

Registered Company number: 08641815

APOLLO SCHOOLS TRUST

(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 August 2022

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APOLLO SCHOOLS TRUST

Members/Trustees

Mrs Lesley Powell (Trustee)
Mrs Suzanne Duncan (Trustee)

Trustees

Mrs Margaret Saxton (Chair)
Mrs Carina Tomlinson
Mrs Janice Gorch (appointed 1.1.21)

Company Secretary

Mr Lee Alexander

Accounting Officer

Mrs Kerrie Whelan

Senior Management Team:

Head of School

Mrs Kerrie Whelan

Deputy Head of School

Mrs Lesley Wood & Mr Jonathan Greenall

Head of Finance (Financial services provided by North East Learning Trust as co-sponsor)

Mr Lee Alexander

Head of School Office

Endeavour Academy (Durham)
c/o East Durham College
Willerby Grove
Peterlee
County Durham
SR8 2RN

Registered Office

Apollo Schools Trust
c/o The Academy at Shotton Hall
Passfield way
Peterlee
Co Durham
SR8 1AU

Company Registration Number

08641815

Independent Auditor

RSM UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds Bank
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Ward Hadaway Law Firm
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

APOLLO SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2022

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and a strategic report under company law.

The trust operated the Endeavour Academy (Durham) an alternative provision academy supporting 14 to 16 year old students. At the year end the number of students on roll were 49 (2021: 49).

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust, as incorporated on 7 August 2013. The trust officially opened to staff and students on the 1 September 2013. The directors act as trustees for charitable activities of Apollo Schools Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Apollo Schools Trust. Endeavour Academy (Durham) was the only Academy within the Multi Academy Trust during the year ended 31 August 2022.

Details of the trustees who served throughout the year are included in the company information on page 1.

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 period 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.

Trustee indemnities

The academy 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 trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and office's indemnity element from the overall cost of the RPA scheme.

Method of recruitment and appointment or election of Trustees

The Members of the Academy comprise of the 2 signatories to the memorandum. Details of the appointed Trustees (directors) are shown in the company information details. The Trustees may appoint up to 3 Co-opted Trustees. A Co-opted Trustee, means a person who is appointed to be a Trustee Director by being Co-opted by Directors who have not themselves been so appointed. The Secretary of State may appoint such Additional Directors as he thinks fit under Article 62, 62A, 62C or 68A. The term of office for any Director shall be 4 years. At the Directors first meeting each school year they will elect a chairman and vice-chairman.

Policies and procedures adopted for the induction and training of trustees

The Trust provides both individual and full board training through an annual calendar which is reviewed each year to reflect any changes in practice and legislation. Trustees also have access to the website and a Governor Information File to assist in their induction.

Organisational structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for governance and determines membership, terms of reference and policy. During the year it received reports including policy renewals, financial performance, premises management, compliance with reporting and regulatory requirements and drafting the annual budget. (The board of Trustees exercise effective oversight as they are intrinsically linked to all significant day to day operations, given the nature and size of the provision. This includes both internal meetings with the Head of School and other key staff as well as an active role in key meetings with external agencies such as the LA commissioner.) Leadership, Teaching & Achievement undergo a termly review to assess academy performance.

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, which is largely exercised through strategic planning and the setting of policy. Throughout the year the Trustees devolved the day to day management of the Academy to the Head of School.

APOLLO SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2022

During the year the designated Accounting Officer (Head of School) and Head of Finance (as service provider from North East Learning Trust (NELT)) were responsible for the authorisation of spending within agreed budgets as detailed in the scheme of delegation. The Head of School is responsible for the appointment of all staff, through appointment panels for teaching posts which include HR representation.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have ultimate authority for setting pay and remuneration for all staff including key management personnel. The Trust pay policy and changes to pay are reviewed annually by Trustees. No Trustee receives any pay or remuneration for discharging their duties as an officer to the company and therefore during the year key management personnel consisted of the Head of School (Trustee), Deputy Head and Head of Finance (Employee of North East Learning Trust).

The school has an internal performance management policy. Targets are based on whole school priorities: standards of teaching and learning, standards of assessment and progress and whole school literacy, in addition to this some will also have individual targets based on individual observations and wider discussions with reviewers.

Connected organisations, including related party relationships

The Trust is sponsored by both North East Learning Trust and East Durham College working in partnership to provide quality alternative provision for students in the North East of England. The Trust partners are committed to the furtherance of education and provide support through collaboration and sharing of resources, which during the year consisted of teaching staff, access to procurement contracts and delivery of professional services. As part of this arrangement the Trust confirm that the trading between connected parties occurs at cost and the majority of the services provided are specific to the landlord tenant relationship at East Durham College and therefore Trustees have little alternative procurement options, however Trustees are satisfied that arrangements remain value for money. The Trust does not work in federation with any other organisation.

Risk management

Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the establishment of the Alternative Provision and sensitivity of student admissions. Throughout the year monitoring of performance and student places have been reviewed closely to ensure operations continue to be viable. Robust financial and accounting procedures have been adopted from the North East Learning Trust as sponsor, which comply with statutory and ESFA accounting requirements. The Trust is insured under the DfE Risk Protection Assurance scheme to minimise the trusts exposure to risk, as part of this arrangement the Trust is seeking the cyber security accreditation and has recently moved to cloud based storage for both the core MIS (SIMS) and user data. The Trust has developed a risk register and medium term plan to mitigate risk and support strategic planning.

Objectives, strategies and activities

The principal objective and activity of the charitable trust during the year was the operation of Endeavour Academy (Durham) to provide education for students between the ages of 14 and 16 in line with the vision and values of the Trust. Trustees and staff are committed to providing an outstanding education with a personalised approach so that each learner can have their needs, be they medical, mental, social or learning, identified and responded to. Staff provide a nurturing environment and teach students to set goals preparing them with the skills required to take on the challenge of further education, employment and training and to achieve a fulfilling life.

The Academy delivers a mainstream core curriculum in a small school, alternative setting with an emphasis on teaching resilience programmes of learning to improve student confidence, raise self-esteem and support students to overcome their social and emotional issues which have previously impacted on attendance and attainment. Students are taught in small class settings with a high staff to student ratio with all lessons focussed on relating learning to real life situations.

The Academy aim to reduce gaps in achievement and improve overall school attendance from point of entry. Staff work hard to aim for all students to leave school with qualifications in Maths, English and Science. Students have access to a suite of qualifications to ensure inclusion and achievement of all, irrespective of ability. The Academy work in partnership with specialist providers who support the mental health needs of students attending the Academy with on-site counselling being offered to all students.

Students have access to vocational options where they develop employability skills in real life working environments. There is a strong emphasis on teaching life skills which will improve chances and promote successful transitions at the next key point and reduce disengagement and risks of becoming NEET (Not in Education, Employment or Training). Students have

APOLLO SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2022

weekly careers lessons, Careers interviews and support with independent travel training all of which prepares them for the next point of transition and improves opportunities to remain engaged with lifelong learning.

The Academy work closely with parents and take into account parents, carers and student voice which plays a significant role in developing the school and the curriculum on offer.

The Academy rated Good by Ofsted (2018) with Inspectors noting 'The headteacher, staff and Trustees have established an effective school that has a significant transformative impact on pupils' personal development, behaviour and welfare'.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust intends to provide a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role including local enterprise.

Strategic Report

Achievements and Performance

The educational outcomes for students attending the Academy are good. The outcomes for students achieving at GCSE and at grade 4+ have improved each year since opening and have been good in comparison to similar type settings.

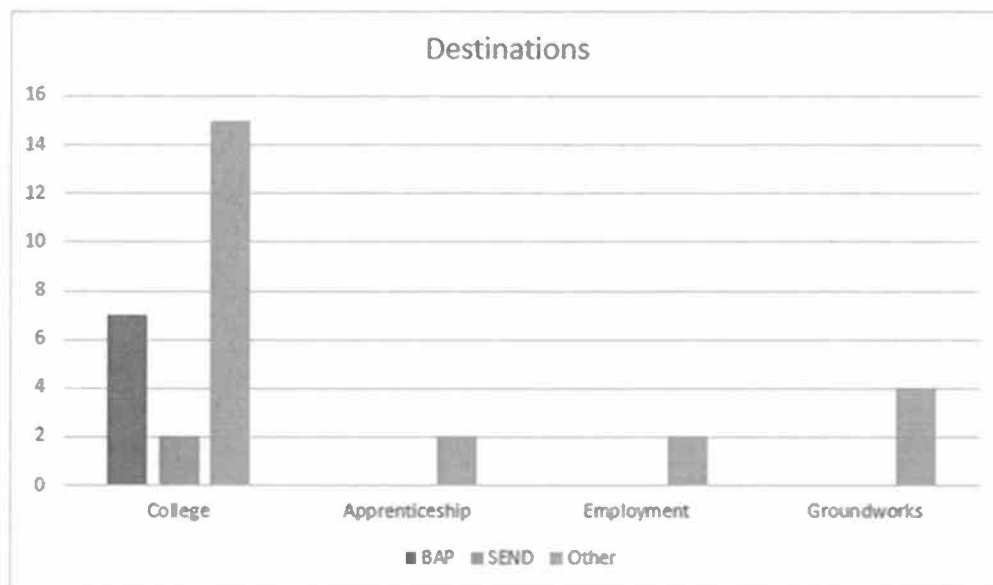
Strengths

- More students able to access 5 GCSE's with the addition of Citizenship and English Literature improving access to A 'Level programmes post 16.
- 100% of students leaving with recognised qualifications.
- 2021/22 Outcomes Achieved at grade 4 or above;
 - Maths 23.8% of students (increasing on 2018/19 and 2020/21)
 - English 22.7% of students (Grade 9 achieved, increasing in number of Grade 3 being achieved)
 - Science 41.7% (this is based on achieving 4-4 or above and is an increase from 2018/19 and 2020/21)
 - Literature 100% of students entered achieved at grade 4 or above.
 - Citizenship 55.6% (which shows an increase year on year since its introduction to the curriculum).

Qualifications	AP England 2018/19	AP North East 2017/18	Endeavour 2021/22
Grade 9-5 Maths & English	1.6%	0.7%	3%
Grade 9-4 Maths & English	4.5%	2%	12%

	2019		2022	
	Number	%	Number	%
5 GCSE (9-4) inc Eng and Maths	0	0.0	4	12.1
5 GCSE (9-4)	0	0.0	4	12.1
5 GCSE (9-1)	0	0.0	8	24.2
1 GCSE (9-1)	20	95.2	26	78.8
Achieving Grade 3 or above in Eng and Maths	16	76.2	19	57.6
Maths Grade 4 or above	3	14.3	5	15.2
English Grade 4 or above	2	9.5	5	15.2
Maths Grade 3 or above	6	28.6	10	30.3
English Grade 3 or above	10	47.6	17	51.5
Functional Skills Level 2 Maths	2	9.5	2	6.1
Functional Skills Level 2 English	2	9.5	0	0.0
Functional Skills Level 1 Maths	4	19.0	12	36.4
Functional Skills Level 1 English	4	19.0	12	36.4
Entry Level Certificates	15	71.4	18	54.5
No qualifications	0	0.0	0	0.0
Transition to Post 16	20	95.2	30	90.9
Cohort	21		33	

Destinations:



During the accounting period our principle achievement has been to increase the numbers of admissions to support in year growth, maintaining the Academy KPI's. We continue to have referrals for 50 places, in line with our strategic plan.

Going concern

Taking into account consideration of all relevant facts and circumstances and after making appropriate enquiries the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. By the end of the year there were 49 students on roll (2021: 49), with funding to 50 places for 2022/23 which are expected to be fully occupied. For this reason, it adopts the going concern basis in preparing the financial statements.

The Trust is less susceptible to loss of income in relation to Covid-19 as it is mainly funded by income from the ESFA and charges to the Local Authority and Commissioning Schools. Funding is also obtained from DfE recurring grants and commissioning agreements. The Trust has been able to accommodate additional costs in relation to the Covid-19 pandemic through sound and effective financial management, utilising additional grant income provided through the DfE within the original current year budget. The Trust's ability to continue as a going concern is reflected in the continued demand for services post pandemic where an increase in children suffering with, and diagnosed with mental health difficulties mean the overall student numbers and the demand for AP services remain as forecast.

Financial Review

The majority of the Trust's income is obtained from the DfE, via the ESFA for commissioned place funding. During the year ending 31 August 2022 total income of £1,074k (2021: £1,064k) exceeded expenditure (excluding depreciation) of £793k (2021: £558k). The net in year surplus before recognised gains and losses, LGPS pension adjustments, transfers and depreciation was £281k which has increased the closing reserves fund excluding fixed asset funds and pensions to £1,129k (2021: £770k). The surplus reflects the increase in student places, close to full occupancy and significant expenditure savings largely due to recruitment delays as a consequence of the current economic conditions. The Trust has carried vacancies throughout the year and development plans to improve the teaching and learning environment, including new teaching space, facilities and ICT refresh have not been fulfilled due to the pandemic restrictions and availability of trade contractors. Projects to fulfil IT lifecycle refresh and improvement to classroom space are in progress and expected to be completed in 2022/23.

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TRUSTEES' REPORT
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The full £927k capital project budget made up of £627k Construction, £234k Information Technology and £66k Fixtures, Furniture & Equipment was fully recognised during 2013/14. The remaining unutilised capital project funding remains at £9k, relating to branding, which is expected to be utilised during 2022/23.

All expenditure of the Academy Trust is made in line with the requirements of the grants provided by the DfE.

The Trust Finance Manual sets out the key financial responsibilities and policies including: delegation of spending, capitalisation limit, purchasing procedures including procurement regulations and systems of internal control. All expenditure of the Academy Trust is made in line with this manual and as such, supports the provision of Education of all students on role.

Principal risks and uncertainties

The Trustees have considered that the principal risk and uncertainties facing the Academy during the year are: Safeguarding pupils, student recruitment and financial viability.

The principal risk to Endeavour Academy (Durham) is the ability to allocate the forecast number of students; which provides a significant risk to the overall affordability and viability of the Trust.

Trustees are focused on the establishment of Endeavour and consider the principal risks are as follows:

- Safeguarding and management of pupils
- Recruitment and training of experienced AP staff
- Financial viability
- Recruitment and retention

Procedures and forecasts have been established to support trustees to minimise any exposure to risk.

Fundraising

The academy trust 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. The Trust does not utilise the services of a professional fundraiser.

Reserves policy

The Trustees review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Endeavour Academy (Durham) is expected to produce at least a break even budget, however the Trustees recognise that this is not always feasible due to the nature and sensitivity of low pupil number alternative provision with lower ESFA funding levels. The level of available reserves at 31st August 2022 is £1,129k (2021: £770k), which is made up of restricted general reserves of £1,084k (2021: £753k) and unrestricted reserves of £44k (2021: £17k). Current reserves levels are expected to be utilised to catch up on back dated maintenance and general improvement to the site and learning environment and the remaining reserves will be retained for the foreseeable future to ensure sufficient reserves are in place to support the equivalent of 3 months' expenditure (circa £126k) as well as providing a contingency reserve, to mitigate any failure to recruit forecast student numbers.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee of others.

Investment policy

The Trust does not have sufficient spare cash available to invest presently, however the trust will establish an investment policy which aims to manage cash balances to provide daily working capital requirements and any surplus cash will be optimised where possible. Forecast cashflows show sufficient operational reserves for the foreseeable future and cash flow projections are fully considered before any significant expenditure decisions are made during this early phase of the provisions establishment.

APOLLO SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2022

Plans for Future Periods

Endeavour is continuing to ensure pupil admissions are maintained with added focus of ensuring growth and development from a breadth of commissioning schools utilise the schools services, securing longterm sustainability.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on the 12th December 2022 and signed on its behalf by:



Margaret Saxton
Chair

APOLLO SCHOOLS TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2022

Scope of responsibility

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

The Trustees have delegated the day-to-day responsibility to the Head of School, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Apollo Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Trustees have formally met 4 times during the academic year 2021/22. The board of Trustees exercise effective oversight as they are intrinsically linked to all significant day to day operations, given the nature and size of the provision. This includes both internal meetings with the Head of School and other key staff as well as an active role in key meetings with external agencies such as the LA commissioner. Attendance during the period at Trustee meetings was as follows:

Trustee meeting	Meetings Attended	Out of a Possible
Lesley Powell	4	4
Suzanne Duncan	4	4
Margaret Saxton	4	4
Carina Tomlinson	4	4
Janice Gorchach	1	4

Governance Review

The sponsors (Trustees) and key management personnel have met frequently throughout the year in addition to the board meetings, this is largely due to the nature of the provision and little change during the course of the year. During the year the Trust continued to develop governance to establish any improvement to further embed consistent practice ensuring compliance with DfE requirements. At this time the Trust have not formed any separate committees due to the nature and size of the Trust, and assume all responsibility for the review of academy performance as defined by the scheme of delegation. The Trustees are actively involved with other trust's and education establishment and are established leaders in their own right, which brings a wealth of experience to enable effective governance of Endeavour Academy. Trustees are kept well apprised of school performance and review reports provided by the Head of School. The significant actions regarding finance relate to the security of future commissioned places. Trustees have exercised informed decision making through actively seeking detailed forecast plans to ensure long term viability, which has included sensitivity analysis and scenario forecast reports throughout the year to aid the furtherance of Endeavour. A working group of related agencies and other stakeholders has been established and the Trust intends to review its governance arrangements in the autumn/Spring term of 2022/23.

Managing Conflicts of Interest

Annually all members and trustees formally declare any interests, which is maintained and shared on the Trust website. Any matters or relationships that give rise to any actual or perceived conflicts of interest are reviewed, discussed and managed/approved by the board. Operationally conflicts are avoided through control measures, such as new supplier forms and the nature of alternative provision activity and extent of routine expenditure is limited in potential risk exposure to conflicts of interest. e.g. new supplier forms.

Review of value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of

**APOLLO SCHOOLS TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2022**

benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- There have been no significant purchases during the year and funds have been managed to ensure there was sufficient funding to support the operational needs of the Academy.
- Utilising school to school support from sponsors.
- Economies of scale at both sponsors have reduced support costs in respect of Finance, payroll, Human Resources and IT support as Endeavour has no direct appointments for the delivery of these services and has agreed service level agreements specific to Endeavours needs.
- Negotiation of renewal service level agreements to reflect the direct needs of the Academy.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Apollo Schools Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees reviews the key risks of the Academy Trust on an on-going basis to minimise any potential risk together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Academy Trust is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the Trustees.

The risk and control framework

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

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

The Trustees have considered the need for a specific internal audit function and has decided to engage Audit One to provide separate assurance engagements to complete a range of checks on the Academy Trust's financial systems. Internal assurance reports are reported to Trustees on the operation of the systems of control and on the discharge of the Trust's financial responsibilities.

The Board commissioned Audit One as internal scrutineer to provide a review of financial controls, including financial ledger, payroll expenditure, non-payroll expenditure and Income for the 2021/22 academic year as follows:

Financial review – Governance, risk management and control arrangements provide substantial assurance that the risks identified are managed effectively. Compliance with the control framework was found to be taking place. The audit provided reassurance that control standards are consistently maintained and no significant or material errors or omissions exist, no findings or recommendations were raised in the report.

APOLLO SCHOOLS TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2022

The Annual internal scrutiny report reported to the board of trustees, on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities. The report rates the level of internal assurance as "Substantial" overall.

Review of effectiveness

As Accounting Officer, the Head of School has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the internal assurance reviewer
- The work of the external auditor
- The work of the Head of Finance from North East Learning Trust who has 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 Academy Trust and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on the 12th December 2022 and signed on its behalf by:



Margaret Saxton
Chair



Kerrie Whelan
Accounting Officer

APOLLO SCHOOLS TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2022

As accounting officer of Apollo Schools Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of consideration, I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2021

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



Kerrie Whelan
Accounting officer

APOLLO SCHOOLS TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
Year ended 31 August 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of trustees on 12th December 2022 and signed on its behalf by:



Margaret Saxton
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APOLLO SCHOOLS TRUST
Year ended 31 August 2022**

Opinion

We have audited the financial statements of Apollo Schools Trust (the "charitable company") for the year ended 31 August 2022 which comprise the statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2021 to 2022 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 charitable company's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APOLLO SCHOOLS TRUST
Year ended 31 August 2022**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APOLLO SCHOOLS TRUST
Year ended 31 August 2022**

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

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



Claire Leece (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
1 St James Gate
Newcastle upon Tyne
NE1 4AD

16 December 2022

APOLLO SCHOOLS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
For the year ended 31 August 2022

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	6	6	6
Charitable activities:						
Funding for the academy trust's educational operations	2	27	1,041	-	1,068	1,058
Other trading activities	4	-	-	-	-	-
Total		27	1,041	6	1,074	1,064
Expenditure on:						
Raising funds	5	-	-	-	-	-
Charitable activities:						
Academy trust educational operations	5	-	793	69	862	657
Total		-	793	69	862	657
Net income/(Expenditure)		27	248	(63)	212	407
Transfers between funds	13	-	-	-	-	-
Other recognised gains / (losses):						
Re-measurement of net defined benefit obligations	21	-	547	-	547	(33)
Net movement in funds		27	795	(63)	759	374
Reconciliation of funds						
Total funds brought forward		17	(42)	248	223	(151)
Total funds carried forward		44	753	185	982	223

All of the Academy Trust's activities derive from continuing operations during the above financial year. A statement of total recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

APOLLO SCHOOLS TRUST
(Company Number: 08641815)
BALANCE SHEET
at 31 August 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	134	201
Current assets			
Debtors	11	32	469
Cash at bank and in hand		1,249	460
		<u>1,281</u>	<u>929</u>
Current Liabilities			
Creditors: amounts falling due within one year	12	<u>(101)</u>	<u>(111)</u>
Net current assets		<u>1,180</u>	<u>818</u>
Net assets (excluding pension liability)	14	1,314	1,019
Pension scheme liability	21	<u>(332)</u>	<u>(796)</u>
Net assets/(liabilities) (including pension liability)		<u>982</u>	<u>223</u>
Total funds of charity			
Restricted funds			
Fixed Asset fund	13	185	249
General fund	13	1,085	753
Pension fund	13	<u>(332)</u>	<u>(796)</u>
	13	<u>938</u>	<u>206</u>
Unrestricted fund			
General fund	13	<u>44</u>	<u>17</u>
Total funds	13	<u>982</u>	<u>223</u>

The financial statements on pages 15 to 31 were approved by the Trustees and authorised for issue on 12th December 2022 and signed on their behalf by:


Margaret Saxton
Chair

APOLLO SCHOOLS TRUST
STATEMENT OF CASH FLOWS
for the Year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Cashflows from operating activities	15	<u>784</u>	<u>368</u>
Cashflows from investing activities			
Capital grants from DfE		6	6
Purchase of tangible fixed assets		<u>(1)</u>	<u>(8)</u>
Net cash provided by investing activities		<u>5</u>	<u>(2)</u>
Change in cash and cash equivalents in the reporting period		<u>789</u>	<u>366</u>
Cash and cash equivalents at 1 September 2021		<u>460</u>	<u>94</u>
Cash and cash equivalents at 31 August 2022	16	<u>1,249</u>	<u>460</u>

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

1 ACCOUNTING POLICIES

General Information

Apollo Schools Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations are set out in the Trustees' Report.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Apollo Schools Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in the financial statements are rounded to the nearest £1,000.

Going Concern

After reviewing financial and other information available, the trustees consider that the Academy 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. Future forecasts and ongoing commitment from the LA commissioner and non-LA commissioner's support the now established student intake therefore support the going concern assumption. At the balance sheet date, the cash at bank was £1,249k (2021: £460k) generally the increase in cash is largely due to budget savings through recruitment delays and deferred capital projects. Current cash levels are favourable and forecast to remain stable for the foreseeable future. At the balance sheet date, the academy trust net assets of £982k (2021: £223k).

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities based upon when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

General Annual Grant in the form of transfer average weighted pupil is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Other Income

Other income including income for student places is recognised in the period it is receivable.

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

1 ACCOUNTING POLICIES (continued)

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Resources expended

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Depreciation is calculated so as to write off the cost of an asset, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £68k.

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, on a straight-line basis over its expected useful life dependant on the type of asset.

- Leasehold improvements 10 years
- Fixtures, fittings and equipment 5/7 years
- ICT Equipment 5/7 years

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.

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.

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

2 ACCOUNTING POLICIES (continued)

Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial Instruments

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

- *Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.
- *Cash at bank* – is classified as a basic financial instrument and is measured at face value.
- *Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 as other comprehensive income.

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

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the ESFA/DfE.

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

1 ACCOUNTING POLICIES (continued)

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the ESFA, where the asset acquired or created is held for a specific purpose.

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 areas of judgement, accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2022 Total £'000	2021 Total £'000
DfE/ESFA REVENUE GRANTS					
General annual grants/GAG	-	545	-	545	563
Other DfE/group grants	-	216	-	216	197
	-	761	-	761	760
Other income from the academy trust's educational operations	27	280	-	307	298
	27	1041	-	1068	1,058
2021	-	1058	-	1058	604

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2022 Total £'000	2021 Total £'000
Capital grants	-	-	6	6	6
	-	-	6	6	6
2021	-	-	6	6	6

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

4 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
Other trading activities	-	-	-	-
	-	-	-	-
2021	-	-	-	-

5 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure Premises Depreciation £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds:					
Direct costs	-	-	-	-	-
Allocated support costs					-
Academy's educational operations:					
Direct costs	254	69	40	363	328
Allocated support costs	346	-	153	499	329
	600	69	193	862	657
2021	441	99	117	657	623

The restricted expenditure on charitable activities was £710k (2021: £779k).

	2022 £'000	2021 £'000
Net incoming/(outgoing) resources for the period are stated after:		
Depreciation	68	99
Fees payable to RSM UK Audit LLP and its associates for:		
- audit	11	9
- other services	-	-
- Interest on defined benefit liability	13	11

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2022 £'000	Total 2021 £'000
Direct costs	363	328
Support costs	499	329
	862	657

Analysis of support costs

Support staff costs (incl. pension deficit charge of £70k (2021: £43k))	346	231
Subscriptions	6	4
Premises costs	21	7
Other support costs	31	20
Governance costs	13	14
Service contracts	82	53
Total support costs	499	329

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

7 STAFF COSTS

	2022 £'000	2021 £'000
Staff costs during the period were:		
Wages and salaries	381	308
Social security costs	31	23
Pension costs including defined benefit pension charge of £70k (2021: £43k)	154	110
	<u>566</u>	<u>441</u>
Agency staff costs	34	-
Staff restructuring	-	-
Total Staff Costs	<u>600</u>	<u>441</u>

Staff recharges from sponsors during the year were £18k (2021: £23k).

The following number of persons (including seconded personnel) employed by the Academy Trust during the Year ended 31 August 2022 was as follows:

	2022 No.	2021 No.
Teachers	4	5
Administration and support	9	5
Management	3	2
	<u>16</u>	<u>12</u>

The number of employees whose annual emoluments (excluding pension contributions) fell within the following bands was:

	2022 No.	2021 No.
£60,001 - £70,000	1	-

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (excluding including employer national insurance and pension contributions) paid was £177k (2021: £137k).

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

8 RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES

During the year ended 31 August 2022 no trustee received any remuneration (including any expenses).

The Head of School only receives remuneration in respect of services provided undertaking the role of Head of School and there are no other staff trustees.

During the year ended 31 August 2022 the Head of School as Accounting Officer, received remuneration of £77k (2021: £74k) including employer pension contributions of £15k. (2021: £14k).

Related party transactions involving the trustees are set out in note 18.

9 TRUSTEES’ AND OFFICERS’ INSURANCE

The Academy Trust is a member of the Department for Education’s risk protection arrangement (RPA), which is a voluntary arrangement for academies and free schools. It is an alternative to insurance through which the cost of risks that materialise will be covered by government funds. The scheme provides protection for Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover on any one claim. The cost of insurance is £950 (2021: £900).

10 TANGIBLE FIXED ASSETS

	Leasehold Improvements £’000	Equipment Fixtures & Fittings £’000	IT Equipment £’000	Total £’000
Cost				
Opening	611	75	253	939
Additions	1	-	-	1
At 31 August 2022	612	75	253	940
Depreciation				
Opening	(418)	(75)	(245)	(738)
Charge in Period	(67)	-	(1)	(68)
At 31 August 2022	(485)	(75)	(246)	(806)
Net book value				
At 31 August 2022	127	-	7	134
At 31 August 2021	194	-	7	201

11 DEBTORS

	2022 £’000	2021 £’000
Trade Debtors	11	305
Prepayments and accrued income	16	145
Other debtors	5	19
	32	469

At the year-end accrued income of £0k (2021: £170k) attributable to a related party trading transaction with North East Learning Trust for student places.

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD

	2022 £'000	2021 £'000
Trade creditors	8	2
Accruals	71	95
Tax & social security	10	6
Other Creditors	12	8
	<u>101</u>	<u>111</u>

13 FUNDS – Current year

	Balance at 1 September 2021 £'000	Incoming Resources £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted General Fund					
General Annual Grant (GAG)	495	544	(213)	-	826
DfE Revenue	103	56	(56)	-	103
Other income	155	441	(441)	-	155
Pension reserve	(796)	-	(83)	547	(332)
Restricted General Funds	<u>(43)</u>	<u>1,041</u>	<u>(793)</u>	<u>547</u>	<u>752</u>
Restricted Fixed Asset Fund					
DfE capital grants	249	6	(69)	-	186
Restricted Fixed asset Funds	<u>249</u>	<u>6</u>	<u>(69)</u>	<u>-</u>	<u>186</u>
Total Restricted Funds	<u>206</u>	<u>1,047</u>	<u>(862)</u>	<u>547</u>	<u>938</u>
Unrestricted Funds	<u>17</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>44</u>
Total Funds	<u>223</u>	<u>1,074</u>	<u>(862)</u>	<u>547</u>	<u>982</u>

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2022

13 FUNDS – Current year (continued)

FUNDS – Prior year	Balance at 1 September 2020 £'000	Incoming Resources £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted General Fund					
General Annual Grant (GAG)		563	(267)	-	495
DfE Revenue	-	197	(94)	-	103
Other income	-	298	(143)	-	155
Pension reserve	(709)	-	(54)	(33)	(796)
Restricted General Funds	(510)	1,058	(558)	(33)	(43)
Restricted Fixed Asset Fund					
DfE capital grants	342	6	(99)	-	249
Restricted Fixed asset Funds	342	6	(99)	-	249
Total Restricted Funds	(168)	1,064	(657)	(33)	206
Unrestricted Funds	17	-	-	-	17
Total Funds	(151)	1,064	(657)	(33)	223

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

The remaining balance of both restricted general reserves £1,084k and unrestricted reserves £44k will be retained to support future staffing needs, growth and development of Endeavour Academy (Durham).

Restricted fixed asset funds represent the DfE studio school development capital grant award plus devolved formula capital less current year depreciation. The total cash draw down from the original development grant is £917k, and the remaining £10k relates to final retentions not yet discharged relating to the allocated branding budget. The remaining unutilised devolved formula capital is £42k, which will be retained for future IT and furniture replacement.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	Unrestricted Funds £'000	Restricted General Fund £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	134	134
Current assets	44	1,185	52	1,281
Current liabilities	-	(101)	-	(101)
Pension scheme liability	-	(332)	-	(332)
Total net assets	44	752	186	982

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Prior year	Unrestricted Funds £'000	Restricted General Fund £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	201	201
Current assets	17	864	48	929
Current liabilities	-	(111)	-	(111)
Pension scheme liability	-	(796)	-	(796)
Total net assets	17	(43)	249	223

15 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET FLOW FROM OPERATING ACTIVITIES

	2022 £000	2021 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	212	407
Adjusted for:		
Depreciation [note 10]	68	99
Capital grants from DfE and other capital income	(6)	(6)
Interest receivable [note 4]	-	-
Pension movement [note 21]	83	54
Increase in debtors	437	(220)
Increase/(Decrease) in creditors	(10)	34
Net cash generated/(used in) Operating Activities	784	368
	2022 £000	2021 £000
Interest	-	-
Purchase of tangible fixed assets	(1)	(8)
Capital grants from DfE/ESFA	6	6
Net cash provided by investing activities	5	(2)

16 ANALYSIS OF CHANGE IN NET FUNDS

	At 31 August 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash in hand and at bank	460	789	1,249
	460	789	1,249

17 ULTIMATE CONTROLLING PARTY

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.

18 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a

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member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Income related party transaction

During the year income of £171k (2021: £170k) was received from North East Learning Trust (NELT), in respect of guaranteed student place numbers.

	2022	2021
	£'000	£'000
North East Learning Trust (NELT)	171	170

Expenditure related party transaction

During the period the Trust purchased goods and services from both sponsors.

	2022	2021
	£'000	£'000
North East Learning Trust (NELT)	11	11
East Durham College (EDC)	106	75

At the yearend there were trade balances for EDC only, of £4k. EDC trading relating to staff support costs of £18k charged at cost, service level agreement costs for Estates, IT and HR services totalling £77k and £11k for miscellaneous repairs, catering and a pupil referral. Trading with NELT included accruals of £11k in relation to service level agreements for Finance support.

19 CONTINGENT LIABILITIES

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

20 MEMBERS LIABILITY

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

21 PENSIONS AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £11,391 were payable to the schemes at 31 August 2022 (2021: £7,425) 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 teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

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

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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 2024. The employer's pension costs paid to TPS in the period amounted to £45k (2021: £42k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

21 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £55k (2021: £46k), of which employer's contributions totalled £43k (2021: £36k) and employees' contributions totalled £12k (2021: £10k). The agreed contribution rates for future years are 21 percent for employers and employee contribution rates remain the same.

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	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	3.7%	3.7%
Rate of increase for pensions in payment/inflation	2.7%	2.7%
Discount rate for scheme liabilities	4.1%	1.7%
Inflation assumption (CPI)	2.7%	2.7%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	22.1	22.3
Females	24.2	24.3
<i>Retiring in 20 years</i>		
Males	23.2	23.3
Females	25.7	25.8

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Sensitivity analysis	At 31 August 2022	At 31 August 2021
	£'000	£'000
Discount rate +0.1%	785	1,252
Discount rate -0.1%	821	1,310
Mortality assumption – 1 year increase	781	1,232
Mortality assumption – 1 year decrease	825	1,331
CPI rate +0.1%	805	1,285
CPI rate -0.1%	801	1,277

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2022	Fair value at 31 August 2021
	£000	£000
Equity instruments	257	275
Debt instruments	167	159
Property	40	30
Cash	7	21
Total market value of assets	471	485

The actual return on scheme assets was -£49,000 (2021: £78,000)

Amount recognised in the statement of financial activities

	2022	2021
	£000	£000
Past service cost	0	0
Current service cost	113	79
Net interest cost	13	11
Total operating charge	126	90

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

	2022	2021
	£000	£000
At 1 September 2021	1,281	1,093
Current service cost	113	79
Interest cost	22	18
Employee contributions	12	10
Actuarial (gain)/loss	(605)	104
Benefits paid	(20)	(23)
At 31 August 2022	803	1,281

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

	2022	2021
	£000	£000
At 1 September 2021	485	384
Interest income	9	7
Return on plan assets	(58)	71
Employer contributions	43	36
Employee contributions	12	10
Benefits paid	(20)	(23)
At 31 August 2022	471	485

A gain (or loss) is recognised in the valuation of defined benefit obligations when pension increases are lower (or higher) than those initially assumed. The policy to date has been to recognise the Pension Increase Order (PI Order) laid during

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the relevant financial year. However, in this financial year the valuation of the obligations has taken into account the expected impact of the higher level of CPI on the forthcoming PI Order to reflect a CPI rate of 9.8% to 31 August 2022.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 15 September 2021 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Apollo Schools Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Apollo Schools Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Apollo Schools Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Apollo Schools Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academy Trust Handbook extant from 1 September 2021, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Apollo Schools Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academy Trust Handbook 2021 published by the Education and Skills Funding Agency and high level financial control areas where we identified a risk of material irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

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

Use of our report

This report is made solely to Apollo Schools Trust and the ESFA in accordance with the terms of our engagement letter dated 15 September 2021. Our work has been undertaken so that we might state to the Apollo Schools Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Apollo Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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16 June 2022