



RSA ACADEMIES

(A charitable company limited by guarantee)

Trustees' Annual Report & Financial Statements
for the year ended 31 March 2021

**RSA ACADEMIES
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees and Directors

Nicola Beech (resigned 6 July 2020)
Penny Egan
Peter Fell
Rachel Sandby-Thomas
John Towers (Chair)
Sue Hind Woodward

Member and Ultimate Parent Undertaking

The Royal Society for the encouragement of the Arts, Manufactures and Commerce (the RSA)

Executive Director

Colin Hopkins

Registered office

8 John Adam Street, London WC2N 6EZ

Constitution

RSA Academies is a company limited by guarantee 07761509
RSA Academies is registered under the Charities Act 2011 - 1148908

Auditor

Price Bailey LLP
3rd Floor, 24 Old Bond St, Mayfair, London W1S 4AP

Bankers

Coutts & Co
440 The Strand, London WC2R 0QS

RSA ACADEMIES TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Our purpose

RSA Academies currently works with a family of nine schools across the West Midlands:

- Abbeywood First RSA Academy
- Arrow Vale RSA Academy
- Church Hill Middle RSA Academy
- Holyhead School
- Ipsley CE RSA Academy
- Oldbury Park Primary RSA Academy
- RSA Academy, Tipton
- St Stephen's CE RSA Academy
- Sutton Park Primary RSA Academy

We aim to provide an inspirational education for all pupils which relates their learning to the wider world, provides experiences which broaden horizons, and enables children and young people to develop the skills needed for success and personal fulfilment. In our classrooms young people are asked to be creative, imaginative and practical, are challenged to be the best, and are encouraged to show initiative, enthusiasm and leadership skills.

Our approach

Our approach is based on a partnership of equals between RSA Academies and the schools in the RSA Family of Academies. RSA Academies operates as an umbrella trust, rather than a multi-academy trust, working with a network of locally based academy trusts.

This means that the individual schools and local academy trusts within the group can share ideas and provide support and challenge to one another, whilst also retaining the autonomy and flexibility to take decisions that meet the needs of their own local communities.

Our areas of focus

The schools within the RSA Family of Academies focus on five key areas: -

A: Children love to learn and achieve: children will make excellent progress in their learning throughout their school career and develop a love of learning and confidence in their ability to do new things that stays with them into adult life.

B: Children are creative and turn their ideas into action: children will have access to high quality art and design projects and opportunities, to work creatively and on projects that are relevant to the real world, across all subject areas.

C: Connections with the world beyond the school gate: children will develop a wide range of skills and knowledge of the world beyond the school gate to enable them to thrive in their continuing education, the world of work and society. There will be a growing network of RSA Academies' alumni that connects meaningfully with the RSA Fellowship.

D: Support for health and well-being: RSA Academies are inclusive schools that welcome and support all children and give priority to their health and well-being alongside their academic progress. We recognize that many children will at certain times have difficulties in their lives out of school that may cause a barrier to learning. Our schools strive to work with the child, their family, and other agencies as needed to ensure that all children have the support they need to achieve their full potential.

E: Staff are inspired to be confident and creative: teachers are encouraged and challenged to be creative, engage with relevant research, and be confident in testing out new approaches to enrich children's learning. They will have opportunities to engage with and contribute to the wider work of the RSA. Through the RSA Academies' Teaching School Alliance all staff will have access to an exceptional programme of continuous professional development and learning opportunities, and a supportive environment in which to develop.

RSAA staff hold regular meetings with teachers who have responsibility within their own academy for the three key RSAA themes or 'Commitments': (i) Arts, Culture and Creativity; (ii) the World beyond School; and (iii) Wellbeing and Mental Health. These meetings are focused on the sharing of good practice and the co-design of projects, and act as a forum for the exchange of ideas and future planning.

RSA ACADEMIES TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The company is limited by guarantee and is governed by its Articles of Association. The Articles provide for up to eight trustees, two appointed by the RSA (including the Chair) and two drawn from the schools (one principal, one governor). The other trustees are appointed by a Nominations Panel of the RSA Academies' Board of Trustees based on their skills and experience. There is also provision for up to three co-optees.

During 2020/21 the RSA Academies' Board of Trustees has met six times, including an annual general meeting. All meetings were held online because of Covid-19 restrictions. The Executive Director attends all Board Meetings.

In 2020/21 RSA Academies employed the services of an accountancy company to support financial management and reporting. The RSA Academies Board of Trustees is served by two sub-committees, one for Finance and Risk and one for School Performance Review to ensure appropriate consideration is given to these areas.

RSA Academies works as an umbrella trust. It works with nine academies, eight of which form the Central RSA Academies Trust (a multi-academy trust), and one stand-alone academy, Holyhead School.

The Charity does not employ any staff directly. As set out in Note 10 of the Financial Statements, staff time is recharged by the parent Company, The Royal Society of Arts, Manufactures and Commerce. Therefore, there is to disclosure in these Financial Statements for the total salaries of Key Management Personnel

ACHIEVEMENT AND PERFORMANCE IN 2020/21

Activity was significantly disrupted or limited during 2020/21 on account of the Covid-19 pandemic, especially during the periods when schools were not open to students (except for vulnerable children and the children of critical workers). Some activity was reduced because of the need to operate 'bubbles' in schools, restricting the possibility of working across groups and schools. Much activity took place on-line, where this was feasible.

Children love to learn and achieve

Securing the best possible learning experiences for pupils remains a top priority. Six schools are currently rated either 'good' or 'outstanding' by Ofsted. Three other schools have not been inspected since joining the Central RSA Academies Trust. Of these, one was previously rated as 'good', one as 'requiring improvement' and one as 'inadequate'.

In 2020/21, despite the significant challenges we remained in regular contact with our schools, offering support where possible. We continued to work with schools to sustain the implementation of the Commitments for Arts, Culture and Creativity, the World Beyond School and Wellbeing and Mental Health.

Children are creative and turn their ideas into action

The RSA Pupil Design Awards programme was launched in September 2020 with teacher workshops in November and mentor sessions in March 2021. The national competition sets three briefs each year that challenge Year 7-12 pupils to design a solution to a social issue. The issues this year were (i) 'switched on' (to online learning); (ii) 'lessons from nature' (reimagining sustainable learning environments); and (iii) 'roots to empowerment' (challenging systemic racism). Judging takes place in June/July with the winners announced in mid-July.

The RSAA Contemporary Art Space (CAS) project (in partnership with the visual arts organisation, Iniva), which was launched in September 2019, entered its second year of operation. This is a two-year project concerned with participatory art-making and is designed to explore young people's sense of identity through co-commissioning artworks in response to social issues. In the project's first year, three artists were commissioned to produce artworks for three schools, (i) Laurie Ramsell (Abbeywood First, *Silhouettes of Sound*); (ii) Rudy Loewe (Holyhead, *The Depths of our History*); and (iii) Nilupa Yasmin (Arrow Vale, *We Start Now*). The artworks then become a focus for student and community engagement. The overall theme of the project is "oracy".

In the project's second year, three further artists were commissioned and introduced to work with our schools: Haseebah Ali (Abbeywood First), De'Anne Crooks (Holyhead), and Toni Lewis (RSA Academy, Tipton).

RSA ACADEMIES TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2021

During 2020, we developed 'emotional learning cards' to promote self-reflection based on the artworks as well as various other resources, including student worksheets and professional development for staff on maximising impact of the artwork through whole school engagement.

We also commissioned a film of a spoken word piece, 'My Language' written and performed by Amerah Saleh (a Birmingham-Yemeni poet) with accompanying calligraphy to illustrate and generate engagement with art. Resources relating to 'Holyhead Stories' (supported by a Community Fund) were also produced with Holyhead staff, artist De'Anne Crooks, art therapist Julie Buxton and curator Josie Reichert.

The three schools involved in the first phase of the CAS project (Abbeywood, Arrow Vale and Holyhead) have now transferred their artworks to three 'touring' schools, 'St Stephen's (Redditch), Sutton Park (Kidderminster) and the RSA Academy (Tipton) who have also received resources and support to create their own contemporary art spaces. Plans were made to commission three 'ArtLab' workshops for pupils in the three original schools with a view to creating ideas for further artworks to be installed in the second year.

Plans were devised for the annual RSAA Artsfest to take place in July 2021. This year the theme is 'Finding Connections'. RSAA put out a brief to invite tenders from interested providers. The successful bid, put forward by Michal Piotrowski and Niamh Meehan, is designed around poetry and performance. Artsfest will be school-based within participating schools, each with its own facilitator.

Connections with the world beyond the school gate

The World beyond School Commitment has been broadened to extend its focus beyond careers onto personal development, character education and active citizenship (social action).

After a year's hiatus, the seventh Takeover Day took place on 26th March 2021 but was school-based rather than taking place at RSA House in London. Pupils were asked to design their own ideal communities. The aim was for pupils to consider real-world problems to which their ideal community had to respond with creative socially-minded solutions. Pupils presented on their ideas with video calls creating some cross-school collaboration/sharing. Links were made to careers and key skills including problem solving, teamwork, creative thinking and communication. Prizes were awarded for the most creative and engaging ideas.

The RSA4 Primary Social Action project for Year 4 pupils (which was launched in January 2019) faced significant delays because of the difficult C-19 context. The aim of RSA4 is for pupils to learn how to lead a social action project through a series of structured workshop activities to develop leadership, teamwork, communication, problem-solving, civic self-efficacy and social responsibility. In view of the difficulties of in-school delivery, we produced online resources to support home-based learning.

The constraints of school 'bubbles' require RSA4 to be delivered in a virtual format to all RSA Academies' schools (and partner schools) with external facilitators Epic Steps Community Interest Company and the Green Schools Project supporting delivery. Workshops will be 'live streamed' into classrooms allowing whole Year 4 classes to participate in the activities. The aspiration is to reach approx. 400 Year 4 pupils across 8 schools. Pupils will then lead their own social action projects over the Summer term before culminating in an online celebration event at the end of the academic year

This year, the RSA8 social action project (for Year 8 students) also encountered disruption, with small groups participating in online activity. RSA8's current focus is on sharing the stories of local people doing amazing things in their communities during lockdown. The plan is for pupils to take part in workshops on leadership, teamwork and communication. They will then be tasked with interviewing their 'lockdown legends' to create their own newsletters sharing these stories

In 2020/21 we continued the cross-family careers coordinator post, based at RSA Academy, Tipton.

Inclusive schools that meet the needs of the whole child

This is a relatively new area of focus for RSA Academies because of concern from our schools over the mental health and wellbeing of students and staff. This has become especially acute over the last year. Our schools continued to benefit from the work carried out as part of the programme *A Comprehensive Approach to Mental Health in Schools* (2017/18).

As part of a collaborative ESRC funded PhD at Warwick University, during a short placement with several of our schools, Krystal Douglas used her research findings and methodologies on how friendships and families influence career choices to create workshops and resources (including a home-learning resource, 'Facing the Future') for teachers, students and the RSA

RSA ACADEMIES TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2021

Academies Teaching School Alliance. The themes of her work are aspiration and wellbeing and how these influence pupils' perceptions of themselves and their future.

Staff are inspired to be confident and creative

Excellent teaching is dependent on strong teaching staff. The quality of teaching is currently rated by Ofsted as good or outstanding in six of the schools in the RSAA family.

The 2019/20 academic year saw another cohort of new teachers training with the RSA Academies Teaching School Alliance (RSAA TSA). Despite difficulties nationally with teacher recruitment, 23 secondary and 2 primary places were filled with 78% of trainees passing at Grades 1 or 2. There has been a 100% successful completion rate for initial teacher training, notwithstanding the disruption to the training year because of the lockdown. 52% of the trainees have gone on to take up permanent positions within the RSA Family of Academies.

In 2020, there was a 93% completion rate for Newly Qualified Teachers (NQTs) within the RSAA TSA compared with 87% nationally: 22 NQTs took up roles within the Central RSA Academies Trust and 77 across Birmingham, Coventry, Dudley and Stourport. The TSA also supported middle and senior leadership training courses, with 100% completion rates for training in the subject specialisms of Mathematics and Physics. The aim of these courses is partly to encourage staff retention within the family of RSA schools.

Two cohorts participated in the National Professional qualification for Headship (NPQH), whilst leaders supported school improvement initiatives in ten schools in the west Midlands. A further 9 Special Leaders of Education (SLEs) were also recruited.

The 'family' ethos of RSA academies is a unique selling point and helps encourage the retention of staff more generally who identify with the RSA's values. The TSA is considering how it will respond to the introduction of teaching school 'hubs' in September 2021 with a view to retaining some of the benefits of teachers collaborating within the family of schools.

Increased impact, locally and nationally

We continued to blog about a range of issues in relation to our key areas of work including the impact of the pandemic. Notable blogs for 2020/21 included those by Hannah Breeze: 'The impact of Covid-19 on early career teachers' (4th June 2020) and 'The impact of exam changes on students explained' (13th August 2020); Georgina Chatfield: 'Is the lockdown helping us to realise the value of art and creativity?' (16th May 2020) and 'It's time to rethink GCSEs' (20th October 2020); Krystal Douglas: 'If at first you don't succeed...Do you ever?' (19th May 2020); and Colin Hopkins: 'Creativity and Collaboration in Education' (1st July 2020 - part of the RSA's Bridges to the Future series of articles about life after the pandemic). RSAA also issued Newsletters at the beginning of every term to our schools.

Our website was updated to include the latest information on aspects of our work.

The Impact of COVID-19

The national lockdown took place on 16th March 2020, shortly before our financial year 2020/21 began (1st April 2020). Our school-based activities were immediately disrupted with ongoing challenges throughout the financial year.

During the periods that schools were closed to pupils (with the exception of vulnerable children and the children of key workers), RSAA staff continued to plan for work on current projects and devised several options for continuing these as and when the circumstances allowed. We contacted our funders to inform them of delays to project delivery and secured their agreement to rescheduling activity.

We have been very conscious of the challenges facing our schools in managing the situation and we have been supportive in accommodating our schools' needs. We have developed plans to deliver projects in virtual format but without the normal cross-school engagement on account of the need to maintain discrete groups of pupils or 'bubbles'. Our schools welcome the opportunity to continue with the enrichment activities that RSAA provides.

RSAA has not suffered any financial detriment as a result of Covid-19. The RSA and our schools have continued to meet their financial obligations under the various Memoranda of Understanding.

RSA ACADEMIES TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2021

Future Arrangements and Plans

RSA Academies is continuing to work with the academies to implement current plans and projects for the 2020/21 academic year, notwithstanding the constraints caused by the Covid-19 pandemic. This has necessitated changes to timetables and ways of working, with more remote or virtual activity taking place where this is feasible.

In May 2020, the Board of the RSA took the decision not to renew its current Memorandum of Association with RSA Academies when this expires on 31st March 2022. At that point, the Licences from the RSA to the academies will also expire. RSAA will also relinquish its role as the Principal Sponsor of the Central RSA Academies Trust from this date, necessitating a change to current governance requirements.

RSA Academies has conveyed these decisions to the academies and has been consulting about how current activity and projects can be brought to an orderly conclusion by 31st August 2021, leaving the period from September 2021 to March 2022 largely 'fallow' with the exception of some very limited residual activity.

RSA Academies has agreed with the academies and the RSA (in its capacity as sole member of RSAA) a transition plan for the financial year 2021/22. The plan has reduced the membership fees from schools to 33% of the normal fee payable *pro rata* for the five months from April to August 2021 with no fees payable for the period from September 2021 to March 2022. This concession recognizes RSAA's reduced activity during 2020 and 2021 on account of the pandemic and the plan to cease activity by the end of the current academic year, 31st August 2021. RSAA has also agreed to relinquish its grant from the RSA for the period from September 2021 to March 2022.

RSAA will use its reserves to manage the winding down of activity and its financial commitments up to the closure of the company at a future date after the end of the current financial year, 2021/22. After meeting its obligations up to the closure of the company (including the costs related to staff redundancy), subject to legal advice received, the Board of RSAA intends to transfer any remaining funds/reserves to the RSA to be earmarked for supporting the RSA's 'Fair Education' programme and the establishment of a new network of schools.

The RSA and RSAA are currently in the process of agreeing with the academies time-limited transitional arrangements for branding and the use of the RSA name/logo after the expiry of the MoU and Licences on 31st March 2022. These will be set out in a formal 'letter of intent'.

The RSA is currently developing plans for establishing a wider network of schools, in which it is expected the current academies will participate as a way of maintaining a continuing link to the RSA and building on RSA Academies' legacy.

Statement of Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the charity.

The benefits of our activities are described in this Annual Report, which incorporates our Impact Report, and relate directly to our aims and objectives.

The Trustees confirm that in planning the activities of RSA Academies they have given careful consideration to the Charity Commission's general guidance on Public Benefit.

FINANCIAL REVIEW

Overview

We are reporting total funds available of £115,364 at the end of the 2020/21 financial year (2019/20: £103,861).

Income

Our income in 2020/21 was £236,505 (2019/20: £275,701). This includes a core grant of £100,000 from the RSA and the remainder represented mainly by membership fees.

Expenditure

We spent £225,002 in 2020/21 (2019/20: £292,588). The achievement and performance section describes what was achieved as a result of this expenditure.

**RSA ACADEMIES
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2021**

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, in order to ensure the continuing ability of RSA Academies to meet its objectives and obligations; the aim is for this to be the equivalent of at least 3 months operating costs (salaries plus overheads), or around £47,000 at 2020/21 levels. The General Fund at the year-end was £79,364. The Investment Fund totalled £36,000 at the year end.

RSA Academies will formally close its activities on 31st March 2022 and will use its reserves during the 2021/22 financial year to manage the cessation of activities. As detailed above, the Board of RSAA intends to transfer any remaining funds/reserves to the RSA to be earmarked for supporting the RSA's 'Fair Education' programme and the establishment of a new network of schools.

Statement of Trustees' responsibilities

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP FRS 102 (2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity's trustees are responsible for keeping accounting records in respect of the charity which are sufficient to show and explain all the charity's transactions and which are such as to disclose at any time, with reasonable accuracy, the financial position of the charity at that time and to ensure the accounts comply with the Charities Act 2011. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of detection of fraud and other irregularities,

Approved by the Board on 14 October 2021 and signed on its behalf by:



John Towers
Trustee



Peter Fell
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSA ACADEMIES

Opinion

We have audited the financial statements of RSA Academies (the 'charitable company') for the year ended 31 March 2021 which comprise of the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Statement of Cash Flows and related notes to the financial statements, 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).

In our opinion the financial statements:

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

Basis for opinion

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

Emphasis of matter – basis of preparation

We draw attention to Note 1 to the financial statements, which explains that the directors intend to close the charitable company on 31 March 2022 and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in this respect of this matter.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSA ACADEMIES (Continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our
- audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSA ACADEMIES (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting which could have a material impact on the financial statements. In relation to the operations of the Charitable Company this included compliance with the Charities Act and SORP 2019, GDPR, employment law and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Trustee Board meetings, any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and enquiries of management and officers of the Charitable Company. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSA ACADEMIES (Continued)

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 and to the charitable company's trustees, as a body, in accordance with. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Cooper-Davis FCCA ACA
Senior Statutory Auditor
For and on behalf of
Price Bailey LLP
24 Old Bond Street
London
W1S 4AP

Date: 19 November 2021

RSA ACADEMIES
STATEMENT OF FINANCIAL ACTIVITIES
(including an Income and Expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Year to 31 March 2021 £	Year to 31 March 2020 £
INCOME					
Donations and legacies: Grant from RSA		100,251	-	100,251	133,869
Income from Charitable activities:					
Academy membership & activities		136,254	-	136,254	141,832
TOTAL INCOME		236,505	-	236,505	275,701
EXPENDITURE					
Expenditure on Charitable activities	2	219,137	5,865	225,002	292,588
TOTAL EXPENDITURE		219,137	5,865	225,002	292,588
Net income/ (expenditure)		17,368	(5,865)	11,503	(16,887)
NET MOVEMENT IN FUNDS		17,368	(5,865)	11,503	(16,887)
TOTAL FUNDS BROUGHT FORWARD		97,996	5,865	103,861	120,748
TOTAL FUNDS CARRIED FORWARD		115,364	-	115,364	103,861

All income and expenditure is derived from continuing activities.

RSA ACADEMIES (registered company number 07761509)**BALANCE SHEET****AS AT 31 MARCH 2021**

	Note	31 March 2021 £	31 March 2020 £
CURRENT ASSETS			
Debtors	6	5,438	14,982
Cash at bank and in hand		<u>123,042</u>	<u>107,283</u>
		128,480	122,265
CREDITORS: amounts falling due within one year			
	7	<u>(13,116)</u>	<u>(18,404)</u>
NET CURRENT ASSETS		115,364	103,861
TOTAL ASSETS LESS CURRENT LIABILITIES		115,364	103,861
NET ASSETS		115,364	103,861
FUNDS			
General fund	8	79,364	50,996
Designated fund	8	<u>36,000</u>	<u>47,000</u>
		115,364	97,996
Restricted funds	8	-	5,865
		115,364	103,861

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. They were approved, and authorised for issue, by the directors on 14 October 2021 and signed on their behalf by:-



John Towers
Trustee



Peter Fell
Trustee

RSA ACADEMIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Year to 31 March 2021		Year to 31 March 2020	
	£	£	£	£
Cash flows from operating activities:				
Net income / (expenditure) for the year	11,503		(16,887)	
Adjustments for:				
Decrease / (Increase) in debtors	9,544		(1,727)	
(Decrease) in creditors	<u>(5,288)</u>		<u>(9,617)</u>	
Net cash provided by / (used in) operating activities		<u>15,759</u>		<u>(28,231)</u>
Change in cash and cash equivalents in the year		15,759		(28,231)
Cash and cash equivalents at the beginning of the year		107,283		135,514
Cash and cash equivalents at the end of the year		<u>123,042</u>		<u>107,283</u>

Analysis of changes in net debt

	Brought forward 1 April 2020 £	Cash flows £	Carried forward 31 March 2021 £
Cash at bank and in hand	107,283	15,759	123,042
	<u>107,283</u>	<u>15,759</u>	<u>123,042</u>

RSA ACADEMIES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

CHARITY INFORMATION

RSA Academies is a private limited company limited by guarantee (registered number 07761509) which is incorporated and domiciled in England. The address of the registered office is 8 John Adam St, London, WC2N 6EZ. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member. The sole member of the Charitable Company is the Royal Society for the encouragement of the Arts, Manufactures and Commerce (the RSA), a charity registered in England & Wales no. 212424 and in Scotland no. SC037784. Their registered office address and principal place of business is 8 John Adam Street, London WC2N 6EZ.

BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore has also prepared the financial statements in accordance with the 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 (The FRS 102 Charities SORP) and the Charities Act 2011.

There are no key judgements used in the preparation of these financial statements. There are no key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

GOING CONCERN

The Charity has announced its intention to cease trading on the 31st March 2022. The income projected with expected costs has been reviewed to show RSA Academies has sufficient funds to pay all costs budgeted.

Residual funds and assets will be transferred to the sole member The Royal Society for the encouragement of the Arts, Manufactures and Commerce (RSA). This will be through a restricted donation, whereby the initial objectives of the funding received will continue to be adhered to once transferred, even after RSA Academies has been dissolved.

As a result of this, the financial statements have been prepared on a basis other than that of a going concern, which has not resulted in any adjustments in respect of writing down assets as assets are currently measured at the lower of cost and net realisable value in line with the established accounting policies. There is no provision for contractual commitments that have become onerous at the balance sheet date as there are no items that fall under this category.

The financial statements do not include any provision for the future costs of terminating the business of the Charity, except to the extent that such costs were committed at the balance sheet date.

FUNCTIONAL CURRENCY

The functional currency of RSA Academies is pounds sterling as this is the currency of the primary economic environment in which the charity operates. The financial statements are also presented in pounds sterling.

FUND ACCOUNTING

Unrestricted (General) funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

RSA ACADEMIES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

INCOME

Income is recognised and included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the income;
- the trustees consider the receipt of the income as probable; and
- the monetary value can be measured with sufficient reliability.

Income with related expenditure

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SoFA.

Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the income.

Donated services and facilities

These are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

EXPENDITURE AND LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. All other assets and liabilities are recorded at cost which is their fair value.

DEBTORS

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

2. EXPENDITURE

	Unrestricted Funds	Restricted Funds	Year to 31 March 2021	<i>Year to 31 March 2020</i>
	£	£	£	£
Direct costs	180,663	5,865	186,528	<i>240,876</i>
Support costs (see Note 3)	38,474	-	38,474	<i>51,712</i>
	<u>219,137</u>	<u>5,865</u>	<u>225,002</u>	<i><u>292,588</u></i>

In the year to 31 March 2020, direct costs included £27,507 of restricted expenditure, and all support costs were unrestricted.

RSA ACADEMIES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

3. SUPPORT COSTS

	Unrestricted Funds	Restricted Funds	Year to 31 March 2021	Year to 31 March 2020
	£	£	£	£
Governance				
Audit fee	4,200	-	4,200	4,200
Independent Examination fee	-	-	-	300
Board meetings	-	-	-	2,941
Board travel and expenses	-	-	-	849
	<u>4,200</u>	<u>-</u>	<u>4,200</u>	<u>8,290</u>
Other support costs				
Staff costs recharged by RSA relating to support activities			22,628	23,150
Room hire and catering			-	247
Insurance			1,611	1,694
Communications			-	2,000
Staff travel and expenses			79	5,691
IT costs			2,049	2,039
Training			232	223
Accountancy			7,080	5,990
Other professional fees			13	1,798
Bank charges			582	590
			<u>38,474</u>	<u>51,712</u>

4. TRUSTEES

During the year, no trustee received any remuneration. No trustees were reimbursed travel and subsistence expenses. (2020: five trustees were reimbursed £849).

In addition, the charity purchased trustees indemnity insurance policy at a cost of £1,549 (2020: £1,286).

5. PAID EMPLOYEES

The charity has no employees.

Staff working for the charity are employed by RSA and costs are invoiced to RSA Academies.

No charges are made for an employee of the RSA who is also a Trustee of RSA Academies.

RSA ACADEMIES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

6. DEBTORS

	31 March	<i>31 March</i>
	2021	<i>2020</i>
	£	<i>£</i>
Due within one year		
Trade debtors	-	<i>1,609</i>
Prepayments	1,133	<i>652</i>
Sundry debtors	4,125	<i>5,627</i>
Accrued income	180	<i>7,094</i>
	<u>5,438</u>	<i><u>14,982</u></i>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March	<i>31 March</i>
	2021	<i>2020</i>
	£	<i>£</i>
Trade creditors	7,316	<i>13,384</i>
Accruals	5,800	<i>5,020</i>
	<u>13,116</u>	<i><u>18,404</u></i>

RSA ACADEMIES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

8. SUMMARY OF FUNDS

Summary of funds in the current year

	Brought forward 31 March 2020 £	Income £	Expenditure £	Transfers £	Carried forward 31 March 2021 £
Restricted funds:					
Contemporary Arts Space Project	5,865	-	(5,865)	-	-
	<u>5,865</u>	<u>-</u>	<u>(5,865)</u>	<u>-</u>	<u>-</u>
General fund	50,996	236,505	(208,137)	-	79,364
Designated fund: Investment fund	47,000	-	(11,000)	-	36,000
	<u>103,861</u>	<u>236,505</u>	<u>(225,002)</u>	<u>-</u>	<u>115,364</u>

Detail of restricted funds:

The Contemporary Art Space Project: Aims to grow an arts and culturally rich learning environment in RSA schools through the pupil-led commissioning of artworks linked to oracy. It gives pupils the opportunity to work with an artist and develop critical thinking skills by engaging with social issues.

Detail of designated fund:

The Investment fund was created for the purpose of supporting RSA Academies with greater potential to lever external funds from trusts and foundations by establishing a pot that could be used for match funding. During the year, £11,000 was spent from the fund on Contemporary Arts Space Project.

Detail of general fund:

General funds are used for delivery against the overall objectives of the charity.

Analysis of net asset between funds

All funds at the year end 31 March 2021 are unrestricted and represented by net current assets.

Summary of funds in the prior year

	<i>Brought forward 31 March 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Carried forward 31 March 2020 £</i>
Restricted fund:					
RSA4	-	11,269	(11,269)	-	-
Contemporary Arts Space Project	-	22,100	(16,235)	-	5,865
	<u>-</u>	<u>33,369</u>	<u>(27,504)</u>	<u>-</u>	<u>5,865</u>
General fund	73,748	242,332	(265,084)	-	50,996
Designated fund: Investment fund	47,000	-	-	-	47,000
	<u>120,748</u>	<u>275,701</u>	<u>(292,588)</u>	<u>-</u>	<u>103,861</u>

Analysis of net assets between funds in the prior year

All funds at the year end 31 March 2020 were represented by net current assets. This included £5,865 of restricted funds as set out above.

RSA ACADEMIES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

9. STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Year to 31 March</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>
INCOME			
Donations and legacies: Grant from RSA	100,500	33,369	133,869
Income from Charitable activities:			
Academy membership & activities	141,832	-	141,832
TOTAL INCOME	<u>242,332</u>	<u>33,369</u>	<u>275,701</u>
EXPENDITURE			
Expenditure on Charitable activities	265,084	27,504	292,588
TOTAL EXPENDITURE	<u>265,084</u>	<u>27,504</u>	<u>292,588</u>
Net (expenditure)/ income	(22,752)	5,865	(16,887)
NET MOVEMENT IN FUNDS	<u>(22,752)</u>	<u>5,865</u>	<u>(16,887)</u>
TOTAL FUNDS BROUGHT FORWARD	120,748	-	120,748
TOTAL FUNDS CARRIED FORWARD	<u>97,996</u>	<u>5,865</u>	<u>103,861</u>

10. ULTIMATE PARENT UNDERTAKING AND RELATED TRANSACTIONS

The ultimate parent undertaking and sole member of the Charitable Company is the Royal Society for the encouragement of the Arts, Manufactures and Commerce (the RSA), a charity registered in England & Wales no. 212424 and in Scotland no. SC037784. Their registered office address and principal place of business is 8 John Adam Street, London WC2N 6EZ.

In the year to 31 March 2021, the RSA made unrestricted grants of £100,000 to the Charity (2020: £100,500).

In the year to 31 March 2021, the RSA charged the Charity £164,457 in staff time (2020: £184,131), and a further £6,182 for shared service costs at the Charity's office (2020: £6,334).

11. OTHER RELATED PARTIES

Transactions with the ultimate parent are disclosed in note 10. There were no other related party transactions in the year.