

Charity Registration No. 1134693

SHIREBROOK ACADEMY ENDOWMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

SHIREBROOK ACADEMY ENDOWMENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee Aston Community Education Trust

Charity number 1134693

Principal address Common Lane
Shirebrook
Nottinghamshire
United Kingdom
NG20 8QF

Registered office Aston Academy
Aughton Road
Swallownest
Sheffield
South Yorkshire
S26 4SF

Auditor Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Investment advisors St James's Place
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP

SHIREBROOK ACADEMY ENDOWMENT FUND

CONTENTS

	Page
Trustee's report	1 - 3
Statement of trustee's responsibilities	4
Independent auditor's report	5 - 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 18

SHIREBROOK ACADEMY ENDOWMENT FUND

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustee present their annual report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Deed of Gift and Declaration of Trust dated 4 February 2010 as amended on 28 April 2017, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The principal activity of Shirebrook Academy Endowment Fund is to advance education for the benefit of the community of Shirebrook. This is achieved by investing the lump sum investment it has received from the former Sponsor of Shirebrook Academy and using the returns from the investment to support students, members of the community and the staff to further education in the local community.

Objectives, strategies and activities

The returns from our Sponsor's donation of £2,000,000 received when the Academy opened are to be used for the following purposes:

- assisting and supporting the education of students at the Academy including the provision of awards, prizes or other rewards;
- relieving the financial hardship of pupils and ex-pupils of the school by the provision of bursaries, scholarships, equipment or in any other way the trustees think fit to enable them to pursue their education;
- providing grants or other financial assistance to assist pupils in financial need to undertake curricular activities (including educational travel in the United Kingdom or overseas)
- providing or assisting in the provision of services or facilities at the Academy not provided for under the funding agreement; and
- fostering closer ties between the Academy and community, including promoting education in the community served by the Academy.

Public benefit statement

The primary purpose of Shirebrook Academy Endowment Fund is the advancement of education within the local area. To this end, the Fund is being used to support extra-curricular activities and community involvement in education.

Shirebrook Academy Endowment Fund gives a high priority to providing public benefit to a cross section of the community regardless of family background. Shirebrook Academy Endowment Fund assists by awarding funds to ex-students moving on to higher education and offering cultural and educational opportunities to both present and past students and the community of Shirebrook. Awards are allocated to subsidise the cost of overseas educational visits for current students, allowing them to participate in activities that develop them educationally, socially and culturally. Past community awards have contributed towards an arts project to visually improve the local amenities as well as awards to Shirebrook Rangers FC to promote access to sporting activities outside school hours so that they are able to deliver a wider range of experiences for the benefit of the community.

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, and that this extends to their management of Shirebrook Academy Endowment Fund.

SHIREBROOK ACADEMY ENDOWMENT FUND

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

During the year the fund has been used for the following purposes:

- Support for community events held at the Academy intended to foster closer ties between the Academy and community;
- Supporting primary schools/academies within the Shirebrook community in various ways, including;
- provision of reading materials
- supporting trips and visits programmes
- provision of literacy and maths resources
- facilitating improvement within areas of the school premises.

Financial review

The performance of the unit trusts during the year has been relatively stable. The value of the funds have increased by 23.6% (2020: -5.6%) with a 1.0% (2020 - 2.2%) dividend and interest yield (based on the value of the unit trusts as at 31 August 2021). The increase in value of the funds is due to the recovery being made in market conditions following Brexit & COVID-19.

Reserves policy

At the end of the year total reserves carried forward are £3,235,000 (2020 - £2,641,000) in the fund. It is the policy of Shirebrook Academy Endowment Fund to administer the income from the fund in order to support the following:

- Community events (e.g. Family Fun Day)
- Hardship fund for students for trips and visits etc.

The returns will only be spent on these items when there are considered to be sufficient funds to do so without endangering the capital value of the original £2,000,000 investment.

Investment policy

The Trustee of the Shirebrook Academy Endowment Fund primarily invests its funds with St James' Place. Following their professional advice this was invested into a number of Unit Trusts as longer term investments across a number of locations/markets. Shirebrook Academy Endowment Fund has £108,000 (2020 - £98,000) invested into cash deposits to facilitate in carrying out its charitable activities.

At the outset, Shirebrook Academy Endowment Fund invested £2,000,000 into Unit Trusts, with the aim of achieving a spread of funds and therefore significant diversification of asset class including equities and fixed interest, geographical areas, and currency. The value of these unit trusts at the year end was £3,145,000 (2020 - £2,545,000). The aim of this is to allow the value of the Fund's capital to grow in the medium to long term whilst allowing withdrawals to be made from the cash deposits to further the aims of the Fund in the short term.

The Trustees advised St James's Place Wealth Management of their intention to close the endowment fund's investment portfolio. On 8 September 2021 the Trustees' instructed this action to be carried out, with all investments being sold on 20 September 2021 for a total consideration of £3,047,500. The trustees have subsequently instructed Niche Wealth Management to re-invest the funds.

Risk management

The major risks to which Shirebrook Academy Endowment Fund is exposed are as follows:

- Erosion of capital due to inflation
- Loss of capital due to volatile market conditions
- Loss of reputation.

The trustee has considered these risks. Policies and procedures have been put into place to minimise these risks, including regular reviews of the performance of the investments, diversification of investments (both by geographical sector and by asset class), and maintaining an appropriate balance between cash and unit trust based investments. Shirebrook Academy Endowment Fund is also advised by St James's Place, a professional wealth management company.

SHIREBROOK ACADEMY ENDOWMENT FUND

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

When assessing the risks that the charity is exposed to the trustee has considered the impact of COVID-19. Whilst the trustee accepts that this may exacerbate some of the risks listed above it firmly believes that it has the policies and procedures in place to mitigate the potential impact.

Plans for future periods

The trustee is considering using Shirebrook Academy Endowment Fund to assist in the provision of extra-curricular community support. Shirebrook Academy Endowment Fund will continue to target supporting community events and assisting students facing severe hardship where the Academy is not able to assist with other grant funding it receives.

Structure, governance and management

Shirebrook Academy Endowment Fund is a registered charity established under a Deed Of Gift and Declaration of Trust dated 4 February 2010 as amended on 28 April 2017. The Deed of Gift and Declaration of Trust outlines the objects of the Trust

Organisation

The Endowment Fund is administered by Aston Community Education Trust as Trustee. The Members and the Governing Body of Aston Community Education Trust reviewed progress towards Shirebrook Academy Endowment Funds objectives and results. The Trustees during the year were:

J Barton (Chair of Directors/Trustees)
R Dyson (Deceased 25 October 2020)
C Kinsella (Vice Chair of Trustees)
A Brickles
J Hudson
J Ford
C McGowan
H Rodgers (Appointed 11 March 2021)

The Chief Executive Officer is the designated Accounting Officer of Shirebrook Academy Endowment Fund and has overall responsibility for its day to day financial management. The Chief Executive Officer is supported by Aston Community Education Trust's finance team who maintain the system of financial controls which are in place to manage this process.

Connected organisations, including related party relationships

Aston Community Education Trust, as Trustee, is a company limited by guarantee which has no voting capital.

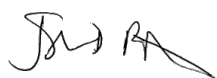
Funds held as custodian trustee

None.

Disclosure of information to auditor

Each of the trustee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustee's report was approved by the Board of the Trustee.



J Barton

For and on behalf of Aston Community Education Trust, Trustee

Dated: 27 June 2022

SHIREBROOK ACADEMY ENDOWMENT FUND

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustee are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the the trust and of the incoming resources and application of resources of the the trust for that year.

In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the the trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SHIREBROOK ACADEMY ENDOWMENT FUND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF SHIREBROOK ACADEMY ENDOWMENT FUND

Opinion

We have audited the financial statements of Shirebrook Academy Endowment Fund (the 'the trust') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

SHIREBROOK ACADEMY ENDOWMENT FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF SHIREBROOK ACADEMY ENDOWMENT FUND

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the statement of trustee's responsibilities, the trustee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustee are responsible for assessing the the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general academy sector experience and through discussion with management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

We have assessed the overall susceptibility of the financial statements to material misstatement due to irregularities as moderate risk due to the inherent regulatory environment and financial reporting requirements within the sector. Furthermore, increased public scrutiny due to use of public funds increases the risk around certain financial reporting disclosures. However, as a result, there are stronger financial controls around sensitive financial reporting disclosures, this reduces the risk of material misstatements as a result of irregularities being undetected. The procedures performed by the audit team included:

- Communicating identified laws and regulations at planning throughout the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.

SHIREBROOK ACADEMY ENDOWMENT FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF SHIREBROOK ACADEMY ENDOWMENT FUND

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud as low risk because of the strong control environment and regulatory framework. Management override is the most common way in which fraud might present itself and is therefore inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of operations, especially with related parties
- Fraudulent revenue recognition and income being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly the ones disclosed in note 2 to the financial statements.

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Reviewing minutes of meetings of those charged with governance.
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

SHIREBROOK ACADEMY ENDOWMENT FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF SHIREBROOK ACADEMY ENDOWMENT FUND

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Martin McDonagh (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

28 June 2022

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Hart Shaw LLP is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHIREBROOK ACADEMY ENDOWMENT FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

		Restricted funds	Endowment funds	Total	Restricted funds	Endowment funds	Total
	Notes	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
<u>Income from:</u>							
Investments	2	32	-	32	55	-	55
<u>Expenditure on:</u>							
Raising funds	3	-	52	52	-	47	47
Charitable activities	4	31	-	31	56	-	56
Total resources expended		31	52	83	56	47	103
Net gains/(losses) on investments	9	-	652	652	-	(104)	(104)
Net movement in funds		1	600	601	(1)	(151)	(152)
Fund balances at 1 September 2020		152	2,489	2,641	153	2,640	2,793
Fund balances at 31 August 2021		153	3,089	3,242	152	2,489	2,641

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

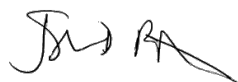
SHIREBROOK ACADEMY ENDOWMENT FUND

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Fixed assets					
Investments	10		3,145		2,545
Current assets					
Debtors	11	-		2	
Cash at bank and in hand		108		98	
		<u>108</u>		<u>100</u>	
Creditors: amounts falling due within one year	12	(11)		(4)	
Net current assets			97		96
Total assets less current liabilities			<u>3,242</u>		<u>2,641</u>
Capital funds					
<u>Endowment funds - general</u>					
Permanent endowment		2,000		2,000	
Expendable endowment		<u>1,089</u>		<u>489</u>	
	13		3,089		2,489
Income funds					
Restricted funds	14		153		152
Unrestricted funds			-		-
			<u>3,242</u>		<u>2,641</u>

The financial statements were approved by the Trustee on 27 June 2022



J Barton

For and on behalf of Aston Community Education Trust, Trustee

SHIREBROOK ACADEMY ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Shirebrook Academy Endowment Fund is a registered charity established under a Deed Of Gift and Declaration of Trust dated 4 February 2010 as amended on 28 April 2017. The Deed of Gift and Declaration of Trust outlines the objects of the Trust.

1.1 Accounting convention

The financial statements have been prepared in accordance with the the trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The the trust is a Public Benefit Entity as defined by FRS 102.

The the trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the the trust. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustee have a reasonable expectation that the the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds relate to the initial donation by the sponsor which represents the permanent capital base of the charity and which may not be spent. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as restricted income once crystallised. Any capital gains or losses arising on the investments form part of the fund, however any amounts above the initial donation are treated as an expendable endowment fund. Investment management charges and legal advice relating to the fund are charged against the fund.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

SHIREBROOK ACADEMY ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled..

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

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 expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SHIREBROOK ACADEMY ENDOWMENT FUND

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

1 Accounting policies

(Continued)

1.8 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

2 Investments

	Restricted funds	Restricted funds
	2021 £'000	2020 £'000
Unit trust dividends received	28	35
Unit trust interest received	4	20
	<u>32</u>	<u>55</u>

SHIREBROOK ACADEMY ENDOWMENT FUND

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

3 Raising funds

	Endowment funds general 2021 £'000	Endowment funds general 2020 £'000
Investment management fees	52	47
	<u>52</u>	<u>47</u>

4 Charitable activities

	Charitable Activity 2021 £'000	Charitable Activity 2020 £'000
Donations and grants paid	27	54
Share of governance costs (see note 5)	4	2
	<u>31</u>	<u>56</u>
Analysis by fund		
Restricted funds	31	56
	<u>31</u>	<u>56</u>

5 Support costs

	Support costs £'000	Governance costs £'000	2021 £'000	Support costs £'000	Governance costs £'000	2020 £'000
Audit fees	-	4	4	-	2	2
	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>2</u>	<u>2</u>
Analysed between Charitable activities	-	4	4	-	2	2
	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>2</u>	<u>2</u>

Governance costs includes payments to the auditors of £4,000 (2020- £2,000) for audit fees.

6 Trustee

None of the trustee (or any persons connected with them) received any remuneration or benefits from the the trust during the year (2020 - £nil).

SHIREBROOK ACADEMY ENDOWMENT FUND

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

7 Employees

There were no employees during the year (2020 - £nil).

8 Taxation

As a charity, Shirebrook Academy Endowment Fund is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

9 Net gains/(losses) on investments

	Endowment funds general 2021 £'000	Endowment funds general 2020 £'000
Revaluation of investments	652	(104)
	<u> </u>	<u> </u>

SHIREBROOK ACADEMY ENDOWMENT FUND

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

10 Fixed asset investments

	Unit trusts £'000
Cost or valuation	
At 1 September 2020	2,545
Valuation changes	600
	<hr/>
At 31 August 2021	3,145
	<hr/>
Carrying amount	
At 31 August 2021	3,145
	<hr/>
At 31 August 2020	2,545
	<hr/>

	2021 £'000	2020 £'000
Investments at fair value comprise:		
Investment funds	3,145	2,545
	<hr/>	<hr/>

11 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Other debtors	-	2
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	2	2
Accruals and deferred income	9	2
	<hr/>	<hr/>
	11	4
	<hr/>	<hr/>

SHIREBROOK ACADEMY ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Endowment funds

Endowment funds represent assets which must be held permanently by the the trust. Income arising on the endowment funds can be used in accordance with the objects of the the trust and is included as restricted income. Any capital gains or losses arising on the assets form part of the fund until they are crystallised.

	Balance at 1 September 2019 £'000	Resources expended £'000	Revaluations gains and losses £'000	Balance at 1 September 2020 £'000	Resources expended £'000	Revaluations gains and losses £'000	Balance at 31 August 2021 £'000
Permanent endowments							
Permanent endowment fund	2,000	-	-	2,000	-	-	2,000
Expendable endowments							
Expendable endowment fund (amount above the initial donation)	640	(47)	(104)	489	(52)	652	1,089
	<u>2,640</u>	<u>(47)</u>	<u>(104)</u>	<u>2,489</u>	<u>(52)</u>	<u>652</u>	<u>3,089</u>

The permanent endowment fund holds the amounts donated by the sponsor under the Deed of Gift. Any net gains on the funds initially invested, less costs of managing the investment, are recognised as expendable endowment funds as once crystallised these can be transferred to restricted funds.

14 Restricted funds

The general restricted fund represents income from investments and amounts relating to the charitable objects.

	Movement in funds			Movement in funds			
	Balance at 1 September 2019 £'000	Incoming resources £'000	Resources expended £'000	Balance at 1 September 2020 £'000	Incoming resources £'000	Resources expended £'000	Balance at 31 August 2021 £'000
General restricted	153	55	(56)	152	32	(31)	153
	<u>153</u>	<u>55</u>	<u>(56)</u>	<u>152</u>	<u>32</u>	<u>(31)</u>	<u>153</u>

SHIREBROOK ACADEMY ENDOWMENT FUND

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

15 Analysis of net assets between funds

	General Restricted Funds 2021 £'000	Endowment fund 2021 £'000	Total 2021 £'000	General Restricted Funds 2020 £'000	Endowment fund 2020 £'000	Total 2020 £'000
Fund balances at 31 August 2021 are represented by:						
Investments	56	3,089	3,145	56	2,489	2,545
Current assets/ (liabilities)	97	-	97	96	-	96
	<u>153</u>	<u>3,089</u>	<u>3,242</u>	<u>152</u>	<u>2,489</u>	<u>2,641</u>

16 Events after the reporting date

The Trustees advised St James's Place Wealth Management of their intention to close the endowment fund's investment portfolio. On 8 September 2021 the Trustees' instructed this action to be carried out, with all investments being sold on 20 September 2021 for a total consideration of £3,047,500. The trustees have subsequently instructed Niche Wealth Management to re-invest the funds.

17 Related party transactions

Shirebrook Academy Endowment fund is under the control of Aston Community Education Trust, who is the sole trustee of the charity.

During the year donations of £27,000 (2020: £54,000) were made to schools within Aston Community Education Trust.