

Company Registration No. 08334718 (England and Wales)

THE GALLERY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE GALLERY TRUST

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THE GALLERY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ms J Dyson
Mr R Harvey
Dr A Kay
Mrs S Rodway
Mrs K Shaw (appointed 12/1/2021)
Ms Hannah Brierley (resigned 9/12/2020)

Trustees

Mr K Burrell (Resigned 29 August 2021)
Mr S King
Ms K Moss (Resigned 15 July 2021)
Mrs S Rodway (Chair) (Resigned 18 December 2020)
Mr C Scrivener (Chair) (Appointed 19 December 2020)
Mrs K Shaw (Resigned 18 December 2020)
Mr J Shryane
Mr G Thomas (Resigned 4 October 2020)
Mrs M K Willett (Accounting Officer)
Mr M Willis

Senior Executive Team

- Chief Executive Officer	Mrs K Willett
- Chief Operating Officer	Mrs J Horne
- Organisation and Development Director	Mrs S Hunston
- Director of School Improvement	Mr J Riches
- Director of SEND and School Improvement	Mrs J Jones
- Director of SEND and School Improvement	Mrs C Roberts

Clerk/Governance Manager

Mrs S Anderson

Company secretary

BlakeLaw Secretaries Limited

Company registration number

08334718 (England and Wales)

Academies operated

Iffley Academy
Bardwell School
Northern House Academy
Orion Academy
Springfield School
Mabel Pritchard School

Location

Oxford
Bicester
Oxford
Oxford
Witney
Oxford

Head Teacher

Mr T Proctor-Legg
Mr M Selsdon
Mrs B Holmes
Mrs L Smith
Mrs E Lawley
Mrs L Wawrzyniak

Independent auditor

Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

THE GALLERY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
1-5 High Street
Oxford
OX1 4AA

Solicitors

Blake Morgan LLP
Seacourt Tower
West Way
Oxford
OX2 0FB

THE GALLERY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's 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.

At the end of the 2020/2021 academic year the academy trust operated 6 special academies and a satellite provision for pupils aged 2 to 19 serving a catchment area in Oxfordshire. It has a pupil capacity of 671 and had a roll of 673 pupils in the school census on 16 January 2021,

Structure, governance and management

Constitution

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

The charitable company operates as The Gallery Trust.

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

Members' liability

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

Trustees' indemnities

There were no provisions required for third party indemnity. In accordance with normal commercial practice, The Gallery Trust purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of recruitment and appointment or election of trustees

The Gallery Trust's Memorandum and Articles of Association are the primary governing documents of the Trust. The Articles of Association require that there are at least three Members and up to ten Trustees. Details of The Gallery Trust's Members and Trustees during the reporting period are provided on page 1. The Trust has five members, in accordance with the Department for Education's recommendation. The Trust currently has ten Trustees. The appointment of Trustees is ratified by the Members.

All Trustees are required to confirm that they comply with appropriate statutory eligibility regulations for their role and undertake an Enhanced Disclosure and Barring Check. Members, Trustees and Governors are required to sign the Trust's Code of Conduct annually and to comply with the requirements of the Trust's Register of Business Interests.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

In order to support effective governance, an induction and training programme is in place for Trustees. External training is obtained from the National Governance Association, Oxfordshire County Council, the Trust's legal advisers Blake Morgan LLP, Confederation of School Trusts, and other providers. Training and induction is organised by the Board's Governance Manager and is individually tailored to meet the needs of new Trustees. Copies of policies, accounts, minutes, guidance, strategic plans and other documents relevant to the role are provided. Governor Hub is used to distribute information. As a result, Trustees have a knowledge and understanding of the Trust's strategic vision and aims, day-to-day operation and management, their roles, responsibilities and accountabilities, and the duties of a Trustee and a Director. It is also important that Trustees gain an awareness of the nature of students' Special Educational Needs and Disabilities (SEND) and how the Trust, as a Special Trust, differs from mainstream education providers. The Board of Trustees gains insights into the operation of academies through pre-arranged visits to schools, including learning walks, meetings with staff, attendance at social events, such as assemblies, and information obtained through attendance at Board and committee meetings. Because of Covid-19, visits from Trustees have not taken place in the period in question, as only essential visits to schools have taken place, therefore the Chair and Vice Chair of Trustees attended regular, frequent remote meetings with the Senior Leadership team and Head Teachers.

All Trustees were signed up to the NGA learning link site for governor training as well as directed to the Oxfordshire County Council opportunities. The Oxfordshire Safeguarding LADO provided remote safeguarding and allegation management training. CST Training was also attended by the Chair and Vice Chair of Trustees.

Following an assessment of new Trustees' areas of experience and expertise, Trustees are invited to join appropriate committees.

Organisational structure

The governance structure of the Trust consists of Members, Trustees, Chief Executive Officer, Trust central executive team, and committees including Local Academy Boards.

Michelle Kay Willett is the Chief Executive Officer and Accounting Officer for the Trust.

Members have a constitutional role; Trustees have a strategic role. Trustees can delegate responsibilities to committees in accordance with the Scheme of Delegation.

The Scheme of Delegation specifies the structure for strategic and operational decision-making, and authorisation processes for governance, HR and finance. The Trust reviewed the Scheme of Delegation during the period in question as part of the Board's review of governance and to respond to the Covid-19 pandemic.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Members

Members have a constitutional role in the Trust. In order to monitor the effectiveness of the Board of Trustees and to ensure that the Board is upholding the vision and values of the Trust, the Members demonstrate competences in governance, education, risk management and strategic leadership within its membership. The Members hold the Board to account for the outcomes of the Trust. In order to ensure Members are fully cognisant with Trust business, strategy and operation, Members receive minutes from Trustee meetings. Members meet with the Chief Executive Officer and Chair of Trustees to receive information regarding the performance of the Trust, and meet annually with Trustees at the Annual General Meeting.

Specific duties of the Members:

- the subscribers to the Trust's Memorandum of Association (where they are founding members) may amend the Articles of Association (the articles include a definition of the Trust's charitable objects and governance structure) subject to any restrictions in the Articles or in the Trust's Funding Agreement or charity law. The Funding Agreement is the contract between the Secretary of State for Education and the Trust that sets out the terms on which the Trust is funded
- appoint and remove Trustees
- appoint the Trust's auditors and adopt the Trusts audited annual accounts (subject to the Companies Act 2006).

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees

The Trustees are responsible for: ensuring clarity of vision, ethos and strategic direction; holding senior leaders to account for the educational performance of the organisation and its pupils; the performance management of staff; overseeing the financial performance of the organisation and making sure that funding is well spent. The Trustees drive the management of the Trust and oversee the financial performance of the Trust. The Trustees comply with Government, Department for Education and Education and Skills Funding Agency requirements, company law, and charity law. The Trustees have legal responsibilities through the Memorandum and Articles of Association of the Trust, under company law as Directors, and under charity law as Trustees.

Specific Duties of the Board of Trustees:

- ensures the quality of the Trust's educational offer, overseeing standards and outcomes;
 - monitors and evaluates the progress of strategic objectives within schools' Raising Achievement Plans and the Trust's Development Plan
 - oversees key performance data
- recommends changes to the Articles of Association and Funding Agreement to the Members
- ensures that the Trust operates within the Funding Agreement
- approves changes to the Scheme of Delegation
- confirms the appointment of Chair of Local Academy Boards
- manages the Trust's finances and property including:
 - compliance with the Academies Financial Handbook (known as Academy Trust Handbook from September 2021). The Handbook sets out the financial management, control and reporting requirements that apply to all Academy Trusts. It describes a financial framework for trusts that focuses on principles rather than detailed guidance, and reflects their accountability to Parliament and to the public.
 - approval of the Trust's annual 3-year revenue and capital budget on the recommendation of the Finance and Personnel Committee
 - recommendations to the Members regarding the annual reports and accounts for filing at Companies House
- oversees risk management
- participates in the recruitment of senior staff
- receives and considers reports from committees
- appraises the Chief Executive Officer

Chief Executive Officer

The Chief Executive Officer is the Accounting Officer, and has overall responsibility for the Trust's finances and financial effectiveness. The Chief Executive Officer is an ex-officio Trustee.

The Chief Executive Officer is held accountable by Trustees and Members for the performance of the Trust, and the outcomes of schools in the Trust. The Chief Executive Officer leads strategic school improvement, working in collaboration with senior leaders. The Chief Executive Officer maintains an overview of the national education agenda and supports school leaders to focus on outcomes for pupils in their individual schools.

Committees

The Trust has a number of committees with membership comprising of Trustees and Local Academy Board members, which are attended in an advisory committee by senior staff.

Committees provide authoritative and knowledgeable guidance, reports and data to the Board of Trustees. The following committees report to the Board:

- each school is supported by a Local Academy Board, which undertakes responsibilities delegated by the Board
- Finance and Personnel Committee
- Audit and Risk Committee
- Schools and Education Committee

Other committees are convened as and when necessary. These include Pay, CEO Appraisal, Head Teacher Appraisal, Staff Discipline, Pupil Discipline and Discipline Appeal Committees.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Trust's key management personnel are reviewed in accordance with Education and Skills Funding Agency (ESFA) guidance by the Pay Committee, reporting to the Finance and Personnel Committee, and approved by the Trustees. The Trust follows the pay arrangements for maintained schools in England and Wales for teachers and for support staff. The Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document (STPCD). The Trust adheres to Local Government terms and conditions for support staff (Green Book) and follows the Local Government pay spine.

The only Trustee to receive remuneration is the Chief Executive Officer using the arrangement detailed above. This remuneration is received solely in respect of services provided in undertaking the role of Chief Executive Officer under a contract of employment, and not as a Trustee.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.40

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	6,734,396
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Engagement with employees

The Gallery Trust recognises that its strongest asset is its workforce. A skilled, qualified, diverse and engaged workforce is critical to achieve the Trust's objectives.

The Trust strives to create an open culture throughout all its establishments which is in accordance with its vision and values. Respect and trust are core values in the Trust and these principles underpin interactions between staff at all levels of the organisation. The acknowledgement of the value of engaging staff through collaboration and communication is embedded. The mechanisms for keeping staff informed on matters of concern include regular meetings of whole staff groups (e.g. daily and weekly staff meetings), within cohorts (e.g. specialist groups within the staff body, curriculum working groups), with peers (e.g. meetings between Head Teachers and senior leaders), sharing information on operational initiatives and strategic objectives (e.g. Raising Achievement Plans), and communications between line managers and staff, including appraisal meetings. During the period affected by Covid-19, Head Teachers have been particularly vigilant in working consultatively and collaboratively with staff and union representatives in order to support wellbeing and health and safety.

Staff across the establishments meet regularly to share information, to work together on common themes, and to enable staff to become involved in wider Trust activities beyond their own schools.

The Trust executive team meet frequently with senior leaders in schools, and the CEO has regular scheduled meetings with Head Teachers.

Due to Covid-19, all but essential meetings took place online to reduce risks of transmission.

The Trust has positive relationships with trade unions, and all trade unions representing staff in the Trust are recognised. During Covid-19, thorough consultation with unions continues to take place to seek feedback on the detailed risk assessments required to manage Health and Safety risks on school sites.

The Trust executive team believes that individual interaction with staff is an important way to develop understanding of the circumstances in which staff work. Before Covid-19, the Trust's senior leadership team were visiting all establishments in the Trust to ensure that they remain in touch with operational challenges, to meet staff, and to celebrate successes and achievements. Essential visits have continued to take place.

While visits from the Board of Trustees have been suspended during Covid-19, the Trustees recognise the need to visit sites so they can meet staff, understand the context in schools, extend their knowledge of SEND, and use this awareness to inform their decision making. During Covid-19, the Chair and Vice Chair of Trustees participated in frequent conference calls with Head Teachers and the executive team, to offer their advice, support, challenge and guidance, and to endorse the executive team's decision making. Visits to school sites to meet with staff will re-commence as soon as these are regarded to be safe under Covid-19 guidance.

The Trust will continue to expand its existing network of communications to enhance a listening culture and to foster relationships at all levels of the organisation.

The Trust invests in training and CPD, recognising that the personal development of employees is a key factor in the organisation's strategy for success. The Trust strives to be a responsible employer in its approach to the pay and benefits for employees, and observes the School Teachers' Pay and Conditions Document for teachers and the Green Book for support staff. Employees are strongly encouraged to participate in the Trust's pensions schemes.

The health, safety and wellbeing of employees is a consideration in deciding strategies and approaches. The Trust has comprehensive health and safety policies, induction, continual professional development, and training programmes. The Trust has an active redeployment policy, which provides the opportunity for staff to move across establishments on a permanent, temporary or seconded basis.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

During Covid-19, employees who could work from home were supported to do so by line managers, who ensured that their wellbeing was maintained while working remotely. In some cases, a hybrid way of working has been introduced where it has been shown to be beneficial to efficiency and productivity.

The Trust is committed to employing disabled people and acknowledges the benefits of employing disabled staff as this increases the number of applicants available; creates a diverse workforce; and brings additional skills. The Trust also recognises that the benefits of retaining an experienced and skilled employee who acquires an impairment during employment usually far exceeds any possible disadvantages of retention. Employing disabled people is embedded within the Trust's vision and values and this ethos is applied throughout the organisation. The Trust's Safer Recruitment policy ensures high standards of Safeguarding and removes the risk of discrimination in the recruitment process.

Engagement with suppliers, customers and others in a business relationship with the academy trust

It is vital for the Trust to operate effective business relationships with a wide range of suppliers and contractors to ensure the needs of establishments are met efficiently and in accordance with value for money principles. All supplier related activity is managed in line with statutory and regulatory guidance, including the Academies Financial Handbook (Academy Trust Handbook from 1/9/21), the Funding Agreement and internal policies, e.g. Internal Financial Regulations, Procurement and Tendering Policy. All orders are placed through the Trust's financial software (PS Financials) with existing suppliers, and authorisation is obtained when new suppliers are added with bank details undergoing rigorous checks. Contracts are managed closely by staff to ensure value for money and effective services, and the Trust requires regular reporting from contractors to monitor and evaluate performance. Service Level Agreements and GDPR agreements are required to be completed before contracts are approved.

An important part of the Trust's culture is the promotion of high legal, ethical, environment and employee relations standards within the organisation and amongst suppliers and contractors.

All procurement activities follow statutory guidance, and tenders for large contracts include a due diligence process, scrutiny of data security, corporate responsibility, value for money, standards, and any potential reputational issues.

Related parties and other connected charities and organisations

The Gallery Trust is a Multi Academy Trust. The Trust is not currently linked to other organisations and has no subsidiary companies. Details of related parties and transactions during the year are set out in notes 11 and 23.

Objectives and activities

Objects and aims

The main objectives and aims of The Gallery Trust are:

- to continue to build a community of special schools which meets the needs of all cohorts of SEND pupils in Oxfordshire, providing outstanding education and support for pupils within establishment
- to consolidate the measured, sustainable and considered expansion of the Trust through:
 - welcoming established special schools into the Trust, including those which require sponsorship
 - opening new free special schools
 - considering other opportunities which may arise in the county which promote positive outcomes for pupils with SEND
- to ensure that the Trust's school environments provide all learners with access to specialist resources and learning spaces which promote positive engagement in learning.

The vision of the Trust is:

- commitment to special education - striving to provide the best specialist educational learning experiences for all
- opportunities for all to learn - ensuring the staff and student community continue learning pathways which enhance their lives
- genuine respect and value - making excellent relationships which promote trust, confidence and engagement, and provide safe learning spaces

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

Objectives and activities of The Gallery Trust during 2020 - 2021 included:

- continuation of the expansion of the Trust
- consolidating the Trust's position as a strategic lead in the provision of outstanding education and support for students with SEND throughout Oxfordshire, strengthening the Trust's ability to influence SEND policy and strategy
- consolidating the collaborative and constructive relationships with key stakeholders, including the Department for Education, the Regional Schools Commissioner's Office, and Oxfordshire County Council
- engagement with planners and builders for the Trust's new builds, ensuring that new environments are inspirational, creative and provide the best possible accommodation for pupils and staff
- support for all establishments in the Trust with school improvement and business services
- focussed support for all establishments in the Trust during the pandemic, providing advice and guidance on areas including Covid-19 risk assessments, Health and Safety, leadership, HR, staff wellbeing, absence, finance and risk.

Public benefit

The Trustees of The Gallery Trust confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The primary focus of the activities of The Gallery Trust is to advance the education of students with Education, Health and Care Plans throughout Oxfordshire. The Trust has links with all Oxfordshire special schools, and the Chief Executive Officer, and Head Teachers of schools in the Trust are members of the Oxfordshire Association of Special School Head Teachers.

Underlying this focus is the aim of contributing to the public good by enhancing the lives of children who have special educational needs and disabilities, and providing support to their families. Students' social, moral, spiritual and cultural education underpins curriculum frameworks. Students have regular opportunities to engage on a local, national and global level to think about wider issues e.g. poverty, disability, discrimination, equality and the environment. This maximises students' potential to develop into independent and confident citizens who respect the beliefs of others, and who can make a positive and meaningful contribution to their local community and society as a whole.

The Trust emphasises awareness of multi-cultural values, knowledge, understanding and acceptance of diversity and a commitment to equal opportunities, throughout all its activities. The Trust's Safer Recruitment policy ensures that applications for employment from people with disabilities are welcomed and processed with positive consideration when essential criteria are met.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Trust is pleased to record a number of achievements in the year under review. The achievements are particularly noteworthy considering the negative impact of Covid-19. These include:

- the Trust worked collaboratively and supportively with all senior leaders across settings in dealing with the challenges of Covid-19 throughout the period of lockdown. All Trust schools have remained open throughout the pandemic.
- welcoming Mabel Prichard School to the Trust on 1 November 2020.
- continuing to work on the pre-opening phase of Bloxham Grove Academy.
- a successful application to open a new free special school in West or South Oxfordshire with an anticipated opening date in 2023/24.
- the successful move of Iffley Academy into new buildings on 1 September 2020.
- continuing to work with Oxfordshire County Council, builders and contractors on the new building at Orion Academy: the new building will open to staff and students in September 2021.
- a successful application for Department for Education Trust Capacity Fund, which brought £150,000 funding into the Trust.
- enhancement and development of buildings at Bardwell School, including renovation and refurbishment of the pool plant room through Department for Education Condition Improvement Fund funding and a £1.7 million extension at Bardwell School funded by Oxfordshire County Council, facilitating a growth in the school roll.
- a successful Condition Improvement Funding bid, bringing £400,000 of funding to improve the Mabel Prichard School primary building
- All the Trust schools remained open throughout the pandemic, although across the country, the disruption caused by Covid 19 to pupils' education, their wellbeing and their mental health has been profound. Pupils have not experienced a "normal" school year for two years and some pupils have never enjoyed an academic year without it being overshadowed by Covid-19. Trust staff are working hard to support students by working in partnership with parents and carers, and with professionals in other sectors.

The importance of collaboration between the schools within the Trust has become even more apparent during the pandemic, as students and staff benefit from working together in many areas, sharing best practice, resources, and providing support and vital capacity to improve the quality of education and welfare.

Despite the pandemic, school improvement remains at the forefront of the Trust's activities, and we continue to set ambitious targets to consolidate our aim to deliver excellent education across the Trust and to embed a culture of continuous improvement.

The Trust incurred considerable costs in PPE, cleaning supplies, additional cleaning hours and covering staff absence.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

The Trust's Key Performance Indicators for 2021 – 2022 are:

- to continue to support all settings in dealing with the challenges presented by Covid-19 focussing on providing constructive and operational advice and guidance to Head Teachers to ensure pupils and staff feel safe and secure on school sites
- to provide effective support to Head Teachers, acknowledging the continuing strains imposed by Covid-19 and possible threats to the health and wellbeing of pupils and staff
- to ensure that high attendance levels are maintained and catch up plans can be implemented
- to continue due diligence with John Watson School, with the objective of bringing the school into the Trust at a future point
- to continue to engage with the Department for Education and Oxfordshire County Council regarding plans to open a free special school in South or West Oxfordshire in 2023/2024, and to enter into the pre-opening planning stage
- continue to work with the Department for Education and Oxfordshire County Council on planning and preparation for the opening of Bloxham Grove Academy
- to consolidate the Trust's financial situation in order to provide stability and security: to engage with key stakeholders, including Oxfordshire County Council, to ensure that funding for SEND pupils is appropriate and meets needs
- to further refine the Trust's approach to school improvement seeking to
 - continually improve the educational provision across the Trust, with a positive impact on student achievement and progress
 - support converter academies to retain their Ofsted categories of 'Outstanding' or 'Good'
 - acknowledge the additional needs of schools previously categorised by Ofsted as inadequate, and provide the significant resources, support and intervention required by these schools to reduce risk and support improvement, and to support the work of the Rapid Improvement Boards in these schools
 - provide effective leadership for all settings, adding value, challenge and support
- to consolidate a robust approach towards statutory compliance in areas including Safeguarding, Health and Safety, curriculum, financial management and Data Protection through support, self-assessment and self-evaluation, which is moderated and supported by the executive team
- to continue to work collaboratively and effectively with Oxfordshire County Council, local partnerships, the DfE, ESFA and the Regional Schools Commissioner
- to submit bids to CIF in December 2021
- to work with senior leaders in schools, Local Academy Boards and committees in order to continue to consolidate and embed the newly reviewed governance structure

Going concern

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

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Protecting the success of the academy trust

The Board of Trustees are fully aware of their responsibilities in the promotion of the success of the Trust.

The Board meets at least six times a year and additional extraordinary general meetings are called when required. During the period under review, the Board met eight times. During the period under review, due to the pandemic, the Board met through online conferences in accordance with national guidance.

Board meetings are organised by a professional and qualified Governance Manager, and are structured in accordance with guidance and the Articles of Association. Documents are circulated with agendas in advance of meetings. Meetings are attended by members of the executive team in an advisory capacity to ensure Trustees are provided with information to assist their decision making. All issues are discussed in depth at meetings to ensure that short-term and long-term consequences of decisions are fully explored before decisions are ratified.

Board decisions are taken against the backdrop of the Trust's vision and values, the charitable objectives, and in the best interests of staff, pupils, families and communities. The need to observe statutory and regulatory compliance is also at the forefront of decision making.

Trustees are appointed to the Board by the Members following a process of assessment and due diligence, and are required to demonstrate an appropriate skills set. All Trustees must comply with the Trust's code of conduct which is completed annually.

Trustees are aware of their responsibilities in accordance with the Trust's status as a limited company and an exempt charity. It is critical for the organisation to maintain its reputation for high standards in achieving its charitable objectives and in business conduct. The Trust's ambition to maintain its current status as a high performing and reputable organisation informs decision making.

The Board is responsible for setting, monitoring and upholding the Trust's strong identity, culture, values and reputation, and these qualities are promoted in all activities. A thorough process of induction and continuing CPD ensures that Trustees are familiar with the need to exercise independent judgement, reasonable care, skill and diligence: to avoid conflicts of interests and not accept benefits from third parties. The Trustees are required to work within The Seven Principles of Public life (also known as Nolan's Principles):

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

The Trust works to attract, develop and retain qualified, experienced and skilled staff, and recognise the crucial role of staff in achieving successful outcomes. Please refer to page 7 for further information in the section: "Engagement with employees (including disabled persons)".

The Trust recognises the need for effective relationships with suppliers and that these are important in the success of the organisation. Please refer to page 8 for further information in the section: "Engagement with suppliers, customers and others in a business relationship with the Trust".

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust has an important duty to benefit the community and the environment. Please see page 18 which provide examples of the practical steps that the Trust is taking to reduce energy usage to benefit the environment. Pupils are taught about environmental issues, including climate change, the depletion of natural resources, the threats to the natural world, and how they can take positive action within their own communities. The new builds have high standards of energy efficiency, and promote sustainability and recycling.

In accordance with the Trust's vision and values, a core role of the Trust is to have a positive impact on its community of pupils, staff, parents and families as well as the wider community. The Trust regards itself as a power of good, an organisation which is dedicated to improving outcomes for all stakeholders. The values of the Trust are not a theoretical statement: they underpin strategic objectives and practical decisions at every level. At an operational level, this is reflected in the importance attached to relationships formed with parents and carers, and the acknowledgement from all colleagues that the best results for pupils are achieved when decisions and actions are made in partnership with parents/carers and other professionals

Financial review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency, the use of which is restricted to educational purposes. Further income is obtained from Oxfordshire County Council in the form of high needs top up funding. Both sources of funding are provided on the basis of commissioned places. The funding received from the ESFA during the period ended 31 August 2021 is shown as restricted funds in the Statement of Financial Activities.

Excluding the fixed asset fund (representing the net book value of fixed assets) of £48,556,840 (2020: £40,407,171) and the pension deficit fund of £14,125,000 (2020: £(7,780,000)), reserves balances amount to £3,005,041 (2020: £2,120,878). This comprises restricted reserves funds of £2,227,677 (2020: £1,587,795) and unrestricted general funds of £777,364 (2020: £533,083).

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The reserves policy:

- confirms the Trust's strategy on the management of reserves, regarded by Trustees as a key factor in the financial sustainability and security of the Trust
- assists in strategic planning by considering how projects, activities and Trust expansion will be funded
- informs the budget planning process
- informs risk management by identifying any known uncertainties in future funding and income streams
- delivers security of cash flow and short-term protection against potential changes in funding
- confirms the approach taken to the reserves held by joining schools

Development of the reserves policy

When considering an appropriate level of reserves, the Trustees consider:

- unforeseen emergency or other unexpected need for funds, e.g. emergency repairs and maintenance within the Trust's estates
- unforeseen day-to-day operational costs, e.g. employing temporary staff to cover long-term sick absence
- a fall in a source of income, e.g. pupil transport
- funding cuts
- planned commitments, or designations, that cannot be met by future income alone, e.g. contributions towards capital projects which are not funded by Government sources
- the need to fund potential cashflow, e.g. funds may need to be spent before a funding grant is received
- unbudgeted, unfunded increased staffing costs which may be imposed by external agencies, including pay rises, increases in pension contributions
- costs involved in the planned expansion of the Trust in accordance with its agreed vision, e.g. building an appropriate infrastructure and central staff capacity which can provide meaningful and effective support to schools and partners. There are costs associated with developing the Trust in line with current plans that require expenditure preceding generated income.
- staff costs incurred 'at risk', e.g. pre-conversion due diligence work: funding bids and project applications. free school applications
- enabling the support of schools with initiatives and projects to drive improvement in line with the Trust's vision and ethos
- the level of additional resources which may be required when supporting schools previously categorised by Ofsted as inadequate
- the possibility that the Trust may be required to support additional expenditure incurred in the completion of new builds, e.g. landscaping

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

During the financial year

The Trustees identify:

- when reserves are drawn on, so that they understand the reasons and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly so that they understand the reasons and can consider the corrective action, if any, that needs to be taken
- where the reserves level is below target and consider whether it is due to short-term circumstance or longer-term reasons which might require a broader review of finances and reserves

In-year reports provided to the Finance and Personnel Committee:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

On 31 August 2021 the Academy Trust held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value of Fixed Assets and Pension Deficit):

	£
Unrestricted General Funds	777,364
Restricted Capital Funds	175,273
Restricted General Funds	<u>2,227,677</u>
Reserves at 31 August 2021	<u>3,180,314</u>

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment policy

A prudent level of resources to deal with unforeseen contingencies is maintained and the Trust takes a cautious approach to investments.

The Trust's funds are currently in an instant access account with a UK High Street Bank. The Trust reviews interest rates and considers investment opportunities on an annual basis. The Trust's policy at this time is to only invest funds in risk free and immediately accessible deposit accounts.

Principal risks and uncertainties

Senior leaders and Trustees undertake constant assessment of the principal risks and uncertainties facing the Trust through the activities of the Finance and Personnel Committee, and the Audit and Risk Committee which are reported to the Board.

The Trust uses an online risk management register to record and monitor risk which is reviewed on a regular basis by the Audit and Risk Committee. The software package provides an integrated approach to risk and compliance, featuring pre-populated and tailored risk identification, and monitoring of controls designed to mitigate and monitor risk. Risk categories captured in the register are: Academic, Financial, Governance, Health and Safety, Infrastructure, Legal, Physical, Staff, Strategic, Students.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks facing the Trust are predominantly linked to the academies in the Trust and are common to the education sector.

Risks include:

- Covid-19: the Trust has a Covid-19 risk register in place which details the considerable risks and impacts caused by the pandemic on areas of the Trust's operation, including educational outcomes, pupil and staff health and wellbeing, finance, governance, and Health and Safety
- Financial: changes in government grants, rates of funding, including rates of High Needs top up funding, and central government funding rates present challenges to school budgets. Other financial risks include reduction in income streams; unforeseen increase in costs or capital repairs; unbudgeted, unfunded pay rises for teaching and support staff, including increased pension costs, which are enforced by external agencies: inflationary pressures, as special school pupil place funding has not kept up with inflation for several years: difficulties in securing funding required to meet the special needs of individual pupils
- Site condition: the Trust is not eligible for School Condition Allocation funding, which is available to Trusts with 3,000 pupils or more to fund school maintenance. The Trust is required to bid for school maintenance funding for specific projects through the Department for Education's Condition Improvement Fund (CIF). This approach does not guarantee that the necessary funding to keep the estates in good order will be received, as CIF bids are competitive, and the Trust cannot assume that submitted bids will be successful. The Trust has a good track record of submitting successful bids and will generally submit appeals regarding unsuccessful bids
- Staffing: the principal risks are associated with succession planning and teacher recruitment and retention. As the Trust grows, additional opportunities will be provided to staff to develop their expertise in different schools and with varying SEND cohorts which will have a positive impact on retention. Some recruitment issues are posed by the fact that Oxfordshire is an area with above average housing costs
- The capacity of the central teams to meet the demands of Trust consolidation and growth while keeping the costs of the teams as low as possible in order to maximising funding for pupils in schools
- Expansion activities: the Trust undertakes thorough due diligence with schools that wish to join. However, unforeseen risks may be presented by joining schools
- As a DfE sponsor, the Trustees acknowledge that sponsor schools can bring challenge across all areas of operation. However, the Trust's vision is to support special schools in Oxfordshire, and this includes schools that are categorised as Inadequate. The significant challenges of supporting such schools bring additional risks and require additional input, but also provide funding and opportunities for staff across the Trust to broaden and develop their experience as they engage in school improvement with colleagues. The Trust continues to work collaboratively with key stakeholders and partners to support sponsor schools.

Financial and risk management objectives and policies

Fundraising

The academy trust does not use any external fundraisers.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

	2021	2020
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year	1,438,324	917,755
	<u> </u>	<u> </u>
	2021	2020
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	176.60	144.70
- Fuel consumed for owned transport	24.02	12.45
	<u> </u>	<u> </u>
	200.62	157.15
Scope 2 - indirect emissions		
- Electricity purchased	111.13	48.06
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust	5.30	2.60
	<u> </u>	<u> </u>
Total gross emissions	317.05	207.81
	<u> </u>	<u> </u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.48	0.39
	<u> </u>	<u> </u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

- Where possible, old-style florescent lighting has been replaced with LED lamps or fittings, bringing down kW usage.
- Extensions and modifications at our Bardwell School have resulted in greater thermal efficiencies. Use of wind catches above the Hall and NVHRs in class spaces. More efficient use of gas with new plant in the Hydrotherapy Pool.
- Schools encouraged to monitor timings of building management systems so that consumption is controlled and not wasted out of hours.

Notes for consideration while reviewing:

- Consumption of gas and electricity for the academic year 2020/21 was down significantly against our brokers forecast.
- Compared to last years report, Mabel Prichard and Springfield schools have joined the Trust, meaning there would be an inevitable increase in consumption of the utilities, and also vehicle fuel with their incoming minibuses.
- Iffley Academy returned one lease vehicle during the period due to end of contract term.
- Northern House Academy also took on two additional lease vehicles during the period.

THE GALLERY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The future plans of The Gallery Trust are to continue to expand in a measured and sustainable manner to ensure that it can deliver its vision of improving outcomes for students with SEND in Oxfordshire.

The Trust is committed to welcoming additional schools which are converters or sponsored, and it will continue to engage with schools which share its vision and values. The Trust will continue to plan for the opening of two free special schools which will increase the number of special school places in Oxfordshire.

The Trust's executive team will continue to promote school improvement and effective business practices across the Trust and will deliver, in collaboration with school colleagues, the best educational outcomes for pupils, best value for money and consistent approaches. The executive team is committed to working flexibly in order to meet the individual needs of schools, and to securing compliance in all areas of work.

The Trust has undertaken a major review of its governance structure to ensure that governance is effective, engaged and consistent, and that the Scheme of Delegation remains relevant and appropriate. The Trust will continue to work with schools to consolidate its local arrangements and will respond to feedback from Local Academy Boards as new ways of working develop.

The Trust will continue to maintain its status as a leading voice in the SEND arena, working with national organisations and stakeholders in order to promote the development of SEND strategy in Oxfordshire, and will take advantage of networking opportunities in order to continue to build the excellent reputation of the Trust. The Trust will continue to work with stakeholders to lobby for equitable funding for SEND pupils.

The Trust will support schools within the Trust to achieve their objectives.

Funds held as custodian trustee on behalf of others

The Trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

In so far as the trustees are aware:

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

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

.....
Mr C Scrivener
Chair

THE GALLERY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr K Burrell (Resigned 29 August 2021)	8	8
Mr S King	7	8
Ms K Moss (Resigned 15 July 2021)	8	8
Mrs S Rodway (Chair) (Resigned 18 December 2020)	1	1
Mr C Scrivener (Chair) (Appointed 19 December 2020)	8	8
Mrs K Shaw (Resigned 18 December 2020)	1	1
Mr J Shryane	7	8
Mr G Thomas (Resigned 4 October 2020)	1	1
Mrs M K Willett (Accounting Officer)	8	8
Mr M Willis	8	8

Strategic discussions at the Trust Board during the year have focussed on the following:

- the future development and growth of the Trust
- reviewing governance arrangements and the role of committees, and the Scheme of Delegation
- the response to the Covid-19 pandemic

The Board engaged with a governance review involving a Department for Education governance adviser who undertook discussions with Trustees and senior leaders, and an observation of a Board meeting in February 2020. The learning gained informed a number of discussions and trustee workshops designed to guide the governance review which took place during the period under review. Due to the pandemic, this work was completed in May 2021, when the adviser concluded that very substantial progress had been made and that changes to the governance structure were effective.

THE GALLERY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The finance and personnel committee is a sub-committee of the main board of trustees. Its purpose is to ensure sound management of the Trust's finances, staff and resources, including proper planning, monitoring and probity in line with DfE and ESFA guidelines, the Academies Financial Handbook (Academy Trust Handbook from 1/9/2021) and in accordance with Companies Act and Charity Commission requirements.

Key responsibilities of the Finance and Personnel Committee are:

- Scrutiny of the Trust's financial position
- Consideration of approval of statutory submissions, including the Annual Accounts, budget forecasts
- Consideration of significant procurements and tenders
- Approval of pay awards
- Appointment of external auditor
- Financial and resource implications involved in the expansion of the Trust
- Budget monitoring and management accounts
- Review of HR issues and indicators

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr S King	7	7
Ms K Moss (Resigned 15 July 2021)	7	7
Mrs S Rodway (Chair) (Resigned 18 December 2020)	1	1
Mr G Thomas (Resigned 4 October 2020)	0	1
Mrs M K Willett (Accounting Officer)	7	7
Mr M Willis	5	7

The audit and risk committee is also a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the Trust's financial, governance, risk management and internal control systems, report its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Board's annual reporting requirements.

Key issues for the Audit and Risk Committee were:

- Appoint an internal auditor and receive reports
- Consider the performance of external auditor and recommend re-appointment to the Board
- Monitor and review the risk register
- Agree the internal audit plan for the year
- During the year in question, monitor and review the Covid-19 risk register

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr S King	3	3
Ms K Moss (Resigned 15 July 2021)	3	3
Mrs S Rodway (Chair) (Resigned 18 December 2020)	1	1
Mr C Scrivener (Chair) (Appointed 19 December 2020)	2	3
Mr G Thomas (Resigned 4 October 2020)	1	1
Mrs M K Willett (Accounting Officer)	3	3

THE GALLERY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

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

- Undertaking a review of administration in schools across the Trust to ensure future efficiency of recruitment processes
- The effective annual Trust procurement of insurance using the wider CPC procurement framework to secure best value for insurances which are not covered by the Department for Education's Risk Protection Arrangement.
- Working closely with the Local Authority in extending pupil places thus increasing pupil led income
- Reviewing subscriptions and licences held by individual schools to secure reduced costs when purchased centrally

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Gallery Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of 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 board of trustees;
- regular reviews by the finance and personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

THE GALLERY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The board of trustees has considered the need for specific internal audit function and appointed Ross Brooke, Chartered Accountants as internal auditor.

The [internal auditor's/reviewer's] role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

Scrutiny of the Covid-19 risk register from a finance and governance point of view by the Audit and Risk Committee

Cyber Security Audit supported by The National Cyber Security Council (NCSC) considers resilience in case of cybercrime, malware or ransomware. Participation in the Risk Protection Arrangement's (RPA) Pilot Scheme for cyber security, supported by Satswana, the Trusts external Data Protection consultants reviewed the following pilot aspects:

- regular update of device operating systems and anti virus software
- network integrity, active firewalls
- efficiencies of server, removal of users
- regular back ups hosted off site

An Audit exercise undertaken by Ross Brooke, internal auditor which included:

- A detailed review of finance and governance areas
- Scrutiny of Payroll to include process, system, authorisations and control
- Adherence to the procurement process testing, sampling expenditure items and scrutinising process and financial controls
- Accounting system review
- Particular consideration to all financial controls given to the above in relation to the implementation of working from home and hybrid working due to the impact of Covid 19 in the workplace.

On a regular basis, the internal auditor reports to the Board of Trustees, through the Audit and Risk and Finance and Personnel Committees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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

THE GALLERY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 ensure continuous improvement of the system is in place.

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

Mr C Scrivener
Chair

Mrs M K Willett
Accounting Officer

THE GALLERY TRUST

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

As accounting officer of The Gallery 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 terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

Mrs M K Willett
Accounting Officer

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THE GALLERY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

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

Mr C Scrivener
Chair

THE GALLERY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GALLERY TRUST FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of The Gallery 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the 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 Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

THE GALLERY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GALLERY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

THE GALLERY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GALLERY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Charities Act 2011, ESFA requirements, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated with the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the ESFA and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors/trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

THE GALLERY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GALLERY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Katherine Wilkes (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP

.....

Chartered Accountants
Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

THE GALLERY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 5 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Gallery Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Gallery Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Gallery 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 The Gallery Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Gallery Trust's funding agreement with the Secretary of State for Education dated 30 May 2019 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits;
- Consideration of whether activities carried out are within the charitable objects.

THE GALLERY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

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

Reporting Accountant

Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Dated:

THE GALLERY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	2,042	-	1,412,993	1,415,035	9,699,596
Donations - transfer from local authority on conversion	27	145,340	(1,784,000)	8,428,046	6,789,386	17,432,602
Charitable activities:						
- Funding for educational operations	4	43,823	15,038,376	-	15,082,199	8,591,544
- Funding for teaching school	26	-	40,000	-	40,000	48,500
Other trading activities	5	213,369	-	-	213,369	22,498
Investments	6	303	-	-	303	828
Total		<u>404,877</u>	<u>13,294,376</u>	<u>9,841,039</u>	<u>23,540,292</u>	<u>35,795,568</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	160,596	16,023,716	2,255,410	18,439,722	9,565,794
- Teaching School		-	24,871	-	24,871	40,148
Total	7	<u>160,596</u>	<u>16,048,587</u>	<u>2,255,410</u>	<u>18,464,593</u>	<u>9,605,942</u>
Net income/(expenditure)		244,281	(2,754,211)	7,585,629	5,075,699	26,189,626
Transfers between funds	18	-	(137,907)	137,907	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(2,813,000)	-	(2,813,000)	235,000
Net movement in funds		<u>244,281</u>	<u>(5,705,118)</u>	<u>7,723,536</u>	<u>2,262,699</u>	<u>26,424,626</u>
Reconciliation of funds						
Total funds brought forward		533,083	(6,192,205)	40,877,547	35,218,425	8,793,799
Total funds carried forward		<u>777,364</u>	<u>(11,897,323)</u>	<u>48,601,083</u>	<u>37,481,124</u>	<u>35,218,425</u>

THE GALLERY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	3	312	-	9,699,284	9,699,596
Donations - transfer from local authority on conversion	27	258,591	(3,661,000)	20,835,011	17,432,602
Charitable activities:					
- Funding for educational operations	4	114,424	8,477,120	-	8,591,544
- Funding for teaching school	26	-	48,500	-	48,500
Other trading activities	5	22,498	-	-	22,498
Investments	6	828	-	-	828
Total		<u>396,653</u>	<u>4,864,620</u>	<u>30,534,295</u>	<u>35,795,568</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	110,507	8,564,163	891,124	9,565,794
- Teaching School		-	40,148	-	40,148
Total	7	<u>110,507</u>	<u>8,604,311</u>	<u>891,124</u>	<u>9,605,942</u>
Net income/(expenditure)		286,146	(3,739,691)	29,643,171	26,189,626
Transfers between funds	18	(86,681)	-	86,681	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	235,000	-	235,000
Net movement in funds		199,465	(3,504,691)	29,729,852	26,424,626
Reconciliation of funds					
Total funds brought forward		333,618	(2,687,514)	11,147,695	8,793,799
Total funds carried forward		<u>533,083</u>	<u>(6,192,205)</u>	<u>40,877,547</u>	<u>35,218,425</u>

THE GALLERY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		48,425,810		40,407,171
Current assets					
Debtors	14	701,529		857,101	
Cash at bank and in hand		3,560,209		2,262,966	
		<u>4,261,738</u>		<u>3,120,067</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,081,424)		(519,818)	
Net current assets			3,180,314		2,600,249
Total assets less current liabilities			<u>51,606,124</u>		<u>43,007,420</u>
Creditors: amounts falling due after more than one year	16		-		(8,995)
Net assets before defined benefit pension scheme liability			<u>51,606,124</u>		<u>42,998,425</u>
Defined benefit pension scheme liability	20		(14,125,000)		(7,780,000)
Total net assets			<u><u>37,481,124</u></u>		<u><u>35,218,425</u></u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			48,601,083		40,877,547
- Restricted income funds			2,227,677		1,587,795
- Pension reserve			(14,125,000)		(7,780,000)
Total restricted funds			<u>36,703,760</u>		<u>34,685,342</u>
Unrestricted income funds	18		777,364		533,083
Total funds			<u><u>37,481,124</u></u>		<u><u>35,218,425</u></u>

The accounts on pages 33 to 60 were approved by the trustees and authorised for issue on and are signed on their behalf by:

.....
Mr C Scrivener
Chair

Company Number 08334718

THE GALLERY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21	1,833,774		183,227	
Cash funds transferred on conversion		-		279,216	
		<u>1,833,774</u>		<u>462,443</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		303		828	
Capital grants from DfE Group		29,132		546,907	
Capital funding received from sponsors and others		1,298,877		52,377	
Purchase of tangible fixed assets		<u>(1,854,049)</u>		<u>(241,002)</u>	
Net cash (used in)/provided by investing activities			(525,737)		359,110
Cash flows from financing activities					
Repayment of other loan		<u>(10,794)</u>		<u>(1,799)</u>	
Net cash used in financing activities			(10,794)		(1,799)
Net increase in cash and cash equivalents in the reporting period			1,297,243		819,754
Cash and cash equivalents at beginning of the year			2,262,966		1,443,212
Cash and cash equivalents at end of the year			<u><u>3,560,209</u></u>		<u><u>2,262,966</u></u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

The Gallery Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Mabel Prichard School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion were assets of £1,436,000 and liabilities of £3,220,000. The valuation of Mabel Prichard's fixed assets of £8,420,000 has been recognised in the Statement of Financial Activities (comprising £6,465,000 buildings and £1,955,000 land) Further details of the transaction are set out in note 13 and 20.

1.4 Income

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

Grants

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

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

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	5% (20 years from conversion)
Leasehold improvements	5-10% (10-20 years)
Assets under construction	5% (20 years)
Computer equipment	33% (3 years)
Fixtures, fittings & equipment	20% (5 years)
Motor vehicles	20% (5 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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30 (?).

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 20, 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Assets transferred to the trust	-	-	-	9,100,000
Capital grants	-	1,412,993	1,412,993	599,284
Other donations	2,042	-	2,042	312
	<u>2,042</u>	<u>1,412,993</u>	<u>1,415,035</u>	<u>9,699,596</u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,343,135	6,343,135	3,751,542
Other DfE / ESFA grants:				
UIFSM	-	37,281	37,281	-
Pupil premium	-	281,417	281,417	169,964
DfE teaching grants	-	40,000	40,000	48,500
Others (see note below)	-	652,276	652,276	685,494
	-	7,354,109	7,354,109	4,655,500
Other government grants				
Local authority grants	-	7,526,297	7,526,297	3,771,270
Special educational projects	-	-	-	98,850
	-	7,526,297	7,526,297	3,870,120
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	151,080	151,080	-
Other DfE/ESFA COVID-19 funding	-	46,890	46,890	-
	-	197,970	197,970	-
Other incoming resources	43,823	-	43,823	114,424
Total funding	43,823	15,078,376	15,122,199	8,640,044

The Academy Trust received Covid catch up grants of £151,080 and Covid Winter Grants of £46,890 during the year (2019/20: £Nil). Costs incurred in respect of this funding totalled £197,970 and are included in notes 7 and 9 below.

Other incoming resources include pupil transport income of £Nil (2019/20: £59,593), and catering income of £43,823 (2019/20: £30,896). Pupil transport income is included in Other Trading Activities for the 2020/21 accounts.

Other ESFA grants include PE and Sports Grant £61,678 (2019/20: £25,054), Teachers' Pay Grant £252,793 (2019/20: £51,952), Teachers' Pension Grant £155,033 (2019/20: £154,731), Trust Capacity Fund Grant £149,172 (2019/20: £149,975), Pre-opening and rebrokerage grants £30,000 (2019/20: £274,243), Bursary Funding £2,400 (2019/20: £Nil), Year 7 Catch Up Grant in 2019/20 £22,178 and other amounts of £3,600 (2019/20: £7,361).

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	20,016	-	20,016	22,498
Pupil transport income	136,909	-	136,909	-
Other income	56,444	-	56,444	-
	<u>213,369</u>	<u>-</u>	<u>213,369</u>	<u>22,498</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	303	-	303	828
	<u>303</u>	<u>-</u>	<u>303</u>	<u>828</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	10,095,638	-	377,569	10,473,207	5,584,581
- Allocated support costs	3,743,159	3,080,630	1,142,726	7,966,515	3,981,213
Teaching School					
- Direct costs	24,871	-	-	24,871	39,248
- Allocated support costs	-	-	-	-	900
	<u>13,863,668</u>	<u>3,080,630</u>	<u>1,520,295</u>	<u>18,464,593</u>	<u>9,605,942</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	10,000	15,000
- Other services	7,550	10,000
Operating lease rentals	44,975	13,342
Depreciation of tangible fixed assets	2,255,410	891,124
Net interest on defined benefit pension liability	171,000	97,000
	<u>2,528,935</u>	<u>2,026,466</u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

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

- payroll
- human resources
- health and safety
- facilities management
- ICT support
- finance and audit services
- risk management
- school improvement

The academy trust charges for these services on the following basis:

An agreed percentage of the General Annual Grant (GAG) income and the High Needs funding from Oxfordshire County Council based on the needs of the school.

The amounts charged during the year were as follows:

	2021	2020
	£	£
Iffley Academy	136,473	188,932
Bardwell School	74,495	67,810
Northern House Academy	113,567	74,877
Orion Academy	108,116	64,534
Springfield School	96,698	-
Mabel Pritchard School	110,897	-
	<u>640,246</u>	<u>396,153</u>

9 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2021	2020
	£	£	£	£
Direct costs				
Educational operations	160,596	10,312,611	10,473,207	5,584,581
Teaching School	-	24,871	24,871	39,248
Support costs				
Educational operations	-	7,966,515	7,966,515	3,981,213
Teaching School	-	-	-	900
	<u>160,596</u>	<u>18,303,997</u>	<u>18,464,593</u>	<u>9,605,942</u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities (Continued)

	Teaching school £	Educational operations £	Total 2021 £	Total 2020 £
Analysis of support costs				
Support staff costs	-	3,826,367	3,826,367	2,171,181
Depreciation	-	2,255,410	2,255,410	891,124
Technology costs	-	180,138	180,138	116,700
Premises costs	-	825,220	825,220	315,946
Legal costs - conversion	-	8,642	8,642	-
Legal costs - other	-	143,524	143,524	173,866
Other support costs	-	682,018	682,018	270,415
Governance costs	-	45,196	45,196	42,881
	-	7,966,515	7,966,515	3,982,113

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	9,499,172	5,198,856
Social security costs	836,047	489,688
Pension costs	3,412,123	1,751,349
Staff costs - employees	13,747,342	7,439,893
Agency staff costs	116,326	63,964
	13,863,668	7,503,857
Staff development and other staff costs	83,208	57,362
Total staff expenditure	13,946,876	7,561,219

Staff numbers

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

	2021 Number	2020 Number
Teachers	93	73
Administration and support	305	235
Management	25	24
	423	332

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	91	72
Administration and support	299	129
Management	24	21
	<u>414</u>	<u>222</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	4	3
£80,001 - £90,000	6	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£160,001 - £170,000	1	-
	<u>17</u>	<u>9</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £2,145,122 (2020: £1,104,563).

11 Trustees' remuneration and expenses

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

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

M K Willett (Chief Executive Officer, Governor and trustee):

- Remuneration £140,000 - £150,000 (2020: £125,000 - £130,000)
- Employer's pension contributions £15,000 - £20,000 (2020: £30,000 - £35,000)

Other related party transactions involving the trustees are set out within the related parties note.

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Trustees' and officers' insurance

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

13 Tangible fixed assets

	Leasehold buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	43,450,751	72,650	132,310	194,974	74,715	43,925,400
Transfer on conversion	8,420,000	-	-	-	-	8,420,000
Additions	1,773,943	-	54,160	25,946	-	1,854,049
At 31 August 2021	53,644,694	72,650	186,470	220,920	74,715	54,199,449
Depreciation						
At 1 September 2020	3,252,478	-	54,701	148,256	62,794	3,518,229
Charge for the year	2,188,680	3,633	48,143	12,255	2,699	2,255,410
At 31 August 2021	5,441,158	3,633	102,844	160,511	65,493	5,773,639
Net book value						
At 31 August 2021	48,203,536	69,017	83,626	60,409	9,222	48,425,810
At 31 August 2020	40,198,273	72,650	77,609	46,718	11,921	40,407,171

Total leasehold land is valued at £11,429,000 at year end (2020: £9,476,000) and includes the land for all schools except Iffley Academy and is not depreciated.

14 Debtors

	2021 £	2020 £
Trade debtors	316,858	22,361
VAT recoverable	183,254	63,227
Prepayments and accrued income	201,417	771,513
	701,529	857,101

THE GALLERY TRUST

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

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	-	1,799
Trade creditors	227,914	110,571
Other taxation and social security	205,871	159,953
Other creditors	272,044	156,828
Accruals and deferred income	375,595	90,667
	<u>1,081,424</u>	<u>519,818</u>

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	-	8,995
	<u>-</u>	<u>8,995</u>

Analysis of loans	2021 £	2020 £
Wholly repayable within five years	-	10,794
Less: included in current liabilities	-	(1,799)
	<u>-</u>	<u>8,995</u>

Loan maturity

A loan of £12,593 from Prudential was transferred to the trust on Bardwell School's conversion from Oxfordshire County Council on 1 June 2019. The loan was repayable in seven annual instalments of £1,799 and was fully repaid at 31 August 2021 (2020: £8,995 outstanding).

17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	119,905	28,377
	<u>119,905</u>	<u>28,377</u>
Deferred income at 1 September 2020	28,377	30,476
Released from previous years	(28,377)	(30,476)
Resources deferred in the year	119,905	28,377
	<u>119,905</u>	<u>28,377</u>

Deferred income at year is in relation to funds received in advance £119,905 (2020: £28,377).

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	1,579,443	6,343,135	(5,580,475)	(137,907)	2,204,196
UIFSM	-	37,281	(37,281)	-	-
Pupil premium	-	281,417	(281,417)	-	-
Catch up premium	-	151,080	(151,080)	-	-
Other DfE/ESFA COVID-19 funding	-	46,890	(46,890)	-	-
Other DfE / ESFA grants	-	454,306	(454,306)	-	-
Other government grants	-	7,724,267	(7,724,267)	-	-
Teaching School	8,352	40,000	(24,871)	-	23,481
Pension reserve	(7,780,000)	(1,784,000)	(1,748,000)	(2,813,000)	(14,125,000)
	<u>(6,192,205)</u>	<u>13,294,376</u>	<u>(16,048,587)</u>	<u>(2,950,907)</u>	<u>(11,897,323)</u>
Restricted fixed asset funds					
Inherited on conversion	31,271,780	8,428,046	-	(39,699,826)	-
DfE group capital grants	419,086	1,412,993	-	(1,656,806)	175,273
Fixed assets fund	86,681	-	(2,255,410)	50,594,539	48,425,810
Assets transferred to the Trust	9,100,000	-	-	(9,100,000)	-
	<u>40,877,547</u>	<u>9,841,039</u>	<u>(2,255,410)</u>	<u>137,907</u>	<u>48,601,083</u>
Total restricted funds	<u>34,685,342</u>	<u>23,135,415</u>	<u>(18,303,997)</u>	<u>(2,813,000)</u>	<u>36,703,760</u>
Unrestricted funds					
General funds	<u>533,083</u>	<u>404,877</u>	<u>(160,596)</u>	<u>-</u>	<u>777,364</u>
Total funds	<u>35,218,425</u>	<u>23,540,292</u>	<u>(18,464,593)</u>	<u>(2,813,000)</u>	<u>37,481,124</u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2021.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Project Development Grants are received from the DfE to cover all revenue expenditure related to the free school, up to the point at which it opens, is cancelled, or withdrawn.

Other DfE funding represents other forms of funding received from the Department for Education. This includes but is not limited to Year 7 Catch Up funding and PE grants.

MAT Growth Funding comprises grants received for the specific purpose of investing in the growth potential of the existing multi-academy trust.

Start Up Grants relate to additional funding for the academy conversion of Bardwell School (£25k) and Springfield School (£25k).

Top-up and Other Local Authority Revenue funding represents various grant funding provided by Local Authorities.

Restricted general funds, Other grants represent amounts given to the academy trust for specific revenue purposes.

The Teaching School represents the breakdown of income, expenditure and transfers between funds relating to the Teaching School operated through The Gallery Trust. Further detail can be found in Note 26.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Local Authority Capital Funding includes various grant funding provided by Local Authorities.

Capital funds transferred on conversion constitute balances remaining on funds held by the academy trust for capital purposes from the point Bardwell School converted to academy status and joined the trust.

The Fixed Asset fund recognises the net book value of tangible and fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	956,105	3,751,542	(3,128,204)	-	1,579,443
Pupil premium	-	169,964	(169,964)	-	-
Other DfE / ESFA grants	11,381	685,494	(696,875)	-	-
Other government grants	-	3,870,120	(3,870,120)	-	-
Teaching School	-	48,500	(40,148)	-	8,352
Pension reserve	(3,655,000)	(3,661,000)	(699,000)	235,000	(7,780,000)
	<u>(2,687,514)</u>	<u>4,864,620</u>	<u>(8,604,311)</u>	<u>235,000</u>	<u>(6,192,205)</u>
Restricted fixed asset funds					
Transfer on conversion	11,057,167	20,835,011	(620,398)	-	31,271,780
DfE group capital grants	90,528	599,284	(270,726)	-	419,086
Capital expenditure from GAG	-	-	-	86,681	86,681
Private sector capital sponsorship	-	9,100,000	-	-	9,100,000
	<u>11,147,695</u>	<u>30,534,295</u>	<u>(891,124)</u>	<u>86,681</u>	<u>40,877,547</u>
Total restricted funds	<u>8,460,181</u>	<u>35,398,915</u>	<u>(9,495,435)</u>	<u>321,681</u>	<u>34,685,342</u>
Unrestricted funds					
General funds	<u>333,618</u>	<u>396,653</u>	<u>(110,507)</u>	<u>(86,681)</u>	<u>533,083</u>
Total funds	<u>8,793,799</u>	<u>35,795,568</u>	<u>(9,605,942)</u>	<u>235,000</u>	<u>35,218,425</u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Iffley Academy	-	-
Bardwell School	-	-
Northern House Academy	-	-
Orion Academy	-	-
Springfield School	-	-
Mabel Pritchard School	-	-
Central services	3,005,041	2,120,878
	<u>3,005,041</u>	<u>2,120,878</u>
Total before fixed assets fund and pension reserve	3,005,041	2,120,878
Restricted fixed asset fund	48,601,083	40,877,547
Pension reserve	(14,125,000)	(7,780,000)
	<u>37,481,124</u>	<u>35,218,425</u>
Total funds	<u><u>37,481,124</u></u>	<u><u>35,218,425</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Iffley Academy	2,037,272	418,249	110,762	401,764	2,968,047	2,980,402
Bardwell School	1,649,787	350,000	21,452	159,669	2,180,908	2,009,171
Northern House Academy	1,300,090	195,876	102,196	223,320	1,821,482	903,056
Orion Academy	1,089,469	234,661	98,532	214,993	1,637,655	859,343
Springfield School	1,852,091	184,554	11,960	212,845	2,261,450	315,012
Mabel Pritchard School	1,560,384	183,526	13,310	194,131	1,951,351	-
Central services	624,729	2,348,471	11,960	403,130	3,388,290	1,647,834
	<u>10,113,822</u>	<u>3,915,337</u>	<u>370,172</u>	<u>1,809,852</u>	<u>16,209,183</u>	<u>8,714,818</u>
Depreciation					2,255,410	891,124
Total costs per note 9					<u><u>18,464,593</u></u>	<u><u>9,605,942</u></u>

Other support staff costs, Central services, includes £1,748,000 (2020: £699,000) in respect of FRS 102 pension and finance costs.

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	48,425,810	48,425,810
Current assets	777,364	3,309,101	175,273	4,261,738
Creditors falling due within one year	-	(1,081,424)	-	(1,081,424)
Defined benefit pension liability	-	(14,125,000)	-	(14,125,000)
Total net assets	777,364	(11,897,323)	48,601,083	37,481,124

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	40,407,171	40,407,171
Current assets	533,083	2,116,608	470,376	3,120,067
Creditors falling due within one year	-	(519,818)	-	(519,818)
Creditors falling due after one year	-	(8,995)	-	(8,995)
Defined benefit pension liability	-	(7,780,000)	-	(7,780,000)
Total net assets	533,083	(6,192,205)	40,877,547	35,218,425

20 Pension 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 Oxfordshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £157,417 were payable to the schemes at 31 August 2021 (2020: £78,669) and are included within creditors.

Teachers' Pension Scheme

Introduction

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 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.

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. 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% employer administration charge)
- 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £994,996 (2020: £586,942).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.6% for employers and 6.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

THE GALLERY TRUST

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

20 Pension and similar obligations (Continued)

Total contributions made	2021 £	2020 £
Employer's contributions	840,000	446,000
Employees' contributions	283,000	141,000
Total contributions	<u>1,123,000</u>	<u>587,000</u>

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	2.9	2.2
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Commutation of pensions to lump sums	<u>50</u>	<u>50</u>

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

	2021 Years	2020 Years
Retiring today		
- Males	22.4	22.2
- Females	24.7	24.3
Retiring in 20 years		
- Males	23.4	22.9
- Females	<u>26.3</u>	<u>22.9</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate + 0.1%	26,136	13,478
Discount rate - 0.1%	26,410	17,650
Mortality assumption + 1 year	26,063	15,439
Mortality assumption - 1 year	26,483	15,689
CPI rate + 0.1%	26,149	17,438
CPI rate - 0.1%	<u>26,397</u>	<u>13,690</u>

THE GALLERY TRUST

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

20 Pension and similar obligations		(Continued)	
Defined benefit pension scheme net liability	2021	2020	
	£	£	
Scheme assets	12,148,000	7,784,000	
Scheme obligations	(26,273,000)	(15,564,000)	
Net liability	<u>(14,125,000)</u>	<u>(7,780,000)</u>	
The academy trust's share of the assets in the scheme	2021	2020	
	Fair value	Fair value	
	£	£	
Equities	8,990,000	5,449,000	
Corporate bonds	2,065,000	1,557,000	
Property	850,000	467,000	
Other assets	243,000	311,000	
Total market value of assets	<u>12,148,000</u>	<u>7,784,000</u>	
The actual return on scheme assets was £1,910,000 (2020: £153,000).			
Amount recognised in the statement of financial activities	2021	2020	
	£	£	
Current service cost	1,577,000	1,048,000	
Interest cost	171,000	97,000	
Total operating charge	<u>1,748,000</u>	<u>1,145,000</u>	
Changes in the present value of defined benefit obligations	2021	2020	
	£	£	
At 1 September 2020	15,564,000	7,143,000	
Transferred in on existing academies joining the academy trust	3,220,000	7,273,000	
Current service cost	2,417,000	1,048,000	
Interest cost	332,000	192,000	
Employee contributions	283,000	141,000	
Actuarial loss/(gain)	4,562,000	(177,000)	
Benefits paid	(105,000)	(56,000)	
At 31 August 2021	<u>26,273,000</u>	<u>15,564,000</u>	

THE GALLERY TRUST

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

20 Pension and similar obligations

(Continued)

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

	2021 £	2020 £
At 1 September 2020	7,784,000	3,488,000
Transferred in on existing academies joining the academy trust	1,436,000	3,612,000
Interest income	161,000	95,000
Actuarial gain	1,749,000	58,000
Employer contributions	840,000	446,000
Employee contributions	283,000	141,000
Benefits paid	(105,000)	(56,000)
	<u>12,148,000</u>	<u>7,784,000</u>
At 31 August 2021	<u>12,148,000</u>	<u>7,784,000</u>

21 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	5,075,699	26,189,626
Adjusted for:		
Net surplus on conversion to academy	(6,789,386)	(17,432,602)
Capital grants from DfE and other capital income	(1,412,993)	(9,699,284)
Investment income receivable	(303)	(828)
Defined benefit pension costs less contributions payable	1,577,000	602,000
Defined benefit pension scheme finance cost	171,000	97,000
Depreciation of tangible fixed assets	2,255,410	891,124
Decrease/(increase) in debtors	240,556	(646,569)
Increase in creditors	563,405	182,760
Current assets and liabilities transferred on conversion	153,386	-
	<u>1,833,774</u>	<u>183,227</u>
Net cash provided by operating activities	<u>1,833,774</u>	<u>183,227</u>

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	2,262,966	1,297,243	3,560,209
Loans falling due within one year	(1,799)	1,799	-
Loans falling due after more than one year	(8,995)	8,995	-
	<u>2,252,172</u>	<u>1,308,037</u>	<u>3,560,209</u>

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Mr R Willett

Mr R Willett (spouse of Mrs M Willett, Trustee and Accounting Officer) is employed by the Iffley Academy as Acting Deputy Head Teacher and Student Wellbeing. Mr Willett's remuneration during the year was £52,780 (2019/20: £45,931), employer pension contributions amounted to £9,294 (2019/20: £8,799) and expenses were £Nil (2019/20: £Nil). The balance due to Mr R Willett as at 31 August 2021 was Nil (2020: £Nil).

Mr R Willett's appointment was made in open competition and Mrs M Willett was not involved in the decision-making process regarding appointment. Mr R Willett is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

Ms K Hunston

Ms K Hunston (daughter of Mrs S Hunston, Organisation and Development Director) was employed by the Iffley Academy as a Teaching Assistant in the year ended 31 August 2021. Ms Hunston's remuneration during the year ending 31 August 2021 was £14,246 (2019/20: £14,789), employer pension contributions amounted to £2,521 (2019/20: £2,811) and expenses were £Nil (2019/20: £Nil). The balance due to Ms K Hunston as at 31 August 2021) was £Nil (2020: £Nil).

Ms K Hunston's appointment was made in open competition and Mrs S Hunston was not involved in the decision-making process regarding appointment. Ms K Hunston is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mr M Shaw

Mr M Shaw (son of Mrs K Shaw, Trustee) was employed by Iffley Academy as a Resources Assistant in the year ended 31 August 2021. Mr Shaw's remuneration during the year ending 31 August 2021 was £5,377 (2019/20: £5,640), employer pension contributions amounted to £952 (2019/20: £1,079) and expenses were £Nil (2019/20: £Nil). The balance due to Mr M Shaw as at 31 August 2021 was £Nil (2020: £Nil).

Mr M Shaw's appointment was made in open competition and Mrs K Shaw was not involved in the decision-making process regarding appointment. Mr M Shaw is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

Mrs C Shyrane

Mrs C Shyrane (wife of Mr J Shyrane, Trustee) was employed by Springfield School as a Teaching Assistant in the year ended 31 August 2021. Mrs C Shyrane's remuneration during the year ending 31 August 2021 was £4,561 (2019/20: £834), employer pension contributions amounted to £Nil (2019/20: £Nil) and expenses were £Nil (2019/20: £Nil). The balance due to Mrs C Shyrane at at 31 August 2021 was £Nil (2020: £Nil).

Mrs C Shyrane's appointment was made in open competition and Mr J Shyrane was not involved in the decision-making process regarding appointment. Mrs C Shyrane is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

THE GALLERY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Members' liability

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

25 Agency arrangements

The academy trust distributes 16-19 Bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021, the trust received £2,400 (2020: £3,540) and disbursed £Nil (2020: £3,540) from the fund. An amount of £2,400 (2020: £Nil) is included in Other Creditors relating to the undistributed funds that are repayable to the ESFA.

26 Teaching School trading account

	2021		2020	
	£	£	£	£
Direct income				
Government grants		40,000		48,500
Direct costs				
Direct staff costs	24,871		39,248	
Other costs				
Other support costs	-		900	
Total expenditure		(24,871)		(40,148)
Surplus from all sources		15,129		8,352
Teaching School balances at 1 September 2020		8,352		-
Teaching School balances at 31 August 2021		23,481		8,352

27 Conversion to an academy

On 1 November 2020 the Mabel Prichard School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Gallery Trust from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as "Donations – transfer from local authority on conversion."

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

THE GALLERY TRUST

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

27 Conversion to an academy

(Continued)

Academy	Location	Date of conversion
Mabel Pritchard School	Oxford	1 November 2020

	Unrestricted funds	Restricted funds:		Total 2021
	£	General	Fixed asset	£
Net assets transferred:				
Pension scheme deficit	-	(1,784,000)	-	(1,784,000)

	Unrestricted funds	Restricted funds:		Total 2021
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	8,428,046	8,428,046
LA budget funds	145,340	-	-	145,340
LGPS pension funds	-	(1,784,000)	-	(1,784,000)
	<u>145,340</u>	<u>(1,784,000)</u>	<u>8,428,046</u>	<u>6,789,386</u>