Galliard Homes and is working in partnership with the Roman Road Trust on a plastic reduction project. Galliard Homes is also providing financial support to regenerate an outdoor learning space.

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

Structure, governance and management (continued)

j. Employee involvement

The Trust values working collaboratively with its stakeholders, and sees engaging effectively with its employees as an essential part of this. Various mechanisms are in place to facilitate engagement between the Trust and its employees on both a collective and individual level, including:

- Regular Joint Consultative and Negotiation Committee (JCNC) meetings with the trade unions recognised by the Trust for purposes of collective bargaining, consultation and individual staff representation. All staff are encouraged to become a member of a recognised trade union. JCNC meetings are attended from the Trust's side by a Director, the CEO and HR Director.
- A solid performance management framework for all staff, including regular line management meetings and an annual performance management meeting. The main purpose of the performance management meeting is to discuss the individual's professional development for the forthcoming year. This practice has been formalised and embedded in a whole-Trust Performance Management Policy.
- In March 2021 the Trust conducted its third employee engagement survey ('staff survey') – the results of which are shared with Directors and senior management, and an action plan implemented with monitoring against the action plan undertaken by the Operations and Finance Committee.
- The Trust has held regular Employee Voice forums throughout the year. The purpose of the forum is to allow members nominated by their peers to discuss and provide staff views to the Executive Committee on specific issues of organisational importance (whilst ensuring no overlap with existing trade union relationships and mechanisms for consultation).

k. Disabled persons

In accordance with the Trust's equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

Paradigm takes all reasonable steps to ensure that there is appropriate access for all persons to all main areas of Paradigm's schools. Paradigm supports the recruitment and retention of staff and students that have disabilities and will, where possible, ensure that any necessary support is provided. In the event of a student or member of staff becoming disabled, every effort is made to ensure that they receive all the necessary support that is required.

l. Engagement with suppliers, customers and others in a business relationship with the Trust

Paradigm recognises the need to foster good working relationships with our suppliers and customers. The executive team including our procurement function speak to all suppliers on a regular basis. For all key suppliers, frequent contract meetings are held. Key suppliers are encouraged to attend Trust-wide events, such as our annual conference. For customers, we have a lettings manager who is in regular contact with local groups and organisations who use our facilities.

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

Objectives and activities

a. Objects and aims

The Trust's objects are set out in the Articles of Association and are restricted to advancing for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing:

- schools offering a broad and balanced curriculum; and/or
- educational institutions which provide education for children who may not receive suitable education unless alternative provision is made for them; and/or
- 16 to 19 academies; and/or
- schools organised to make special educational provision for pupils with special educational needs.

The Trust also aims to promote for the benefit of the inhabitants of the areas in which the academies are situated, the provision of facilities for recreation with the object of improving the condition of life of the local population.

In line with the objects set out in the Trust's Articles of Association, its schools aim to provide a broad, balanced and relevant curriculum through outstanding teaching to ensure high educational standards are achieved by all of its pupils. This includes those pupils with special educational needs and disabilities and in particular, pupils attending the Deaf Support Base at Culloden Primary Academy or the newly opened SEN units at Murrayfield Primary Academy and Piper's Vale Primary Academy.

b. Objectives, strategies and activities

In the academic year ending 31 August 2021, Paradigm continued to consolidate the achievements of its existing schools.

All Paradigm schools serve communities in areas of acute deprivation, where there are high levels of unemployment and the proportion of pupils receiving free school meals is much higher than the national average.

Paradigm's vision is to develop and sustain great schools where we can make the biggest difference for pupils.

Our values are:

- integrity - doing the right thing even when no one is watching.
- community - working together; learning from, and supporting, others.
- excellence - enabling everyone to achieve more through education.

The Directors recognise that equal opportunities should be an integral part of good practice in the workplace. Paradigm 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.

c. Public benefit

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. In particular, the additional guidance on the advancement of education for the public benefit and are satisfied that the Trust is compliant. Further details of how Paradigm has achieved this are set out in the strategic report below.

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

Strategic report

Achievements and performance

a. Achievements and performance

Before the pandemic struck, all of the Paradigm schools were on course to deliver strong academic outcomes.

The schools maintain strong links within the communities they serve. This has included work to engage parents/carers in the life of the schools. High profile events such as music concerts continue to demonstrate the quality of provision to the local communities and beyond. We have a variety of structures to engage with local stakeholders: academy councils; parent/carer forums; and a community council.

High quality teaching continues to be the most important feature of the success of Paradigm. Much work has been carried out to ensure that all staff have the resources and support to carry out their responsibilities with consistently high quality. Professional development features prominently in this work and at all levels within the schools. The impact of this work is assessed regularly by employing external experts to verify the quality of teaching and the impact on learning. The designation of Old Ford Primary Academy as a National Teaching School continued to provide opportunities for staff to share good practice in teaching, learning, leadership and management throughout the course of the year.

We also continue to use subject network groups to further develop our curriculum and use experienced teachers from one school to bolster school improvement activity at other schools in the Trust.

b. Going concern

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

c. Promoting the success of the Trust

The Board, alongside the Trust's employees, is committed to maintaining a reputation for high standards of business conduct, with integrity being prominent in our key values.

Paradigm is dedicated to ensuring a positive impact upon its wider community and the environment. When formulating strategy and making decisions, Directors always consider the likely consequences in the longer term, both for the Trust's employees but also all stakeholders and the local areas in which our schools are located.

We are working with an external marketing company in order to promote the successes of Paradigm over the coming year.

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Financial review

a. Financial review

Overall, the Trust has maintained its secure financial position during the year, despite the difficulties associated with the national pandemic, including additional expenditure associated with cleaning, health and safety and agency costs. We have managed to secure additional funding streams in the form of the Trust Capacity Fund which has allowed the continued development of the central team function and despite the pandemic, allocated some reserves for the development of key enrichment activities in our schools.

We have received catch-up funding from the DfE, which has also been supplemented by an allocation from reserves to ensure maximum impact for our pupils. This has been used for additional teaching assistants for 1:1 tutoring, ReadWrite, reading and arithmetic catch-up and additional support for attendance.

Paradigm's income is derived in the main from the DfE via the Education and Skills Funding Agency ('ESFA') in the form of recurrent revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the academic year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Financial Statements.

The Trust also receives grants for fixed assets from the DfE. In accordance with the Charities document, '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), such grants are shown in the Statement of Financial Activities as restricted income. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Further funds are sought from educational grants sponsorship, letting of sport facilities, the outsourcing of our outstanding central services capabilities and our designation as a National Teaching School at Old Ford Primary Academy which provides support and training for trainee teachers, leaders and other schools facing challenging circumstances.

Old Ford Primary Academy forms part of Tower Hamlets Grouped Schools Private Finance Initiative (PFI) contract. On conversion to an academy, in accordance with the requirements for PFI schools converting to academy status, the Trust was obliged to enter into a separate agreement that formed part of the PFI contract, which runs until 2027. Ownership of the land and buildings at the school was not transferred into the Trust. The nature of the arrangements is deemed to be akin to serviced accommodation, and payments under the PFI contract are treated as a financial commitment in the Financial Statements. These PFI arrangements are considered by the Board to be far from ideal from the point of view of the school but are outside of the Board's control.

During the academic year ended 31 August 2021, the Trust received incoming resources (excluding the value of net assets received from the transfer of academies) of £24,108,451 (2020: £23,014,196). Unrestricted and restricted general funds (excluding pension) generated a deficit of £109,750 (2020: surplus of £447,147) for the year.

The pension liability has increased to £7,305,000 (2020: £4,704,000).

The net book value of tangible fixed assets at 31 August 2021 was £39,835,620 (2020: £40,395,218); movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were primarily used for providing educational and associated support services to pupils and the community.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

b. Reserves policy

The policy of the Trust is to carry forward at least a minimum level of resources designed to meet the long term cyclical needs of the schools as well as any unforeseen contingencies. As part of its monitoring of financial performance the Operations and Finance Committee as well as the Board review the forecast impact on reserves and the implications for future years spending.

Reserves are pooled centrally, other than any restricted funds which cannot be pooled. At the end of every year, any surplus generated by each school is transferred back into the central reserve. This is intended to facilitate the use of surplus funds in accordance with the Trust's objects.

The Board has already committed to spend some of its reserves during the forthcoming year on:

- supporting the development of key enrichment activities and experiences that will serve the dual purpose of enhancing the curriculum and building on our pupils' social and cultural capital through the Hinterland project and music tuition
- providing any surplus funds required to support any fall out from the global pandemic but particularly to support disadvantaged pupils in the form of a catch up fund
- establishing a pipeline of trainee teachers in each of our schools.

In the next year, it is anticipated that surplus funds will be used to:

- support additional investment in schools, as required, in order to secure improvements
- continue to develop the capacity of the Trust - both educational and operational - so that it is able to respond to opportunities to grow and increase its contribution to the national educational system
- ensure that school operations are protected in the context of changes to funding arrangements or any unexpected expenditure.

The Operations and Finance Committee is authorised to determine the designation of reserves and to approve expenditure of designated reserves.

The Trust held fund balances at 31 August 2021 of £36,335,866 (2020: £39,730,369) comprising £40,136,582 (2020: £40,820,335) of restricted fixed assets, £7,305,000 deficit (2020: £4,704,000 deficit) of pension reserve, £1,862,498 (2020: £2,116,327) of restricted funds and £1,641,786 (2020: £1,497,707) of unrestricted funds.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns whilst ensuring the investment instruments are such that there is no material risk of loss to these cash funds.

This helps to ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements and there is no material risk of loss in the capital value of any cash funds invested.

Cash flow statements projecting forward for at least the next 12 months are prepared monthly and monitored to ensure there are adequate liquid funds to meet all payroll related commitments, outstanding supply creditors that are due for payment and any other identified contingencies. Cash flow statements are reported to the Operations and Finance Committee on a monthly basis together with investment performance.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements, this surplus may be invested in at least two of the following, at any one time, with no more than 60% of this surplus in any one account:

- interest bearing deposit accounts (including fixed term bonds with a term not exceeding six months) with any of the UK High Street banks with which we have an account.
- treasury deposits with maturity dates which do not result in the cash funds being unavailable for longer than six months.

It is permissible to have surplus cash invested on a rolling basis so that there is a phased increase or decrease in invested funds provided that Paradigm can revert to a fully liquid position within six months.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

d. Principal risks and uncertainties

Paradigm operates a comprehensive risk management process, with risks being considered at a range of levels across the organisation and captured in a Trust register. The CEO leads the management activity relating to risk, with the Audit and Risk Committee providing non-executive challenge and scrutiny.

The register is reviewed by senior managers (CEO; Principals; service heads) on a termly basis, including discussion at the Executive Committee, with updates provided to the Audit and Risk Committee in line with this schedule. The Audit and Risk Committee uses the risk register to monitor changes to the risk environment and the implementation of agreed risk mitigation actions.

It is formally received by the Board on a six monthly basis, unless there are developments which mean that it is necessary to escalate risks more rapidly.

A school-level/educational risk register is also in place. This is maintained by the CEO. Principals share their evaluation of school-level risks with their Link Director, a member of the Board attributed to the school for guidance/advice/internal scrutiny.

The key residual risks identified in the risk register include:

- disaster/significant unforeseen impairment of Trust operations (as a result of the global pandemic);
- failure to recruit sufficient pupils, resulting in funding difficulties.

If risks were to be listed in order of inherent risk, it is likely that child protection/safeguarding risks would be rated most highly. Paradigm has robust controls in place to address child protection/safeguarding risks and thus these do not feature in the list of key residual risks.

Paradigm does not hold significant financial instruments and therefore considers that its only material financial risk is cash flow risk. It manages this risk on a continuous basis throughout the year by actively monitoring cash inflows and outflows and reconciling its cash position monthly.

e. Key financial performance indicators

The Trust has adopted a number of financial KPIs which are shown below, to help monitor our financial performance and efficiency, both internally between our own academies and externally as compared to our peers.

	2020/21	2019/20	2018/19
Staff costs as % of total resources	73.10%	73.52%	67.86%
Pupil/Teacher Ratio	19.0	20.3	18.2
Revenue per pupil	£7,632	£7,217	£7,259
Total reserves (restricted income and unrestricted income funds)	£3,504k	£3,614k	£3,167k

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

f. Key performance indicators - Education

Due to the global pandemic, it is impossible to provide education achievement data in relation to national benchmarks. Our internal data demonstrates that, despite the challenges, pupils have made strong progress during the year.

In terms of secondary, and based on teacher assessed grades, 65% of students achieved grades 9-4 in English and maths combined (compared to 62% last year) and 42% 9-5 in English and maths combined (compared to 44% last year).

In addition, Ipswich Academy provided high quality advice to all Y11 students to ensure that they could move onto appropriate education, employment and training destinations.

Fundraising

Paradigm carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Management Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

Streamlined energy and carbon reporting

Paradigm is dedicated to ensuring a positive impact upon its wider community and the environment. Our estate includes a diverse selection of newer and older buildings. The Operations and Finance Committee reviews the Trust's energy efficiency on a regular basis and our Head of Estates is mindful of the need to increase energy efficiency when the opportunity arises. As we are a large company and have energy use over 40,000 KWH below is a table that details the Trust's energy use.

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

	2021	<i>2020</i>
Energy consumption used to calculate emissions (kWh)	3,898,293	<i>3,050,419</i>
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	504.9	<i>359.7</i>
Total scope 1	504.9	<i>359.7</i>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	268.7	<i>245.6</i>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned vehicles	4.5	<i>10.0</i>
Total gross emissions (in tonnes of CO2 equivalent):	778.1	<i>615.3</i>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.24	<i>0.19</i>

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

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

Although carbon emissions have risen year on year due to the effect of the pandemic and the need to increase ventilation in schools while keeping pupils warm, Paradigm is continuing to look at all opportunities to improve energy efficiency across the Trust and is in consultation with external companies on how this can be achieved. This includes conducting energy efficiency surveys in some of our schools. We have increased the use of video conferencing technology for staff meetings, to reduce the need for travel between sites. We are however mindful that with the need to ensure adequate ventilation within our schools due to Covid-19 this may have an adverse impact on our energy usage during the cold weather.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

Paradigm will continue to build on the aims and objectives referred to previously by:

- putting in place support interventions, both pastoral and academic, to respond to the global pandemic;
- sustaining high achievement at its London primary schools; Ipswich Academy and Murrayfield Primary Academy;
- continuing to implement improvement strategies at Piper's Vale Primary Academy so as to further accelerate progress and improve the life chances for all pupils who attend the school;
- continuing to make preparations to open a special, free school for pupils with complex communication and interaction needs, in Ipswich, in September 2022;
- embedding coaching as a tool to support staff development across the Trust;
- continuing to develop and refine a shared curriculum, and linked assessment resources, which flow seamlessly KS1-KS3;
- developing our offer of broader learning opportunities, with a particular focus on organising high quality educational visits and making instrumental music tuition readily available;
- forging close partnerships working with additional schools and trusts;
- continuing to horizon scan in relation to changes in funding arrangements and improving the Trust's efficiency through smarter procurement;
- strengthening our marketing activities with a view to increasing the number of pupils who attend Paradigm schools and to attract high quality staff;
- exploring opportunities to acquire or establish additional schools.

Funds held as custodian on behalf of others

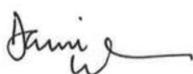
Paradigm holds and disburses grant funding in line with the agreement from the Ipswich Social Mobility Grant from which Ipswich Academy, Murrayfield Primary Academy and Piper's Vale Primary Academy benefit alongside other schools in the local area. The Directors believe that the allocation of this grant is within its own objectives, to raise pupil achievement.

Disclosure of information to auditors

Insofar as the Directors are aware:

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

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 16 December 2021 and signed on its behalf by:



D Willis
(Chairman)

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. Despite the challenges caused by the global pandemic, Paradigm adapted its practices to ensure the Board and committee meetings continued to happen on a regular basis, albeit virtually. The Board of Directors has formally met 10 times during the year.

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

Director	Meetings attended	Out of a possible
V Hiscock	10	10
B Holledge, Chief Executive	10	10
D Hughes	9	10
M Hydes	8	10
V Karas	7	10
P Loft (appointed 23 April 2021)	2	3
J Martin, Vice Chair	9	10
L Pipe	10	10
A Rahman	10	10
D Syndercombe Court	9	10
P Wallace (resigned 9 October 2021)	8	10
D Willis, Chairman	10	10

Pauline Wallace stood down at the end of her term of office as a Director and Chair of the Audit and Risk Committee in October 2021. Pauline had been a Director at Paradigm for 8 years and also the Link Director for Solebay Primary Academy. We are extremely grateful for the support, expertise and endless hours of commitment she has dedicated to support us to be the Trust that we are today. Whilst we are very sad to see her stand down as a Director, we are delighted that Pauline will become a Member of the Trust.

Paul Loft joined the Trust as a Director appointed by the Members in April 2021. Paul is a leader with an extensive background as a General Manager and Finance Director in a number of retail businesses. Paul also chairs the Audit and Risk Committee and sits on the Finance and Nominations committee at Peabody (the London housing association). Paul is the successor to Pauline Wallace as Chair of the Audit and Risk Committee at Paradigm. We are very fortunate to have him as both a Director and Chair of the Audit and Risk Committee.

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Sam Stevens sadly stood down in May from her role as a co-opted independent member of the Audit and Risk Committee due to work commitments. We were extremely grateful for the time that she spent with the committee, using her expertise to support and strengthen our current risk and business continuity arrangements.

Alice Kadri, co-opted member of the Education Committee took a sabbatical from her role on the Education Committee in January 2021. Her job in the medical field was directly impacted by the global pandemic. We hope that Alice will reprise her role as co-opted member of the Education Committee in 2021-22.

During the year, 2020-21 terms of reference for each of the committees that feed into the Board were reviewed at committee and Board level and there was a full review of the Scheme of Delegation.

Members of the Trust met in January 2021 at their first Annual General Meeting to review the annual report and accounts from 2019-20 and to receive updates on the Trust and its financial position. The Members resolved to re-appoint the Auditors and made two Director re-appointments.

The Board attended a Strategy Event in January 2021 with members of the Executive Committee. The event was well attended and the focus of the event was on risk appetite, growth and leadership.

The Board and its committees will have their next effectiveness review in Summer 2022.

The Operations and Finance Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- hold the Accounting Officer accountable for the operation of the Trust;
- inform the decisions of the Board in its decision making process.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
B Holledge, Chief Executive	10	10
D Willis	10	10
J Martin, Chair	9	10
V Karas	7	10
L Pipe	10	10

PARADIGM TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit and Risk Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- review the risks identified by the CEO and advise the necessary actions required to mitigate these risks;
- receive the internal auditor's report and follow up on any action points arising from these reports;
- scrutinise the financial statements and meet with the external auditors to discuss their findings;
- receive the Trust annual child protection audit reports and the Local Authority safeguarding audit reports.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
S Stevens, co-opted member (resigned May 2021)	3	3
J Martin	4	4
P Wallace, Chair (resigned 9 October 2021)	4	4
V Hiscock	3	4

The Education Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- monitor the educational performance of each of Paradigm's schools;
- consider educational aims and setting appropriate performance targets;
- adopt, monitor and review the Trust curriculum statements.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
A Kadri, co-opted member (sabbatical from January 2021)	2	2
B Holledge, Chief Executive	5	5
D Syndercombe Court, Chair	5	5
P Wallace (resigned 9 October 2021)	5	5
D Hughes	5	5

PARADIGM TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. With the issue of Procurement policy note (PPN) 04/20 to ensure service continuity during the pandemic, every effort was made to ensure continued value for money for the Trust while also supporting our key suppliers through a difficult period.

The Accounting Officer has delivered improved value for money during the year by:

Improving educational outcomes

Focused, school-level improvement - Paradigm's Ipswich schools have achieved a step change in performance in terms of their achievement data while the London schools have consolidated their existing strengths.

Focus on individual pupils - the Trust has been highly effective in meeting the differing needs of the pupils that it serves, narrowing the gap between disadvantaged and other pupils, and also supporting pupils who have additional needs and/or are higher attaining.

Collaboration - the Trust has continued to work with a wide range of strategic partners (schools and other) in order to spread good practice. Shared curriculum development across the Trust has been a particular success.

Better purchasing

The Trust uses an outsourced procurement function in order to focus on synergies and Trust-wide contracts where possible in order to secure value for money. The Trust has taken opportunities for collaborative working across its schools to reduce and share administration and procurement costs. Services and contracts were regularly appraised for quality and outcome. Where it was thought that improved economies could be achieved, several quotes for work were obtained; a formal tender process operated for larger expenditures. The Trust has made effective use of public sector framework contracts to ensure value for money.

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 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 Paradigm Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with three year financial plans and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Operations and Finance 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 Board of Directors has decided to employ Mazars as internal auditor.

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

- Business Continuity
- Fraud Management
- Key Financial Controls
- Follow up on previous internal audit reports

The internal auditor reported to the Audit and Risk Committee and findings were discussed by the committee with management and the internal auditor. A number of recommendations for improvements were made and the committee will monitor implementation of the actions agreed with management. The process and findings were then reported to the Board.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- discussions at Board, Operations and Finance Committee and Audit and Risk Committee;
- the work of the executive managers within the 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 Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Directors on 16 December 2021 and signed on their behalf by:



D Willis
(Chairman)



B Holledge
(Accounting Officer)

PARADIGM TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Paradigm Trust I have considered my responsibility to notify the Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the terms and conditions of all funding received by the Trust, under the funding agreements in place between the 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 Board of Directors are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreements 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 Directors and the ESFA.



B Holledge
(Accounting Officer)
Date: 16 December 2021

PARADIGM TRUST
(A Company Limited by Guarantee)

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

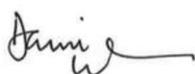
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Directors 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 Directors on 16 December 2021 and signed on its behalf by:



D Willis
(Chairman)

PARADIGM TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARADIGM TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 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 Directors with respect to going concern are described in the relevant sections of this report.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

PARADIGM TRUST
(A Company Limited by Guarantee)

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the directors of the 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

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



Frank Shippam BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MA Partners Audit LLP

Statutory Auditor

Chartered Accountants

7 The Close

Norwich

Norfolk

NR1 4DJ

Date: 17 December 2021

PARADIGM TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 10 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Paradigm Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Paradigm Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Paradigm Trust's funding agreements with the Secretary of State for Education dated 28 August 2013 and 22 December 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 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 Trust's income and expenditure.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Directors and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Part 8: Schedule of requirements (the "musts") of the Academies Financial Handbook 2020.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

Conclusion

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

MA Partners Audit LLP

MA Partners Audit LLP
Statutory Auditor
Chartered Accountants
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 17 December 2021

PARADIGM TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	250	-	616,553	616,803	462,650
Other trading activities	5	80,990	-	-	80,990	115,581
Investments	6	3,564	-	-	3,564	16,131
Charitable activities:	4					
Funding for the Trust's educational operations		93,839	23,273,255	-	23,367,094	22,379,834
Teaching schools		-	40,000	-	40,000	40,000
		<u>178,643</u>	<u>23,313,255</u>	<u>616,553</u>	<u>24,108,451</u>	<u>23,014,196</u>
Total income						
Expenditure on:						
Charitable activities:	7					
Trust educational operations		34,564	24,429,637	1,222,753	25,686,954	23,516,211
Teaching schools		-	40,000	-	40,000	40,000
		<u>34,564</u>	<u>24,469,637</u>	<u>1,222,753</u>	<u>25,726,954</u>	<u>23,556,211</u>
Total expenditure						
Net income/(expenditure)		144,079	(1,156,382)	(606,200)	(1,618,503)	(542,015)
Transfers between funds	18	-	77,553	(77,553)	-	-
Net movement in funds before other recognised gains/(losses)		<u>144,079</u>	<u>(1,078,829)</u>	<u>(683,753)</u>	<u>(1,618,503)</u>	<u>(542,015)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,776,000)	-	(1,776,000)	(245,000)
Net movement in funds		<u>144,079</u>	<u>(2,854,829)</u>	<u>(683,753)</u>	<u>(3,394,503)</u>	<u>(787,015)</u>

PARADIGM TRUST
(A Company Limited by Guarantee)

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

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	1,497,707	(2,587,673)	40,820,335	39,730,369	40,517,384
Net movement in funds	144,079	(2,854,829)	(683,753)	(3,394,503)	(787,015)
Total funds carried forward	1,641,786	(5,442,502)	40,136,582	36,335,866	39,730,369

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 42 to 74 form part of these financial statements.

PARADIGM TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08469218

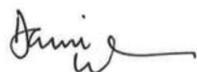
BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	39,835,620	40,395,218
		<u>39,835,620</u>	<u>40,395,218</u>
Current assets			
Debtors	15	1,219,501	985,631
Investments	16	1,000,000	1,000,000
Cash at bank and in hand		3,702,836	3,349,384
		<u>5,922,337</u>	<u>5,335,015</u>
Creditors: amounts falling due within one year	17	(2,117,091)	(1,295,864)
Net current assets		3,805,246	4,039,151
Total assets less current liabilities		43,640,866	44,434,369
Net assets excluding pension liability		43,640,866	44,434,369
Defined benefit pension scheme liability	25	(7,305,000)	(4,704,000)
Total net assets		36,335,866	39,730,369
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	40,136,582	40,820,335
Restricted income funds	18	1,862,498	2,116,327
Restricted funds excluding pension asset	18	41,999,080	42,936,662
Pension reserve	18	(7,305,000)	(4,704,000)
Total restricted funds	18	34,694,080	38,232,662
Unrestricted income funds	18	1,641,786	1,497,707
Total funds		36,335,866	39,730,369

PARADIGM TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08469218

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 37 to 74 were approved by the Directors, and authorised for issue on 16 December 2021 and are signed on their behalf, by:



.....
D Willis
(Chairman)

The notes on pages 42 to 74 form part of these financial statements.

PARADIGM TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	396,490	447,044
Cash flows from investing activities	21	(43,038)	(69,824)
Change in cash and cash equivalents in the year		353,452	377,220
Cash and cash equivalents at the beginning of the year		3,349,384	2,972,164
Cash and cash equivalents at the end of the year	22, 23	3,702,836	3,349,384

The notes on pages 42 to 74 from part of these financial statements

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Directors 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 Trust to continue as a going concern. The Directors 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the 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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

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

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold buildings	- 50 years straight line
Long-term leasehold buildings	- 45-50 years straight line
Long-term leasehold land	- Over the term of the lease
Furniture and equipment	- 7 years straight line
Plant and equipment	- 10 years straight line
Computer equipment	- 3 years straight line
Leasehold improvements	- 5-10 years straight line

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.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Debtors

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

1.8 Cash at bank and in hand

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

Cash investments with a maturity date of at least three months from the date of acquisition or opening of the deposit or similar account are recognised as short-term investments.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.10 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Pensions

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

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

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

1.12 Agency arrangements

The Trust acts as an agent in distributing funds from the Suffolk social mobility project. Payments received and subsequent disbursements are excluded from the statement of financial activities as the Trust does not have control over the charitable applications of the funds. The funds received and paid and any balances held are disclosed in note 29.

1.13 Fund accounting

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

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

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

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

PARADIGM TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

In assessing the carrying value of tangible fixed assets the Directors estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial period.

Critical areas of judgement:

The school building at Old Ford Primary Academy is under a 25 year PFI contract. In the opinion of the Directors, the risks and rewards of ownership have not transferred to the Trust. The London Borough of Tower Hamlets continues to recognise the asset within their balance sheet as part of property, plant and equipment. Consequently no value for land and buildings related to this contract have been included in these financial statements.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	250	187,148	187,398	-
Capital grants	-	429,405	429,405	462,650
Total 2021	<u>250</u>	<u>616,553</u>	<u>616,803</u>	<u>462,650</u>
<i>Total 2020</i>	<u>-</u>	<u>462,650</u>	<u>462,650</u>	

PARADIGM TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	17,441,384	17,441,384	16,894,977
Other DfE/ESFA grants				
Pupil Premium	-	1,593,324	1,593,324	1,643,316
Teachers' pension grant	-	533,238	533,238	535,570
Trust Capacity Fund	-	257,881	257,881	-
Universal Infant Free School Meals	-	231,150	231,150	236,856
Teachers' pay grant	-	184,245	184,245	185,070
Schools Direct funding	-	156,982	156,982	214,000
Rates relief	-	122,434	122,434	121,339
PE and sports grant	-	98,260	98,260	99,180
Other ESFA grants	-	175,121	175,121	168,635
	-	20,794,019	20,794,019	20,098,943
Other Government grants				
LA - Early years funding	-	912,894	912,894	1,050,387
LA - High needs top up	-	896,463	896,463	765,859
LA - Meals funding	-	197,924	197,924	144,502
LA - Pupil Premium	-	15,538	15,538	14,286
Other LA grants	-	158,988	158,988	133,244
	-	2,181,807	2,181,807	2,108,278
Other income from the Trust's educational operations	93,839	57,499	151,338	200,928
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	241,560	241,560	-
Other DfE/ESFA COVID-19 funding	-	38,370	38,370	11,685
	-	279,930	279,930	11,685
Total 2021	93,839	23,313,255	23,407,094	22,419,834
<i>Total 2020</i>	<i>122,788</i>	<i>22,297,046</i>	<i>22,419,834</i>	

The Trust received £241,560 of funding for catch-up premium and costs incurred in respect of this funding totalled £218,290, with the remaining £23,270 to be spent in 2021/22.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Hire of facilities	27,888	-	27,888	40,523
Insurance income	-	-	-	29,081
Other income	53,102	-	53,102	45,977
Total 2021	<u>80,990</u>	<u>-</u>	<u>80,990</u>	<u>115,581</u>
<i>Total 2020</i>	<u>86,500</u>	<u>29,081</u>	<u>115,581</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	3,564	3,564	16,131
<i>Total 2020</i>	<u>16,131</u>	<u>16,131</u>	

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Trust's educational operations					
Direct costs	15,939,487	-	1,874,549	17,814,036	16,662,490
Allocated support costs	2,828,162	3,094,078	1,950,678	7,872,918	6,853,721
Teaching school:					
Direct costs	40,000	-	-	40,000	40,000
Total 2021	<u>18,807,649</u>	<u>3,094,078</u>	<u>3,825,227</u>	<u>25,726,954</u>	<u>23,556,211</u>
<i>Total 2020</i>	<u>17,318,094</u>	<u>2,668,746</u>	<u>3,569,371</u>	<u>23,556,211</u>	

8. Charitable activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	17,814,036	7,872,918	25,686,954	23,516,211
Teaching school	40,000	-	40,000	40,000
Total 2021	<u>17,854,036</u>	<u>7,872,918</u>	<u>25,726,954</u>	<u>23,556,211</u>
<i>Total 2020</i>	<u>16,702,490</u>	<u>6,853,721</u>	<u>23,556,211</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Charitable activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Direct staff costs	14,483,285	12,957,494
Learning resources and other direct costs	1,760,722	1,693,802
Agency supply costs	1,303,823	1,650,436
Staff development and other staff costs	192,379	288,402
Trip costs	69,419	55,867
Examination fees	44,408	56,489
Total 2021	17,854,036	<i>16,702,490</i>

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Premises costs	2,250,896	1,841,582
Support staff costs	2,798,375	2,366,808
Depreciation	1,222,753	1,073,885
Catering	816,657	818,564
Other support costs	305,823	305,543
Governance costs	234,072	202,372
Pension interest	87,000	75,000
Technology costs	64,593	51,646
Insurance	62,962	63,367
Agency supply costs	29,787	54,954
Total 2021	7,872,918	<i>6,853,721</i>

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	(49,737)	(99,175)
Depreciation of tangible fixed assets	(1,222,753)	(1,073,885)
Fees paid to auditors for:		
- audit	(14,000)	(13,500)
- other services	(14,505)	(15,015)
	<u>(1,295,995)</u>	<u>(1,295,575)</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,853,174	11,594,510
Social security costs	1,343,530	1,168,064
Pension costs	3,080,491	2,533,060
	<u>17,277,195</u>	<u>15,295,634</u>
Agency staff costs	1,333,610	1,705,390
Staff restructuring costs	4,465	28,668
Staff development and other staff costs	192,379	288,402
	<u>18,807,649</u>	<u>17,318,094</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	4,465	21,124
Severance payments	-	7,544
	<u>4,465</u>	<u>28,668</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £7,544).

c. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	194	<i>176</i>
Administration and support	75	<i>87</i>
Management	37	<i>37</i>
Classroom support staff	170	<i>169</i>
	476	<i>469</i>

The average headcount expressed as full-time equivalents was:

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	166	<i>157</i>
Administration and support	44	<i>42</i>
Management	36	<i>36</i>
Classroom support staff	113	<i>102</i>
	359	<i>337</i>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	11	<i>9</i>
In the band £70,001 - £80,000	2	<i>3</i>
In the band £80,001 - £90,000	3	<i>2</i>
In the band £90,001 - £100,000	1	<i>2</i>
In the band £100,001 - £110,000	1	<i>-</i>
In the band £110,001 - £120,000	1	<i>1</i>
In the band £180,001 - £190,000	-	<i>1</i>
In the band £190,001 - £200,000	1	<i>-</i>

e. Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on pages 1 and 2. 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 Trust was £1,485,724 (2020 £1,378,642).

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

11. Central services

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

- Advisory
- Company secretarial
- Data and performance
- Finance
- Governance
- Human resources
- Legal
- Operations
- Procurement
- Teaching and learning

The Trust charges for these services on the following basis:

Costs charged to each school based on pupil numbers

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£	<i>£</i>
Culloden Primary Academy	501,336	<i>450,300</i>
Ipswich Academy	726,684	<i>634,357</i>
Old Ford Primary Academy	521,664	<i>471,511</i>
Solebay Primary Academy	213,804	<i>222,003</i>
Murrayfield Primary Academy	203,076	<i>176,682</i>
Piper's Vale Primary Academy	198,852	<i>193,551</i>
Total	<u>2,365,416</u>	<i><u>2,148,404</u></i>

In addition, GAG income for each academy is pooled. An appeals mechanism is in place in accordance with the Academies Financial Handbook should a Principal feel that the academy has been unfairly treated.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Directors' remuneration and expenses

One Director has been paid remuneration or has received other benefits from an employment with the Trust. This Director only receives remuneration in respect of services they provide undertaking the roles of CEO under their contract of employment. The value of Directors' remuneration and other benefits was as follows:

		2021	<i>2020</i>
		£	£
B Holledge, Chief Executive	Remuneration	190,000 -	<i>185,000 -</i>
		195,000	<i>190,000</i>
	Pension contributions paid	40,000 -	<i>40,000 -</i>
		45,000	<i>45,000</i>

During the year ended 31 August 2021, travel and subsistence expenses totaling £68 were reimbursed or paid directly to 1 Director (*2020 - £520 to 2 Directors*).

13. Directors' and Officers' insurance

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

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

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture, plant and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	8,294,328	35,530,149	506,343	1,333,395	45,664,215
Additions	-	167,019	182,905	313,231	663,155
At 31 August 2021	<u>8,294,328</u>	<u>35,697,168</u>	<u>689,248</u>	<u>1,646,626</u>	<u>46,327,370</u>
Depreciation					
At 1 September 2020	439,549	3,619,313	342,500	867,635	5,268,997
Charge for the year	73,889	769,293	73,608	305,963	1,222,753
At 31 August 2021	<u>513,438</u>	<u>4,388,606</u>	<u>416,108</u>	<u>1,173,598</u>	<u>6,491,750</u>
Net book value					
At 31 August 2021	<u>7,780,890</u>	<u>31,308,562</u>	<u>273,140</u>	<u>473,028</u>	<u>39,835,620</u>
At 31 August 2020	<u>7,854,779</u>	<u>31,910,836</u>	<u>163,843</u>	<u>465,760</u>	<u>40,395,218</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	29,396	14,931
Other debtors	-	56,800
Prepayments and accrued income	812,905	613,200
VAT recoverable	377,200	300,700
	<u>1,219,501</u>	<u>985,631</u>

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

16. Current asset investments

	2021 £	2020 £
Unlisted investments	1,000,000	1,000,000

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	666,185	672,966
Other taxation and social security	310,084	-
Other creditors	292,341	89,178
Accruals and deferred income	848,481	533,720
	2,117,091	1,295,864

	2021 £	2020 £
Deferred income at 1 September 2020	261,126	256,087
Resources deferred during the year	301,617	261,126
Amounts released from previous periods	(261,126)	(256,087)
	301,617	261,126

Included within deferred income are the following amounts which all relate to the period post year end:

Universal Infant Free School Meals funding of £126,813
 Rates relief funding of £71,420
 Local Authority funding for Early Years of £68,356
 Other grants of £35,028

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

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General fund	1,497,707	178,643	(34,564)	-	-	1,641,786

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

18. Statement of funds (continued)

**Restricted
general funds**

General Annual Grant (GAG)	2,116,327	17,441,384	(17,154,942)	(569,447)	-	1,833,322
Rates relief	-	122,434	(122,434)	-	-	-
Pupil Premium - ESFA	-	1,593,324	(1,593,324)	-	-	-
Pupil Premium - LA	-	15,538	(15,538)	-	-	-
Free school meals - ESFA	-	231,150	(231,150)	-	-	-
Teachers' pay grant	-	184,245	(184,245)	-	-	-
Teachers' pension grant	-	533,238	(533,238)	-	-	-
PE and sports grant	-	98,260	(98,260)	-	-	-
Schools Direct	-	156,982	(156,982)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
Start up grants	-	30,000	(24,094)	-	-	5,906
Other ESFA grants	-	105,121	(105,121)	-	-	-
Early years	-	912,894	(912,894)	-	-	-
High needs	-	896,463	(896,463)	-	-	-
Meals funding	-	197,924	(197,924)	-	-	-
Other LA grants	-	158,988	(158,988)	-	-	-
Other restricted income	-	57,499	(57,499)	-	-	-
Trust Capacity Fund	-	257,881	(257,881)	-	-	-
Catch-up premium	-	241,560	(218,290)	-	-	23,270
Other ESFA Covid funding	-	38,370	(38,370)	-	-	-
Pension reserve	(4,704,000)	-	(1,472,000)	647,000	(1,776,000)	(7,305,000)
	<u>(2,587,673)</u>	<u>23,313,255</u>	<u>(24,469,637)</u>	<u>77,553</u>	<u>(1,776,000)</u>	<u>(5,442,502)</u>

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

18. Statement of funds (continued)

Restricted fixed asset funds

Transfer on conversion	38,551,820	-	(777,005)	-	-	37,774,815
DfE group capital grants	1,625,036	412,516	(182,900)	(143,500)	-	1,711,152
Capital expenditure from GAG	541,958	-	(192,914)	65,947	-	414,991
Private sector capital sponsorship	91,786	16,889	(27,270)	-	-	81,405
LA capital grants	9,735	-	(2,655)	-	-	7,080
Donated assets	-	187,148	(40,009)	-	-	147,139
	<u>40,820,335</u>	<u>616,553</u>	<u>(1,222,753)</u>	<u>(77,553)</u>	<u>-</u>	<u>40,136,582</u>
Total Restricted funds	<u>38,232,662</u>	<u>23,929,808</u>	<u>(25,692,390)</u>	<u>-</u>	<u>(1,776,000)</u>	<u>34,694,080</u>
Total funds	<u><u>39,730,369</u></u>	<u><u>24,108,451</u></u>	<u><u>(25,726,954)</u></u>	<u><u>-</u></u>	<u><u>(1,776,000)</u></u>	<u><u>36,335,866</u></u>

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

The General Annual Grant (GAG) is for the normal running costs of the schools within the Trust. The following transfers have been made from GAG: £647,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £65,947 to restricted fixed asset funds relating to assets purchased and £143,500 from restricted fixed asset funds relating to permitted revenue expenditure from capital grants.

Rates relief is received from the ESFA towards the cost of rates for the Trust.

The Pupil Premium income has been provided by the ESFA and Local Authority to help raise the attainment of disadvantaged pupils.

Funding was received from the ESFA to assist with the provision of Universal Infant Free School Meals.

Teachers' pay grant was received from the ESFA to cover the additional costs of the agreed teachers' pay increases initiated in the prior year.

Teachers' pension grant was received from the ESFA to cover the additional costs of the increase in employer pension contributions. From 1 September 2019 the employer contribution rose from 16.48% to 23.68%.

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18. Statement of funds (continued)

The PE and sports grant represents funding received towards the cost of improving PE provision.

Schools Direct income was received as a contribution to the training and salary costs of trainees on the ITT programme.

Teaching school funding includes grant income from the National College for Teaching and Leadership.

A start up grant was received from the ESFA to fund pre-opening costs relating to a new special free school in Ipswich which is set to open in September 2022.

Early years funding is utilised to operate nurseries at Culloden Primary Academy, Murrayfield Primary Academy, Old Ford Primary Academy, Piper's Vale Primary Academy and Solebay Primary Academy.

High needs top up funding is received from Local Authorities and is focused on children with special educational needs. This funding is utilised on SEN co-ordinators and additional teaching resources orientated to support normal curriculum learning.

Mayor's meals income was received from London Borough of Tower Hamlets for our London schools to pay for school meals for all key stage 2 children. Further funding was received from the Local Authority to cover the cost of providing food vouchers to eligible pupils during the Covid-19 pandemic.

Trust Capacity Funding was received to help the Trust develop its capacity to grow and take on underperforming schools in higher need areas.

Covid catch-up premium funding was received from the ESFA to support pupils to catch up on missed learning caused by Covid-19.

The pension reserve deficit at the year end was £7,305,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

Capital funding was received from the DfE, including Schools Condition Allocation and Devolved Formula Capital funding. These amounts are to be used for the improvement and maintainance of the Trust's assets.

Capital funding was received from the Local Authority to purchase equipment for the new Special Educational Needs units at Murrayfield Primary Academy and Piper's Vale Primary Academy.

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

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

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General fund	1,338,122	225,419	(65,834)	-	-	1,497,707
Restricted general funds						
General Annual Grant (GAG)	1,828,765	16,894,977	(15,839,342)	(768,073)	-	2,116,327
Rates relief	-	121,339	(121,339)	-	-	-
Pupil Premium - ESFA	-	1,643,316	(1,643,316)	-	-	-
Pupil Premium - LA	-	14,286	(14,286)	-	-	-
Free school meals - ESFA	-	236,856	(236,856)	-	-	-
Teachers' pay grant	-	185,070	(185,070)	-	-	-
Teachers' pension grant	-	535,570	(535,570)	-	-	-
PE and sports grant	-	99,180	(99,180)	-	-	-
Schools Direct	-	214,000	(214,000)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
Other ESFA grants	-	128,635	(128,635)	-	-	-
Early years	-	1,050,387	(1,050,387)	-	-	-
High needs	-	765,859	(765,859)	-	-	-
Meals funding	-	144,502	(144,502)	-	-	-
Other LA grants	-	133,244	(133,244)	-	-	-
Other restricted income	-	107,221	(107,221)	-	-	-
Other ESFA Covid funding	-	11,685	(11,685)	-	-	-
Pension reserve	(3,863,000)	-	(1,146,000)	550,000	(245,000)	(4,704,000)
	<u>(2,034,235)</u>	<u>22,326,127</u>	<u>(22,416,492)</u>	<u>(218,073)</u>	<u>(245,000)</u>	<u>(2,587,673)</u>

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

18. Statement of funds (continued)

Restricted fixed asset funds

Transfer on conversion	39,328,825	-	(777,005)	-	-	38,551,820
DfE group capital grants	1,323,957	452,650	(137,541)	(14,030)	-	1,625,036
Capital expenditure from GAG	441,659	-	(131,804)	232,103	-	541,958
Private sector capital sponsorship	119,056	-	(27,270)	-	-	91,786
LA capital grants	-	10,000	(265)	-	-	9,735
	<u>41,213,497</u>	<u>462,650</u>	<u>(1,073,885)</u>	<u>218,073</u>	<u>-</u>	<u>40,820,335</u>
Total Restricted funds	<u>39,179,262</u>	<u>22,788,777</u>	<u>(23,490,377)</u>	<u>-</u>	<u>(245,000)</u>	<u>38,232,662</u>
Total funds	<u>40,517,384</u>	<u>23,014,196</u>	<u>(23,556,211)</u>	<u>-</u>	<u>(245,000)</u>	<u>39,730,369</u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Central Services	<u>3,504,284</u>	<u>3,614,034</u>
Restricted fixed asset fund	<u>40,136,582</u>	<u>40,820,335</u>
Pension reserve	<u>(7,305,000)</u>	<u>(4,704,000)</u>
Total	<u><u>36,335,866</u></u>	<u><u>39,730,369</u></u>

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

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	<i>Total 2020</i>
	£	£	£	£	£	£
Culloden Primary Academy	3,488,549	159,341	382,698	790,243	4,820,831	4,356,517
Ipswich Academy	4,366,142	210,736	372,950	696,068	5,645,896	5,151,040
Old Ford Primary Academy	3,068,043	236,129	328,082	901,991	4,534,245	4,370,579
Solebay Primary Academy	1,304,944	126,727	209,424	330,391	1,971,486	1,942,500
Murrayfield Primary Academy	1,519,875	82,560	102,866	351,526	2,056,827	1,873,973
Piper's Vale Primary Academy	1,504,984	147,041	108,463	322,380	2,082,868	1,994,530
Central Services	726,950	1,952,628	370,066	342,404	3,392,048	2,793,187
Trust	15,979,487	2,915,162	1,874,549	3,735,003	24,504,201	22,482,326

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	39,835,620	39,835,620
Current assets	1,641,786	3,979,589	300,962	5,922,337
Creditors due within one year	-	(2,117,091)	-	(2,117,091)
Provisions for liabilities and charges	-	(7,305,000)	-	(7,305,000)
Total	1,641,786	(5,442,502)	40,136,582	36,335,866

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	40,395,218	40,395,218
Current assets	1,497,707	3,412,191	425,117	5,335,015
Creditors due within one year	-	(1,295,864)	-	(1,295,864)
Provisions for liabilities and charges	-	(4,704,000)	-	(4,704,000)
Total	1,497,707	(2,587,673)	40,820,335	39,730,369

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

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,618,503)	(542,015)
Adjustments for:		
Depreciation	1,222,753	1,073,885
Capital grants from DfE and other capital income	(429,405)	(462,650)
Interest receivable	(3,564)	(16,131)
Defined benefit pension scheme cost less contributions payable	738,000	521,000
Defined benefit pension scheme finance cost	87,000	75,000
(Increase)/decrease in debtors	(233,870)	129,768
Increase/(decrease) in creditors	821,227	(331,813)
Donated assets	(187,148)	-
Net cash provided by operating activities	396,490	447,044

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	3,564	16,131
Purchase of tangible fixed assets	(476,007)	(548,605)
Capital grants from DfE Group	429,405	462,650
Net cash used in investing activities	(43,038)	(69,824)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,280,526	1,727,966
Notice deposits (less than 3 months)	2,422,310	1,621,418
Total cash and cash equivalents	3,702,836	3,349,384

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23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,349,384	353,452	3,702,836
Liquid investments	1,000,000	-	1,000,000
	<u>4,349,384</u>	<u>353,452</u>	<u>4,702,836</u>

24. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>83,966</u>	<u>-</u>

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25. Pension commitments

The 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 London Borough of Tower Hamlets (LBTH) and Suffolk County Council (SCC). Both are multi-employer defined benefit schemes.

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

Contributions amounting to £263,199 were payable to the schemes at 31 August 2021 (2020 - £24,451) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,659,801 (2020 - £1,429,844).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 £833,000 (2020 - £700,000), of which employer's contributions totalled £647,000 (2020 - £550,000) and employees' contributions totalled £186,000 (2020 - £150,000). The agreed contribution rates for future years are 21.3-25.5 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the 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 Trust at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Rate of increase in salaries (%) LBTH	3.1	2.4
Rate of increase in salaries (%) SCC	3.6	2.9

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

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25. Pension commitments (continued)

	2021	<i>2020</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males (LBTH, SCC)	21.7, 22.1	<i>21.5, 21.9</i>
Females (LBTH, SCC)	23.9, 24.5	<i>23.5, 24.1</i>
<i>Retiring in 20 years</i>		
Males (LBTH, SCC)	23.0, 23.2	<i>22.6, 22.7</i>
Females (LBTH, SCC)	25.7, 26.4	<i>25.0, 25.6</i>

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate -0.1%	461	<i>351</i>
Salary increase rate +0.1%	22	<i>19</i>
Pension increase rate +0.1%	434	<i>328</i>

Share of scheme assets

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

	2021	<i>2020</i>
	£	<i>£</i>
Equities	7,580,200	<i>5,616,050</i>
Bonds	2,254,170	<i>1,862,450</i>
Property	788,460	<i>750,550</i>
Cash	184,170	<i>390,950</i>
Total market value of assets	10,807,000	<i>8,620,000</i>

The actual return on scheme assets was £1,469,000 (2020 - £216,000).

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25. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(1,385,000)	(1,066,000)
Past service cost	-	(5,000)
Interest income	152,000	146,000
Interest cost	(239,000)	(221,000)
Total amount recognised in the Statement of Financial Activities	(1,472,000)	(1,146,000)

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

	2021 £	2020 £
At 1 September	13,324,000	11,676,000
Current service cost	1,385,000	1,066,000
Interest cost	239,000	221,000
Employee contributions	186,000	150,000
Actuarial losses	3,093,000	315,000
Benefits paid	(115,000)	(109,000)
Past service costs	-	5,000
At 31 August	18,112,000	13,324,000

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

	2021 £	2020 £
At 1 September	8,620,000	7,813,000
Interest income	152,000	146,000
Actuarial gains	1,317,000	70,000
Employer contributions	647,000	550,000
Employee contributions	186,000	150,000
Benefits paid	(115,000)	(109,000)
At 31 August	10,807,000	8,620,000

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26. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	14,984	32,505

27. Other financial commitments

In addition to the above, the Trust maintains some of its assets under a PFI agreement. The amount due for the following financial year under this agreement is estimated to be £516,707 (2020: £526,119). The cost of the PFI agreement changes annually based on pupil numbers and the Retail Price Index plus 1.2%. As such the cost of the PFI agreement for the remainder of the 25 year term would total approximately £2,855,132 (2020: £3,420,798).

28. Related party transactions

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

29. Agency arrangements

In 2017 Ipswich Academy received Social Mobility funding of £240,000, to be disbursed to schools within the local area. In the current year, £9,328 (2020: £75,316) was paid to various schools and academies. The balance of £NIL (2020: £9,328) is included in other creditors.

30. Teaching school trading account

During the year Old Ford Primary Academy received £40,000 core funding.

The funding was used primarily to support Piper's Vale Primary Academy through staffing expenditure to ensure rapid school improvement.