

REGISTERED COMPANY NUMBER: 06202969 (England and Wales)

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Building 1063
Comforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 AUGUST 2023

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THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Registered Company number	06202969 (England and Wales)	
Principal & Registered office	Station Road NEW ROMNEY TN28 8BB	
Members	The Worshipful Company of Skinners Kent County Council Microsoft Tonbridge School The Chairman of the Governing Body	
Trustees	Mr J C F Hitchins (Chairman)* Mr N V Brotherton (Vice Chairman)* Mr S Simmons (Principal)* * Members of the Finance, Audit and Personnel Committee	
Governance Professional	Mr A Ahmed	
Senior Management Team	Principal Director of Finance and Resources	Mr S Simmons Mr R Mingo
Independent Auditor	Ashley Phillips FCCA (Senior Statutory Auditor) McCabe Ford Williams Statutory Auditors and Chartered Accountants Building 1063 Comforth Drive Kent Science Park Sittingbourne Kent ME9 8PX	
Bankers	Barclays Bank PLC, Level 27, 1 Churchill Place, LONDON, E14 5HP	
Website	www.marshacademy.org.uk	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operated an academy for pupils aged 11 to 19 serving a catchment area of New Romney and the surrounding area. It has a pupil capacity of 1,100 and had a roll of 1,047 in the school census on 6th October 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of The Marsh Academy are also the directors of the charitable company for the purpose of company law.

The Principal Sponsor of the Academy is The Worshipful Company of Skinners, and the Co-Sponsors are Kent County Council, Microsoft and Tonbridge School.

The Members of the Trust comprise:

- The Worshipful Company of Skinners
- Kent County Council
- Microsoft
- Tonbridge School
- The chairman of the Governing Body
- Any persons appointed by the Members under article 6.

The articles of association require the members of the charitable company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

Members' Liability

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

Trustees

The following Trustees were in office at 30th November 2023 and served throughout the year except where shown:

Trustees	Appointed	Resigned
Mr J C F Hitchins (Chairman)		
Mr N V Brotherton (Vice Chairman)		
Mr P C Braggins		31 st August 2023
Mr M P Burgess		31 st August 2023
Mrs L A Burrows		31 st August 2023
Mr O J Daws		31 st August 2023
Mr J A Fisher		31 st August 2023
Mr J H E Frye	9 th March 2023	31 st August 2023
Mr B F Haysom	9 th March 2023	31 st August 2023
Mr J M Midgley		9 th March 2023
Mrs S M Miles		31 st August 2023
Mrs A S Morpeth		31 st August 2023
Mr J E Priory		31 st August 2023
Dr C M Roe		31 st August 2023
Mr D W J Searle (Responsible Officer)		31 st August 2023
Mr S Simmons (Principal)		

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Trustees - continued

On 9th March 2023, Mr J H E Frye was appointed as a Parent Trustee and Mr B F Haysom as a Skinner Trustee. Mr M Midgley left the Academy on the 9th March 2023, and on 31st August 2023 all Trustees with the exception of Mr J C F Hitchins, Mr N V Brotherton and Mr S Simmons resigned as Trustees. This was due to the Academy being transferred to The Skinners' Academies Trust and the remaining Trustees, mentioned above, will stay in post until the Trust is eventually wound up. The continuing Trustees would like to take this opportunity to thank everyone for their services to the Academy.

No Trustee received any remuneration in respect of their duties as a trustee, from the Academy during the year (2022 – nil). Mr S Simmons was remunerated in his position as Principal of the Academy.

Trustees Indemnities

Subject to the provisions of the Companies Act 2006, every trustee, officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

Method of Recruitment and Appointment or Election of Trustees

The articles of the academy trust state that the Board of Trustees should be constituted as follows:

- There should always be a minimum of three Trustees appointed by the members of the trust.
- The Principal Sponsor of the trust may appoint up to nine Principal Sponsor Trustees or such greater numbers as required such that a majority of Governors are Principal Sponsor Governors.
- The Co-Sponsors of the trust may appoint up to three Co-Sponsor Trustees.
- The Principal.
- Two Parent Trustees.

Where a vacancy for a Parent Trustee is required to be filled by election, the Trustee Board shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, and informed that they are entitled to stand as candidate, and vote at the election, and given an opportunity to do so.

In appointing a Parent Trustee, the Trustee Board shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Trustee Board may appoint Co-opted Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of trustee, the trustee may be re-appointed or re-elected.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction provided for new Trustees is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a trustee will be made available.

Induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

Since the opening of the academy, the management structure of the academy evolved to ensure effective and efficient running of the organisation. The structure consisted of three levels, the Trustees, the Senior Leadership Team and the Middle Leadership Team. The aim of the structure was to devolve responsibility and encourage decision making at all levels.

The Trustees were responsible for setting general policy direction and the ethos and values of the Academy, while monitoring the performance of the Academy, particularly through the Senior Leadership Team and Principal. The Trustees reviewed the annual Development Plan and Budget which was used to monitor income and expenditure and make decisions about the strategic direction of the Academy. The Trustees were also involved in significant capital expenditure and senior staff appointments in conjunction with the Principal as well as fulfilling their statutory obligations.

Leading up to the transfer of the Academy activities on the 1st September 2023 to the Skinners' Academies Trust, the structure of the Senior Leadership Team, which was led by the Principal, comprised of two Vice Principals, five Assistant Principals, the Director of Finance and Resources and the Senior Administrator. These senior leaders managed the academy at an executive level implementing the policies agreed by the Trustees and reporting back to them on progress. The Principal and other key senior leaders were responsible for the authorisation of spending within agreed budgets and the appointment of staff. Interview panels for posts in the Senior Leadership Team always contained a trustee. Some spending control was devolved to members of the Middle Leadership Team, with limits above which a Senior Leader must countersign.

The wider Middle Leadership Team included the Directors of Learning and Heads of Year. These middle managers were responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students. The Leisure Centre and Cinema had their own manager and staffing structure.

Arrangements for setting pay and remuneration of key management personnel

The Marsh Academy remunerated staff according to clear guidelines as laid out in the Pay Policy. Pay reviews were carried out annually as part of the Annual Appraisal Review of all staff. Any changes in pay were based on clear guidelines that related to performance, these were monitored and agreed by sub-committee of the Governing Body who gave the final approval.

Teachers and Senior Leadership pay was related to performance against the Teachers' Standards and consideration was given to a range of performance criteria including student outcomes and lesson observations.

Starting pay was negotiated on prior experience and at the discretion of the Principal, following the criteria that was described in the pay policy.

The Principal's pay was outlined in the Pay Policy and was always considered in line with the guidance for Executive Pay given by the ESFA in their communications.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	0
Full-time equivalent employee number	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£7,202,862
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent of trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Endowment Fund

The academy had an Endowment Fund that has benefited from donations from Kent County Council and The De Haan Charitable Trust. Further details regarding the Endowment Fund are given in note 22 to the financial statements.

Connected Organisations, including Related Party Relationships

The Worshipful Company of Skinners, Kent County Council, Microsoft PLC and Tonbridge School are sponsors to The Marsh Academy and since the academy's founding have donated £2,248,921 (2022: £2,237,828) to assist the academy in achieving its objectives.

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activity as laid out in the charitable company's Articles of Association is as follows:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum with a strong emphasis on, but in no way limited to business and enterprise ("the academy").

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES - continued

Principal Activities - continued

In addition, the academy trust had the following secondary activities, also laid out in the Articles of Association.

- To provide or assist in the provision, in the interests of social welfare, of opportunities for recreation or other leisure time occupation for people who have need of such opportunities with the aim of improving the conditions of life of such persons.
- To develop the capacity and skills of those inhabitants of the Area of Benefit who are socially and economically disadvantaged in such a way they are better able to identify, and help meet, their needs and to participate more fully in society;
- To relieve poverty among the inhabitants of the Area of Benefit;
- To relieve unemployment in the Area of Benefit for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
- To advance the health of the inhabitants of the Area of Benefit.

Objects and Aims

The principal objects and activity of the charitable company was the operation of The Marsh Academy to provide an appropriate education for students of different abilities between the ages of 11 and 19. The academy additionally aimed to share its facilities for the wellbeing of the local community. In setting the objectives and planning the activities the Trustees had given careful consideration to the Companies Act 2006 general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

In accordance with the Articles of Association, The Marsh Academy had adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students were drawn, and that the curriculum should comply with the substance of the national curriculum. The catchment area for students included the Romney Marsh and an area eastward towards Hythe. The academy welcomed pupils from all backgrounds.

Objectives

The main objectives of the academy during the year ended 31 August 2023 are summarised below:

- to deliver high quality education and care to all pupils within the academy;
- to raise standards and achievements;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Strategies and Activities

The academy's main strategy was encompassed in its Vision and Ethos document which can be found under the info tab at www.marshacademy.org.uk

The academy produced an annual Academy Development Plan, which detailed how it intended to achieve the aims and objectives for the year. The activities provided included:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- co-operation and sharing resources with local schools;
- a system of after school clubs to allow students to explore new areas in a practical and project orientated way;
- a careers advisory programme to help students obtain employment or move on to further or higher education.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES – continued

Public Benefit

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of The Marsh Academy was the advancement of education within the local community.

Equal opportunities policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aimed to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people were fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed, and door widths are adequate to enable wheelchair access to the Main Building, Theatre block, the Leisure centre and the MACH. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

External examinations were held for the second consecutive year since the disruption of COVID19, and KS4 (GCSE) outcomes in both years were strong, significantly better than 2019 and one of the strongest performing non-selective schools in Kent for the progress made by students. 2023 results show significantly stronger progress even than 2022 and confirm a positive five-year improving trend. Again, all students who applied to attend university were successful and the vast majority were able to study at their first-choice destination, with the Academy's first student successfully achieving an Oxbridge place this year.

'The Dommett Centre'; a Specialist Resource Provision for children with ASD continued to flourish, supporting 20 students again this year. These students continued to access mainstream education in a way that would otherwise not have been possible and aside from the outcomes in Year 11, the feedback from KCC suggested that our provision was not only successful, but an exemplar model for good practice.

Student numbers continued to increase over 1000, from a low point of less than 800 as recently as 2015. This again demonstrated the popularity of the academy in the local community with a greater number of people willing to travel further to attend the academy or choosing to send their children to the academy despite being eligible to attend the local grammar schools.

The Academy received an Ofsted inspection in November 2022, which confirmed that the Academy is 'Good' in every area and the last three full peer reviews from a Challenge Partners team of serving senior leaders in schools considered the quality of provision and outcomes as well as leadership at all levels to be 'effective' or 'leading'.

To ensure that standards were continually raised, the academy:

- operates a full quality assurance programme including observation of lessons and high quality Professional Development;
- was visited by inspectors;
- undertook a comparison of results from entry to GCSE and from GCSE to A level to assess progress
- participated in a peer review programme 'Challenge Partners' to support a continuous drive to improve standards.

The academy also had a rigorous system of monitoring progress against challenging targets and for managing the performance of staff. The Trustees also made regular individual visits to inspect aspects of the academy's operation on a rotation basis.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENTS AND PERFORMANCE – continued

Key Financial Performance Indicators

Staff costs as a percentage of total income (excluding the Leisure Centre and MACH).

	Budget 2023 %	Actual 2023 %	Actual 2022 %
Teaching staff	58.3	57.9	58.3
Educational support staff	11.4	11.0	11.1
Other academy support staff	15.6	14.2	14.6
Total staff	85.3	83.1	84.0

Catering (subsidy) / surplus per pupil	Budget	Actual
2018/19	£24.46	£25.14
2019/20	£14.79	(£44.42)
2020/21	£4.36	(£3.41)
2021/22	£7.54	(£16.26)
2022/23	£1.14	(£12.69)

Leisure complex (subsidy) / surplus	Budget	Actual
2018/19	£42,542	£57,304
2019/20	£40,974	(£9,126)
2020/21	(£50,900)	(£42,853)
2021/22	(£92,853)	£79,270
2022/23	(£14,006)	£56,701

With the Academy focusing on maintaining a pricing structure in its catering department that families can afford, it has continued to show a subsidy per student of £12.69 (2022: £16.26). This ensured that vulnerable students were continued to be fed.

The Leisure Centre Complex has continued to recover with increased membership numbers, while the CineMarsh continued to make contributions to the overall financial results of the whole complex which in turn has made a significant contribution to the results of the Academy.

Going Concern

On 1 September 2023, the assets and liabilities of the company transferred to the Skinners' Academies Trust. The Company will continue in existence in order to resolve certain matters that could not be transferred to the Skinners Academies Trust, which has confirmed that it will meet any future expenses incurred by the company.

As the activities of the company have all transferred, the financial statements are prepared on a basis other than going concern. The activities of the academy have continued uninterrupted within the new trust from 1 September 2023 and accordingly there are no adjustments to be made to the carrying value of assets and liabilities as at 31 August 2023.

Once the Company has completed the resolution of all outstanding matters it is expected that it will be wound up.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

The Academy's accounting period covers the year to 31 August 2023.

The majority of the academy's income was obtained from the ESFA in the form of recurrent grants, the use of which was restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund. The restricted fixed asset fund balance was reduced by annual depreciation charges over the expected useful life of assets concerned.

During the year ended 31 August 2023, total expenditure was £9,434,863 (2022: £9,283,996) and recurrent grant funding from the ESFA together with other incoming resources amounted to £9,112,138 (2022: £8,342,124). The total deficit for the year of £322,725 included expenses of £533,063 comprising of depreciation and pension fund adjustments as detailed in note 7.

The combined surplus for the year on unrestricted funds and restricted general funds, excluding the pension fund, was £209,466 (2022: £21,325).

At 31 August 2023, the net book value of tangible fixed assets was £14,559,753 (2022: £14,913,187) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education including associated support services to the pupils of the academy and furthering the other Objects of The Marsh Academy.

Reserves Policy

The Trustees determined that the appropriate level of free reserves for recurrent costs should be equivalent to 4 weeks' expenditure, approximately £710,000. The reason for that was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The academy's current level of reserves, excluding fixed asset reserves and the pension asset/deficit, was £908,615 (2022: £699,149), broken down between unrestricted reserves of £908,615 (2022: £699,149) and restricted reserves of £Nil (2022: £ Nil). Unrestricted reserves include £50,293 (2022: £50,043) of designated funds which did not form part of the academy trust's free reserves.

The Trustees reviewed the reserve levels of the academy annually. This encompassed a review of both the income and expenditure streams.

The level of reserves on 31 August 2023 was £17,215,812, which were transferred to the Skinners' Academy Trust on 1 September 2023 to be held by them for the benefit of the Marsh Academy.

Funds in Deficit

The Local Government Pension Scheme is stated in the accounts to be in deficit in the sum of £Nil (2022: £503,000) as at the balance sheet date. The advised level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2024.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW – continued

Investment Policy

a) Surplus Funds

Surplus funds held by The Marsh Academy were invested in a Bank Treasury Deposit Account or placed with the money market on a fixed term basis.

The decision to invest had due regard to the liquidity requirements of the academy and depended on the amount, the return being offered and the associated risk. All funds invested on the money market were agreed by the Finance, Audit and Personnel Committee and were only placed with banks and building societies with assets valued in excess of £1 billion, as these institutions carry lower risk.

b) The Endowment Fund

The Marsh Academy was the trustee for the Endowment Fund. Under the terms of the Deed of Gift dated 24 July 2007 the trustee had powers of investment. The Trustees invested the fund in a prudent manner and after taking appropriate professional advice.

During the 2018/19 financial year, the Marsh Academy invested an amount of £1,400,000 with Sarasin and Partners LLP under a discretionary management agreement.

The market value of the investment as at 31 August 2023 was £1,539,662 (2022: £1,537,315).

Principal Risks and Uncertainties

The Trustees had assessed the major risks to which the academy was exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The Trustees had implemented a number of systems to assess risks that the school faces, especially in the operational area (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

They had introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remained, they ensured that they had adequate insurance cover. The academy had an effective system of internal financial control and this is explained in more detail in The Risk and Control Framework section on pages 16 and 17.

The Trustees had considered the risks presented to the academy and had implemented policies and systems to mitigate these risks. The academy managed these risks, through a series of performance reviews, monitoring and efficiency evaluation, to ensure that any future annual deficit could be met by reserves. The Trustees had deemed the following risks to be of most serious consequence to the academy:

- Changes to Government policy on Education;
- Changes to Education priorities by the Government;
- Pressure on funding as a result of Government Fiscal Policy;
- Loss of a key member of the Senior Leadership Team;
- Impact of an uncontrollable event e.g. fire or flood;
- Major injury or a health & safety issue or environmental incident;
- Changes to Pension policy or funding for the TPS and LGPS;
- Energy costs remaining at a heightened level over the medium term.

The plans and strategies employed to manage the above risks are explained in the Governance Statement on pages 14 to 17.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

FUNDRAISING

The Marsh Academy was continually looking at ways to generate additional income to make up for constraints on the funding from the ESFA.

The Academy used its assets to generate income in many ways, but mainly from the hire of facilities, for example, the sports field, MUGA, sports hall, meeting rooms as well as classrooms from time to time. The Academy has a leisure centre adjacent to the main building, which is mostly used by students during the day and becomes an income generating leisure centre after Academy hours, weekends and during the holidays. The Academy's community cinema "Cinemarsh", has been open for two years and during this time has made positive contributions to the Academy's income.

The leisure centre and cinema are manned by staff employed by the Academy, and they not only manage the sports hall and fitness centre but the hire of all outside activities that took place, these include Archery, Caravan Clubs, Sunday Markets and even a cat show.

The Trustees were responsible for ensuring that the Academy operated within a responsible, sustainable financial framework and that it had adequate resources to carry out its role in educating residents in the local community. While the Trustees may have delegated many of the operations of fundraising to other parts of the organisation, they retained the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the Academy adhered to the following standards:

- The Trustees will have regard to the Charity Commissions publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the Academy will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the Academy's stated mission and purpose.
- The Academy will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the school shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- All Trustees, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the Academy to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

PLANS FOR FUTURE PERIODS

See note on Going Concern on page 9.

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Marsh Academy held the capital (£850,000) of the Endowment Fund under the Deed of Gift dated 24 July 2007. See 'Investment Policy' above.

The capital of £850,000 was donated by Kent County Council and The De Haan Charitable Trust.

On 1st September 2023 the Endowment Fund, totalling £1,539,662, was transferred to the Skinners' Academies Trust for the future benefit of The Marsh Academy.

AUDITORS

In so far as the Trustees are aware:

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

Report of the Trustees, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 30 November 2023 and signed on its behalf by:



J C F Hitchins
Chair of Trustees

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

Scope of Responsibility

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

The Board of Trustees had delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conformed with the requirements of both propriety and good financial management and were in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Marsh Academy and the Secretary of State for Education. They were also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information included on Governance here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. Attendance at all Governors meetings, including subcommittees, are either in person or online, or a mixture of the two, this allows for maximum attendance at all Governors meetings.

The full Board of Trustees has formally held 5 meetings during the financial year ended 31 August 2023, and attendance during that period at meetings of the Board of Trustees were as follows:

Trustee	Meetings attended	Out of a possible
J C F Hitchins (Chairman)	5	5
N V Brotherton (Vice Chairman)	2	5
P C Braggins	5	5
M P Burgess	4	5
L A Burrows	5	5
O J Daws	2	5
J A Fisher	4	5
J H E Frye	2	2
B F Haysom	1	1
J M Midgley	1	4
S M Miles	4	5
A S Morpeth	5	5
J E Priority	4	5
C M Roe	5	5
D W J Searle (Responsible Officer)	3	5
S Simmons (Principal)	5	5

Key changes to the composition of the Board are detailed on page 4 of the Report of the Trustees.

The Finance, Audit and Personnel Committee was a subcommittee of the main Board of Trustees and held 3 meetings during the financial year ending 31 August 2023. Its purpose was to effectively plan and monitor the financial resources of the academy and to undertake the role of the 'Audit and Risk Committee'. Attendance at meetings during the financial year ended 31 August 2023 is shown below.

Trustees on Finance, Audit and Personnel Committee	Meetings attended	Out of a possible
N V Brotherton (Chair)	1	3
M P Burgess	3	3
B F Haysom	1	1
J C F Hitchins	3	3
D W J Searle	1	3
S Simmons	3	3

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Education Committee was also a subcommittee of the main Board of Trustees and held 3 meetings during the financial year ending 31 August 2023. Its purpose was to effectively plan and monitor the educational provision of the Academy. Attendance at meetings during the financial year ended 31 August 2023 is shown below.

Trustees on Education Committee	Meetings attended	Out of a possible
J E Priory (Chair)	3	3
P C Braggins	3	3
N V Brotherton	1	3
J C F Hitchins	3	3
J A Fisher	3	3
S Simmons	3	3

The Communications Committee was also a subcommittee of the main Board of Trustees and held 3 meetings during the financial year ending 31 August 2023. Its purpose was to monitor communication between the Academy and Stakeholders at all levels. Attendance at meetings during the financial year ended 31 August 2023 is shown below.

Communications Committee	Meetings attended	Out of a possible
L A Burrows (Chair)	3	3
O J Daws	0	3
J C F Hitchins	2	3
S M Miles	2	3
A S Morpeth	2	3
S Simmons	3	3

In total the Trustees met around 13 times a year with sub committees concentrating on their specific areas of responsibility. Monthly operating accounts were made available to all members of the Full Board of Trustees via access to a secure web portal. The Trustees considered that the combined committees and monthly reporting to Trustees provided an appropriate level of oversight and strong governance. Accordingly, the Trustees did not consider it necessary for the full Board to meet more frequently than 4 times per year, however they will review this moving forward on an annual basis.

Conflicts of Interest

At the beginning of each Academic Year, Governors are requested to sign new declaration of interest forms, confirming the following:

- That the declaration of interests as attached are up to date and accurate.
- That they have read the latest 'Keeping Children Safe in Education'
- That they have read 'Privacy Notice for Governors/Trustees and other Volunteers'
- That they have completed GDPR training

Further to this annual confirmation, details of all Governor 'Interests' are published on the Academy website. During procurement processes, organisations are checked against this register and those of other key Academy personnel involved in financial or purchasing decision making. In addition, at each meeting of the Governing Body and all Sub-Committees, Governors are asked if there are any changes to their declaration as well as asking if there are any conflicts with agenda items at that meeting.

Governance Review

During the year, the Review of Governance arrangements, including a skills audit, was undertaken and no shortfalls in any areas were found.

The Board of Trustees review Governance arrangements annually at the first Governing Body meeting of each academic year, in September, and this involves a skills audit. Regular training sessions for Governors are provided by the Skinners Company's Education Office.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

Review of Value for Money

As accounting officer, the Principal had responsibility for ensuring that the academy trust delivered good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considered how the academy trust's use of its resources had provided good value for money during each academic year, and reported to the Board of Trustees where value for money could be improved, including the use of benchmarking data where available. The accounting officer for the academy trust had delivered improved value for money during the year by:

- Improving the quality of teaching so that students achieved strong academic results, and the Academy maintains its position of being over-subscribed and the school of choice for local children, as well as being known as a centre of excellence in education.
- Reviewing the structure of the senior management team to ensure the split of responsibilities is in line with experience and qualification of those senior managers and at the same time ensuring that all departments had the full backing of the senior management team in achieving the maximum efficiency and results within the departments.
- Transparency of spending within the senior leadership and middle management teams to create more awareness within the full management team of the importance in obtaining value for money.
- Ensuring the best value for money was obtained on purchases by obtaining quotes from multiple sources and negotiating for the best prices possible within the market.
- Ensuring that all expenditure was essential for the improvement of education within the academy.

The Purpose of the System of Internal Control

The system of internal control was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It could therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control was based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control had been in place in The Marsh Academy for the year ended 31 August 2023.

Capacity to Handle Risk

The Board of Trustees had reviewed the key risks to which the academy trust was exposed together with the operating, financial and compliance controls that had been implemented to mitigate those risks. The Board of Trustees was of the view that there was a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that had been in place for the year ended 31 August 2023.

The Risk and Control Framework

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

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

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Risk and Control Framework - continued

The Board of Trustees had considered the need for a specific internal audit function and had decided in partnership with Folkestone School for Girls Academy Trust to carry out each other's internal audit responsibilities. Nathalie Foster, the Finance Manager of The Folkestone School for Girls Academy Trust, conducted internal audit visits three times per year to The Marsh Academy; these visits include testing procedures on behalf of the Responsible Officer. Mr D Searle carried out the duties of Responsible Officer ('RO') during the financial year ended 31 August 2023. The RO's role included giving advice on financial matters and performing a range of checks on the academy trust's financial systems and discharged these duties by the reciprocal arrangements with Folkestone School for Girls.

In particular the checks carried out in the period included the testing and review of:

- payroll and personnel systems
- purchase processing and creditor ledger
- expense claims
- controls over credit cards
- completeness of ESFA income
- completeness of other income
- bank and cash control accounts
- trips
- sales processing and debtor ledger
- previous RO report findings
- previous external audit findings

Three times per year, the RO reported to the Finance, Audit and Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Board of Trustees confirmed that the RO function has been fully delivered in line with the ESFA's internal scrutiny requirements and that no material control issues were identified during these visits.


Review of Effectiveness

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

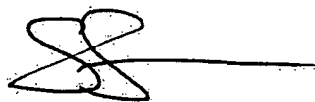
- the work of the peer reviewer for the Responsible Officer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer had been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Personnel Committee and a plan to address any weaknesses to ensure continuous improvement of the systems.

Approved by order of the members of the Board of Trustees on 30 November 2023 and signed on its behalf by:



J C F Hitchins
Chair of Trustees



S Simmons
Accounting Officer

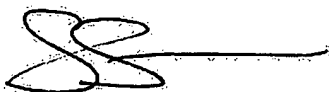
THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2023

As Accounting Officer of The Marsh Academy I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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



S Simmons
Accounting Officer
Dated: 30 November 2023

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 30 November 2023 and signed on its behalf by:



J C F Hitchins
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of The Marsh Academy (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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.

Emphasis of matter - Financial statements prepared on a basis other than going concern

We draw attention to note 28 of the financial statements which explains that, on 1 September 2023, the assets and liabilities of the Academy transferred to the Skinners' Academies Trust, a Multi Academy Trust. Accordingly the financial statements have been prepared on a basis other than going concern as described in the going concern policy. Our opinion is not modified in 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. 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 report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 19, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with Trustees and management and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Trust Handbook 2022 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management and the Trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- reviewing the reports produced via the academy trust's internal scrutiny function;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators such as the ESFA.

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

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

Use of our report

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



Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 30 November 2023

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE MARSH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Marsh Academy during the year ended 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective Responsibilities of The Marsh Academy's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Marsh Academy's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, effective from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purpose intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE MARSH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

Approach - continued

The work undertaken to draw our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the peer reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academy Trust Handbook, including the distribution and content of management accounts and quantity of meetings;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between The Marsh Academy and the Secretary of State and the Academy Trust Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Ashley Phillips FCCA (Reporting Accountant)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Comforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 30 November 2023

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Endowment Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
Income and endowments from:							
Donations and capital grants	2	11,931	11,093	259,718	-	282,742	267,893
Charitable activities:							
Funding for the academy trust's educational operations	3	234,356	7,957,046	-	-	8,191,402	7,478,943
Leisure, recreation and community	3	519,052	-	-	-	519,052	490,118
Other trading activities	4	58,585	-	-	-	58,585	71,222
Investments	5	60,357	-	-	-	60,357	33,948
Total		884,281	7,968,139	259,718	-	9,112,138	8,342,124
Expenditure on:							
Raising funds	6	24,649	187,060	-	-	211,709	214,296
Charitable activities:							
Academy trust's educational operations	6	174,549	8,017,008	616,109	-	8,807,666	8,699,197
Leisure, recreation and community	6	415,488	-	-	-	415,488	370,503
Total	6	614,686	8,204,068	616,109	-	9,434,863	9,283,996
Net income / (expenditure)		269,595	(235,929)	(356,391)	-	(322,725)	(941,872)
Transfers between funds	22	(60,129)	165,929	(105,800)	-	-	-
Net income/(expenditure) for the year before other recognised gains and losses – carried forward		209,466	(70,000)	(462,191)	-	(322,725)	(941,872)

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Endowment Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
Net income/(expenditure) for the year before other recognised gains and losses – brought forward	209,466	(70,000)	(462,191)	-	(322,725)	(941,872)
Other recognised gains/losses						
Gain/(Loss) on endowment fund 14 & 22	-	-	-	2,347	2,347	(142,350)
Gain/(Loss) on disposal of investment asset 18 & 22	-	-	25,800	-	25,800	-
Actuarial Gains/(losses) on defined benefit pension schemes 22 & 26	-	573,000	-	-	573,000	8,181,000
Net movement in funds	209,466	503,000	(436,391)	2,347	278,422	7,096,778
Reconciliation of funds						
Total funds brought forward	699,149	(503,000)	15,203,926	1,537,315	16,937,390	9,840,612
Total funds carried forward	<u>908,615</u>	<u>-</u>	<u>14,767,535</u>	<u>1,539,662</u>	<u>17,215,812</u>	<u>16,937,390</u>

All of the academy trust's activities derive from continuing operations during the above two financial periods.

THE MARSH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 AUGUST 2023

		31.08.23 £	31.08.23 £	31.08.22 £	31.08.22 £
	Notes				
Fixed assets					
Tangible assets	13		14,559,753		14,913,187
Investments	14		1,539,662		1,537,315
Current assets			16,099,415		16,450,502
Stocks	15	25,107		19,735	
Debtors	16	92,484		84,928	
Investments	17	250,000		500,140	
Investment property for sale	18			80,000	
Cash at bank and in hand		1,444,619		1,000,272	
		1,812,210		1,685,075	
Liabilities					
Creditors: Amounts falling due within one year	19	(695,813)		(695,187)	
Net current assets			1,116,397		989,888
Total assets less current liabilities			17,215,812		17,440,390
Defined benefit pension scheme liability	26				(503,000)
Total net assets			17,215,812		16,937,390
Funds of the academy trust:					
Endowment funds	22		1,539,662		1,537,315
Restricted funds					
Fixed asset funds	22	14,767,535		15,203,926	
General funds	22				
Pension reserve	22			(503,000)	
Total restricted funds			14,767,535		14,700,926
Unrestricted funds					
General funds	22	858,322		649,106	
Designated funds	22	50,293		50,043	
Total unrestricted funds			908,615		699,149
Total funds			17,215,812		16,937,390

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue on 30 November 2023, and signed on their behalf by:


J C F Hitchins
Chair of Trustees

Company Registered Number: 06202969

The notes form part of these financial statements
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

		31.08.23	31.08.22
	Notes	£	£
Cash generated from/(used) in operating activities			
Net cash used in operating activities	1	(121,719)	(77,376)
Cash flows from investing activities	2	566,066	(378,110)
Change in cash and cash equivalents in the reporting period		<u>444,347</u>	<u>(455,486)</u>
Cash and cash equivalents at 1 September		<u>1,000,272</u>	<u>1,455,758</u>
Cash and cash equivalents at 31 August	3	<u>1,444,619</u>	<u>1,000,272</u>

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	31.08.23 £	31.08.22 £
Net expenditure for the period (as per the Statement of Financial Activities)	(322,725)	(941,872)
Adjusted for:		
Depreciation charges (note 6)	463,063	423,967
Loss on disposal of fixed assets (note 13)	320	-
Capital grants from DfE/ESFA and other capital income (note 2)	(259,718)	(253,437)
Interest received (note 5)	(60,357)	(33,948)
Defined benefit pension cost less contributions payable (note 26)	51,000	620,000
Defined benefit pension administration expenses (note 26)	5,000	4,000
Defined benefit pension finance cost (note 26)	14,000	128,000
(Increase) / Decrease in stocks	(5,372)	(3,687)
(Increase) / Decrease in debtors	(7,556)	13,204
Increase / (Decrease) in creditors	626	(33,603)
Cash generated from/(used) in operating activities	<u>(121,719)</u>	<u>(77,376)</u>

2. Cash flows from investing activities

	31.08.23 £	31.08.22 £
Dividends and interest from investments (note 5)	60,357	33,948
(Increase) / Decrease in cash investments	250,140	(500,140)
Proceeds from disposal of investment property (note 18)	105,800	-
Purchase of tangible fixed assets	(109,949)	(165,355)
Capital grants from DfE/ESFA and other capital income (note 2)	259,718	253,437
Net cash provided by / (used in) investing activities	<u>566,066</u>	<u>(378,110)</u>

3. Analysis of cash and cash equivalents

	31.08.23 £	31.08.22 £
Cash in hand and at bank	1,444,619	1,000,272
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	<u>1,444,619</u>	<u>1,000,272</u>

4. Analysis of changes in net debt

The academy trust has no borrowings, including bank overdrafts and accordingly the only change in the year is that reported within the Statement of Cash Flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

On 1 September 2023, the assets and liabilities of the company transferred to the Skinners' Academies Trust. The Company will continue in existence in order to resolve certain matters that could not be transferred to the Skinners Academies Trust, which has confirmed that it will meet any future expenses incurred by the company.

As the activities of the company have all transferred, the financial statements are prepared on a basis other than going concern. The activities of the academy have continued uninterrupted within the new trust from 1 September 2023 and accordingly there are no adjustments to be made to the carrying value of assets and liabilities as at 31 August 2023.

Once the Company has completed the resolution of all outstanding matters it is expected that it will be wound up.

Income

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

- **Grants receivable**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES – continued

- **Sponsorship Income**

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

- **Leasehold property donated**

The land and buildings from which the academy operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to The Marsh Academy and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the Statement of Financial Activities in the year it was donated. The cost of the new building was £15,128,000 however, due to the specialist nature of the property it has been valued in accordance with accounting standards at depreciated replacement value.

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES – continued

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets - continued

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

Freehold buildings	- straight line over 50 years
Leasehold land and buildings	- straight line over 50 years or length of lease
Leasehold improvements	- straight line over 50 years
Plant and machinery	- straight line over 6 - 7 years
Fixtures and fittings	- straight line over 4 years
Motor vehicles	- straight line over 4 years
Computer equipment	- straight line over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

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

Fixed Asset Investments - Endowment fund

The DeHaan Charitable Trust and Kent County Council have gifted monies to be held for the benefit of the Marsh Academy Endowment Fund. The results of the endowment fund have been aggregated with those of the academy in accordance with section 96 (6) of the Charities Act 1993. The endowment funds are invested into authorised unit trusts which are included in the financial statements at market value. Any changes in market value are reflected in the statement of total recognised gains and losses.

Interest earned in respect of the endowment fund is credited to unrestricted funds as this is for the use of the academy in the furtherance of its charitable objects.

Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES - continued

Stock

Leisure Centre and catering stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow-moving items.

Financial instruments

Apart from within the endowment fund, the academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 16. Prepayments are not financial instruments. Investments are deposits held with financial institutions and are measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver service rather than cash or another financial instrument.

Taxation

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

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

Pension benefits

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES - continued

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education and Kent County Council.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held, are disclosed in note 21.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension asset/liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension asset/liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability. In determining the value of the pension asset/liability the impact of an asset ceiling has been included to assess for recoverability, in accordance with the requirements of FRS 102.

The net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. Any element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight-line basis of 50 years, being the estimated useful economic life and it is assumed that the asset has no residual value on the basis of its specialised nature. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgement

The Trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
Capital grants	-	259,718	259,718	253,437
Other donations – staff time and salary costs	-	11,093	11,093	10,140
Other donations	11,931	-	11,931	4,316
	<u>11,931</u>	<u>270,811</u>	<u>282,742</u>	<u>267,893</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,413,629	6,413,629	5,751,294
Other DfE/ESFA grants				
Pupil Premium	-	299,384	299,384	272,229
SRP Grant	-	144,000	144,000	98,000
Teachers' Pay and Pension Grant	-	33,573	33,573	289,383
Rates Grant	-	41,791	41,791	45,785
Other Revenue Grants	-	385,626	385,626	232,698
	<u>-</u>	<u>7,318,003</u>	<u>7,318,003</u>	<u>6,689,389</u>
Other government grants				
Local authority grants	-	613,081	613,081	507,665
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	-	-	3,362
Other income from the academy trust's educational operations	234,356	25,962	260,318	278,527
Total education operations	<u>234,356</u>	<u>7,957,046</u>	<u>8,191,402</u>	<u>7,478,943</u>
Leisure, recreation and community				
Leisure centre income	519,052	-	519,052	475,118
COVID-19 additional funding (non-DfE/ESFA)				
National Leisure Recovery Fund	-	-	-	15,000
Total leisure operations	<u>519,052</u>	<u>-</u>	<u>519,052</u>	<u>490,118</u>
Total income from charitable activities	<u>753,408</u>	<u>7,957,046</u>	<u>8,710,454</u>	<u>7,969,061</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

3. INCOME FROM CHARITABLE ACTIVITIES – continued

The academy trust has been eligible to claim additional funding in year as per the below:

- The academy trust received £Nil (2022: £15,000) under the National Leisure Recovery Fund.

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
Shop income	2,100	-	2,100	2,102
Fundraising events	5,161	-	5,161	2,593
School uniform sales	23,630	-	23,630	27,650
Letting of premises	16,236	-	16,236	28,727
Miscellaneous school income	11,459	-	11,459	10,150
	<u>58,586</u>	<u>-</u>	<u>58,586</u>	<u>71,222</u>

5. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
Deposit account interest	30,357	-	30,357	3,948
Endowment fund income	30,000	-	30,000	30,000
	<u>60,357</u>	<u>-</u>	<u>60,357</u>	<u>33,948</u>

6. EXPENDITURE

	Staff Costs £	Premises Costs £	Other Costs £	31.08.23 Total £	31.08.22 Total £
Costs of generating voluntary income	-	-	24,649	24,649	28,199
Costs of activities for generating funds	-	-	187,060	187,060	186,097
<i>Academy's educational operations</i>					
Direct costs	5,751,264	-	947,302	6,698,566	6,243,704
Allocated support costs	1,244,948	605,511	258,640	2,109,099	2,455,493
<i>Leisure, recreation and community</i>					
Allocated support costs	251,045	61,417	103,027	415,489	370,503
	<u>7,247,257</u>	<u>666,928</u>	<u>1,520,678</u>	<u>9,434,863</u>	<u>9,283,996</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

6. EXPENDITURE – continued

Net income/(expenditure) for the year includes:

	31.08.23	31.08.22
	£	£
Auditor's remuneration	14,201	10,152
Depreciation – owned assets	463,063	423,967

7. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS AND LEISURE, RECREATION AND COMMUNITY

	Unrestricted Funds £	Restricted Funds £	31.08.23 Total £	31.08.22 Total £
Direct costs				
Teaching and educational support staff costs	-	5,751,264	5,751,264	5,286,077
Depreciation	-	394,993	394,993	360,881
Educational supplies	-	59,420	59,420	89,373
Equipment and IT purchases	-	80,022	80,022	73,558
Examination fees	-	117,692	117,692	89,835
Staff development	-	19,080	19,080	10,961
Educational consultancy	-	86,948	86,948	150,115
Other direct costs	-	189,147	189,147	182,888
	-	6,698,566	6,698,566	6,243,688
Allocated support costs – academy trust educational operations and leisure, recreation and community				
Support staff costs	429,224	1,066,768	1,495,992	1,391,392
FRS 102 pension service cost adjustment	-	51,000	51,000	620,000
Depreciation	-	68,070	68,070	63,086
Premises expenses	28,846	237,513	266,359	188,089
Professional fees	-	7,598	7,598	15,144
Rent, rates and water	14,069	77,606	91,675	90,544
Insurance	-	22,974	22,974	20,273
Travel and subsistence	-	12,015	12,015	13,740
Light and heat	18,502	267,417	285,919	157,069
Bank interest and charges	3,155	451	3,606	6,133
FRS 102 pension interest less expected return on assets	-	14,000	14,000	128,000
FRS 102 pension administration charge	-	5,000	5,000	4,000
Governance costs (note 8)	-	14,201	14,201	10,152
Other support costs	96,241	89,938	186,179	118,390
	590,037	1,934,551	2,524,588	2,826,012
	590,037	8,633,117	9,223,154	9,069,700

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

8. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	31.08.23 Total Funds £	31.08.22 Total Funds £
Auditor's remuneration				
Audit of financial statements	-	13,590	13,590	9,305
Other audit services	-	611	611	847
	-	14,201	14,201	10,152

9. STAFF COSTS

a) Staff costs

Staff costs during the year were:

	31.08.23 £	31.08.22 £
Wages and salaries	5,474,279	5,054,786
Social security costs	550,920	511,245
Pension costs	1,177,663	1,059,195
FRS 102 service cost and other adjustments	70,000	752,000
	7,272,862	7,377,226
Supply teacher costs	44,395	52,243
Staff restructuring costs	-	-
	7,317,257	7,429,469

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

There were no staff restructuring costs during the year (2022: £Nil).

c) Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year expressed as head count and full-time equivalents was as follows:

	31.08.23		31.08.22	
Charitable activities	Head count	FTE	Head count	FTE
Teachers and educational support	110	99	111	94
Administration and support	44	35	46	33
Leisure and recreation	22	9	22	10
Management	8	8	8	8
	184	151	187	145

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

9. STAFF COSTS – continued

d) Higher paid staff

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

	31.08.23	31.08.22
£60,000 - £70,000	6	5
£70,001 - £80,000	2	3
£80,001 - £90,000	1	0
£110,001 - £120,000	<u>1</u>	<u>1</u>

e) Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior leadership team as at 30 November 2023, listed on page 1, and any individuals who occupied those same posts within the academy during the year. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust plus employer national insurance contributions was £947,797 (2022: £923,500).

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One of the Trustees has been remunerated or has received other benefits from an employment with the academy trust. The principal only receives remuneration in respect of services he provides undertaking the role of principal under his contract of employment, and not in respect of his role as a trustee. The value of his remuneration in this role was as follows:

S Simmons (Principal)	
Remuneration	£110,000 - £120,000 (2022: £110,000 - £120,000)
Employer's pension contributions paid	£25,000 - £30,000 (2022: £25,000 - £30,000)

Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees.

During the year ended 31 August 2023, travel and subsistence expenses totalling £216 (2022: £370) were reimbursed to one trustee.

Other related party transactions involving the Trustees are set out in note 27.

11. TRUSTEES' AND OFFICERS' INSURANCE

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

12. COMPARATIVE PERIOD STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Endowment Fund £	31.08.22 Total Funds £
Income and endowments from:						
Donations and capital grants	2	4,316	10,140	253,437	-	267,893
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	261,551	7,217,392	-	-	7,478,943
Leisure, recreation and community	3	475,118	15,000	-	-	490,118
Other trading activities	4	71,222	-	-	-	71,222
Investments	5	33,948	-	-	-	33,948
Total income		846,155	7,242,532	253,437	-	8,342,124
Expenditure on:						
Raising funds	6	28,199	186,097	-	-	214,296
<i>Charitable activities:</i>						
Academy trust educational operations	7	164,910	8,069,653	464,634	-	8,699,197
Leisure, recreation and community	7	370,503	-	-	-	370,503
Total expenditure	6	563,612	8,255,750	464,634	-	9,283,996
Net income / (expenditure)		282,543	(1,013,218)	(211,197)	-	(941,872)
Transfers between funds	22	(163,842)	163,842	-	-	-
Net income/(expenditure) for the year before other recognised gains and losses		118,701	(849,376)	(211,197)	-	(941,872)
Other recognised (losses)/gains:						
Gains / (losses) on investment assets	14&22	-	-	-	(142,350)	(142,350)
Actuarial (losses) on defined benefit pension schemes	22&26	-	8,181,000	-	-	8,181,000
Net movement in funds		118,701	7,331,624	(211,197)	(142,350)	7,096,778
Reconciliation of funds						
Total funds brought forward		580,448	(7,834,624)	15,415,123	1,679,665	9,840,612
Total funds carried forward		699,149	(503,000)	15,203,926	1,537,315	16,937,390

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Leasehold improvements £	Plant and machinery £
COST			
At 1 September 2022	17,406,952	524,642	89,861
Additions	-	-	-
Disposals	-	-	-
At 31 August 2023	<u>17,406,952</u>	<u>524,642</u>	<u>89,861</u>
DEPRECIATION			
At 1 September 2022	3,166,383	89,638	64,294
Charge for year	309,871	33,282	5,935
Eliminated on disposal	-	-	-
At 31 August 2023	<u>3,476,254</u>	<u>122,920</u>	<u>70,229</u>
NET BOOK VALUE			
At 31 August 2023	<u>13,930,698</u>	<u>401,722</u>	<u>19,632</u>
At 31 August 2022	<u>14,240,569</u>	<u>435,004</u>	<u>25,567</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2022	1,114,093	32,079	2,128,488	21,296,115
Additions	-	-	109,949	109,949
Disposals	(746)	-	(106,091)	(106,837)
At 31 August 2023	<u>1,113,347</u>	<u>32,079</u>	<u>2,132,346</u>	<u>21,299,227</u>
DEPRECIATION				
At 1 September 2022	1,048,470	28,082	1,986,061	6,382,928
Charge for year	30,613	1,998	81,364	463,063
Eliminated on disposal	(746)	-	(105,771)	(106,517)
At 31 August 2023	<u>1,078,337</u>	<u>30,080</u>	<u>1,961,654</u>	<u>6,739,474</u>
NET BOOK VALUE				
At 31 August 2023	<u>35,010</u>	<u>1,999</u>	<u>170,692</u>	<u>14,559,753</u>
At 31 August 2022	<u>65,623</u>	<u>3,997</u>	<u>142,427</u>	<u>14,913,187</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2022	1,537,315
Revaluations	<u>2,347</u>
At 31 August 2023	<u>1,539,662</u>
NET BOOK VALUE	
At 31 August 2023	<u>1,539,662</u>
At 31 August 2022	<u>1,537,315</u>

15. STOCKS

	31.08.23 £	31.08.22 £
Unsold uniforms	22,278	17,342
Leisure centre	<u>2,829</u>	<u>2,393</u>
	<u>25,107</u>	<u>19,735</u>

16. DEBTORS

	31.08.23 £	31.08.22 £
Trade debtors	765	800
VAT	49,710	50,327
Prepayments and accrued income	<u>42,009</u>	<u>33,801</u>
	<u>92,484</u>	<u>84,928</u>

17. INVESTMENTS

	31.08.23 £	31.08.22 £
Deposits with financial institutions	<u>250,000</u>	<u>500,140</u>
	<u>250,000</u>	<u>500,140</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

18. INVESTMENT PROPERTY HELD FOR SALE

	31.08.23	31.08.22
	£	£
Investment property held for sale	<u>-</u>	<u>80,000</u>
	<u>-</u>	<u>80,000</u>

Investment property that was held for sale in the prior year represented the Azincourt property, located in France. The asset was originally donated to the Academy from the predecessor school upon conversion to an Academy. No funds of the Academy have been invested by the Academy into properties other than the existing school site from which they operate. The Academy received permission from the ESFA for the property to be sold for whatever value could be achieved. In 2023, the investment property was sold for net proceeds of £105,800. This has resulted in a gain on disposal of £25,800, which is recognised in other gains/losses on the statement of financial position. The disposal proceeds have been transferred to unrestricted funds.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.08.23	31.08.22
	£	£
Trade creditors	98,285	132,114
Social security and other taxes	132,378	130,034
Other creditors	274,174	176,576
Accruals and deferred income (deferred income - note 20)	<u>190,976</u>	<u>256,463</u>
	<u>695,813</u>	<u>695,187</u>

20. DEFERRED INCOME

	31.08.23	31.08.22
	£	£
Deferred income at 1 September	83,651	136,601
Resources deferred in the year	39,460	40,203
Amounts released from previous years	<u>(42,864)</u>	<u>(93,153)</u>
Deferred income at 31 August	<u>80,247</u>	<u>83,651</u>

Deferred income represents income collected on behalf of other charities, advance payment for school trips, pre-paid membership for the Leisure Centre, pre-paid Rates Grant and pre-paid income for special school places.

21. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £56,897 (2022: £31,789) and disbursed £17,007 (2022: £23,318) from the fund. An amount of £55,130 (2022: £15,240) is included in other creditors relating to undistributed funds that is repayable to ESFA.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

22. FUNDS

	Balance at 1 September 2022 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
Endowment fund					
Endowment fund	<u>1,537,315</u>	<u>-</u>	<u>-</u>	<u>2,347</u>	<u>1,539,662</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	726,664	259,718	(272,132)	-	714,250
Capital expenditure from GAG	22,669	-	(2,469)	-	20,200
Donated funds - Inclusion centre	2,670,561	-	(65,004)	-	2,605,557
Donated funds - ICT	112	-	(112)	-	-
Donated assets - Azincourt	80,000	-	-	(80,000)	-
Donated assets - New building	11,543,503	-	(244,315)	-	11,299,188
Donated funds - CineMarsh	137,334	-	(30,761)	-	106,573
Capital expenditure from unrestricted reserves	<u>23,083</u>	<u>-</u>	<u>(1,316)</u>	<u>-</u>	<u>21,767</u>
	<u>15,203,926</u>	<u>259,718</u>	<u>(616,109)</u>	<u>(80,000)</u>	<u>14,767,535</u>
Restricted general funds					
General Annual Grant (GAG)	-	6,413,629	(6,579,558)	165,929	-
Catch-up premium	-	-	-	-	-
Other DfE/ESFA COVID-19 funding	-	-	-	-	-
Pension reserve	(503,000)	-	(70,000)	573,000	-
Other DfE/ESFA grants	-	904,374	(904,374)	-	-
Coronavirus Job Retention Scheme grant	-	-	-	-	-
Other COVID-19 funding	-	-	-	-	-
Other grant income	-	613,081	(613,081)	-	-
Other income	-	25,962	(25,962)	-	-
Donated services	-	11,093	(11,093)	-	-
	<u>(503,000)</u>	<u>7,968,139</u>	<u>(8,204,068)</u>	<u>738,929</u>	<u>-</u>
Total restricted funds	<u>16,238,241</u>	<u>8,227,857</u>	<u>(8,820,177)</u>	<u>661,276</u>	<u>16,307,197</u>
Unrestricted funds					
Unrestricted funds	649,106	884,031	(614,686)	(60,129)	858,322
Designated funds	<u>50,043</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>50,293</u>
Total unrestricted funds	<u>699,149</u>	<u>884,281</u>	<u>(614,686)</u>	<u>(60,129)</u>	<u>908,615</u>
Total funds	<u>16,937,390</u>	<u>9,112,138</u>	<u>(9,434,863)</u>	<u>601,147</u>	<u>17,215,812</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

22. FUNDS – continued

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the academy trust. The academy trust is allowed to carry forward funds in accordance with the Academies Financial Handbook, which is reviewed annually. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other restricted general funds

Funding is provided by government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

The pension liability has been charged to restricted reserves. This is because the obligation to fund the deficit is met from the General Annual Grant funding which is accounted for through restricted reserves and therefore it is more appropriate to charge the deficit to restricted reserves.

COVID-19 funding

During the previous year various funding streams were made available to the Academy to mitigate the educational impact of the pandemic and to support the mental health of our students. For example, study materials were distributed to students to assist with their on-line learning, as well as support in connecting to the on-line facilities and programmes that were made available to the students. Funds were received, including through the use of the Coronavirus Job Retention Scheme, to support staff and maintain viability of employment during the COVID period.

Restricted fixed asset funds

Funding is provided by way of government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the academy trust in achieving its educational objectives.

Endowment fund

Kent County Council and The De Haan Charitable Trust have gifted certain monies for the benefit of The Marsh Academy. The Marsh Academy Endowment Fund was therefore established.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Designated funds

Designated funds represent the monies held in the academy trust's voluntary fund as well as funds allocated to cover exceptional expenses caused by Covid.

Transfers between funds

The academy has transferred £165,929 (2022: £163,842) from unrestricted reserves to cover an in-year GAG deficit. Disposal proceeds of £105,800 from the sale of Azincourt have been transferred from restricted fixed asset funds to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

22. FUNDS – continued

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

	Balance at 1 September 2021 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Endowment fund					
Endowment fund	1,679,665	-	-	(142,350)	1,537,315
Restricted fixed asset funds					
DfE/ESFA capital grants	586,836	253,437	(113,609)	-	726,664
Capital expenditure from GAG	25,138	-	(2,469)	-	22,669
Donated funds - Inclusion centre	2,735,564	-	(65,003)	-	2,670,561
Donated funds - ICT	7,273	-	(7,161)	-	112
Donated assets - Azincourt	80,000	-	-	-	80,000
Donated assets - New building	11,787,817	-	(244,314)	-	11,543,503
Donated funds - CineMarsh	168,096	-	(30,762)	-	137,334
Capital expenditure from unrestricted reserves	24,399	-	(1,316)	-	23,083
	15,415,123	253,437	(464,634)	-	15,203,926
Restricted general funds					
General Annual Grant (GAG)	39,568	5,751,294	(5,954,704)	163,842	-
Catch-up premium	-	-	-	-	-
Other DfE/ESFA COVID-19 funding	-	-	-	-	-
Pension reserve	(7,932,000)	-	(752,000)	8,181,000	(503,000)
Other DfE/ESFA grants	-	938,095	(938,095)	-	-
Coronavirus Job Retention Scheme grant	-	-	-	-	-
Other COVID-19 funding	22,000	18,362	(40,362)	-	-
Other grant income	35,808	524,641	(560,449)	-	-
Other income	-	-	-	-	-
Donated services	-	10,140	(10,140)	-	-
	(7,834,624)	7,242,532	(8,255,750)	8,344,842	(503,000)
Total restricted funds	9,260,164	7,495,969	(8,720,384)	8,202,492	16,238,241
Unrestricted funds					
Unrestricted funds	493,431	845,906	(526,389)	(163,842)	649,106
Designated funds	87,017	249	(37,223)	-	50,043
Total unrestricted funds	580,448	846,155	(563,612)	(163,842)	699,149
Total funds	9,840,612	8,342,124	(9,283,996)	8,038,650	16,937,390

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	-	-	14,559,753	-	14,559,753
Investment	-	-	-	1,539,622	1,539,662
Current assets	940,924	640,368	230,918	-	1,812,210
Current liabilities	(32,309)	(640,368)	(23,136)	-	(695,813)
Pension scheme liability	-	-	-	-	-
	<u>908,615</u>	<u>-</u>	<u>14,767,535</u>	<u>1,539,662</u>	<u>17,215,812</u>

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

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	-	-	14,913,187	-	14,913,187
Investment	-	-	-	1,537,315	1,537,315
Current assets	728,272	650,985	305,818	-	1,685,075
Current liabilities	(29,123)	(650,985)	(15,079)	-	(695,187)
Pension scheme liability	-	(503,000)	-	-	(503,000)
	<u>699,149</u>	<u>(503,000)</u>	<u>15,203,926</u>	<u>1,537,315</u>	<u>16,937,390</u>

24. CAPITAL COMMITMENTS

	31.08.23 £	31.08.22 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

25. MEMBERS LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

26. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs were assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £130,873 (2022: £123,381) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- no changes in individual employee contributions until at least 1 April 2025

This valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £780,733 (2022: £706,673).

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

26. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £500,813 (2022: £452,171), of which employer's contributions totalled £394,321 (2022: £351,196) and employees' contributions totalled £106,492 (2022: £100,975).

The agreed contribution rate for the current year is 22.5% for employers and between 2.75% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme Liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022 the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on Gov.uk.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.08.23	31.08.22
Discount rate	5.3%	4.25%
Price increases	2.9%	2.90%
Future salary increases	3.9%	3.90%
Future pension increases	2.9%	2.90%
Commutation of pension to lump sums	50.0%	50.00%

The significant increase in the discount rate reflects the sharp rise in market interest rates seen in 2023.

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

	31.08.23	31.08.22
Retiring today		
Males	20.7	21.7
Females	23.2	23.7
Retiring in 20 years		
Males	22.0	23.0
Females	24.6	25.2

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

26. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme - continued

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities, as provided by the actuary, are set out below:

Change in assumptions:	Increase in obligation at 31 August 2023 £	Increase in obligation at 31 August 2022 £
0.1% decrease in real discount rate	159,000	220,000
1 year increase in member life expectancy	221,000	228,000
0.1% increase in the salary increase rate	16,000	27,000
0.1% increase in the pension increase rate	146,000	195,000

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

	Fair value at 31 August 2023 £	Fair value at 31 August 2022 £
Equities	5,201,000	5,122,000
Gilts	48,000	45,000
Other bonds	1,132,000	1,033,000
Property	826,000	919,000
Cash/liquidity	86,000	133,000
Target Return Portfolio	587,000	562,000
Infrastructure	310,000	-
Total market value of assets	8,190,000	7,814,000
Present value of scheme liabilities		
- Funded	(7,830,000)	(8,317,000)
Impact of an asset ceiling	(360,000)	-
Asset/(Deficit) in the scheme	-	(503,000)

The actual return on scheme assets was £57,000 (2022: (£99,000)).

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

	31.08.23 £	31.08.22 £
Current service cost (excluding contributions paid)	(51,000)	(620,000)
Net interest cost	(14,000)	(128,000)
Administration expenses	(5,000)	(4,000)
Total operating charge	(70,000)	(752,000)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

26. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme - continued

Recognised in other gains / losses:		
Remeasurement gains / (losses)	933,000	8,181,000
Impact of asset ceiling	(360,000)	-
Total gain / (cost) recognised	<u>503,000</u>	<u>7,429,000</u>

The actuarial remeasurements for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial remeasurements recognised in the Statement of Financial Activities since the adoption of the relevant pensions accounting is a £4,355,000 gain (2022: £3,782,000 gain).

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

	31.08.23	31.08.22
	£	£
Opening defined benefit obligation	8,317,000	15,568,000
Current service cost	441,000	973,000
Employee contributions	105,000	102,000
Interest on pension liabilities	354,000	256,000
Change in financial assumptions	(1,946,000)	(8,408,000)
Change in demographic assumptions	(310,000)	-
Experience loss/(gain) on defined benefit obligations	969,000	-
Benefits paid	<u>(100,000)</u>	<u>(174,000)</u>
	<u>7,830,000</u>	<u>8,317,000</u>

Movements in the fair value of the academy trust's share of scheme assets were as follows:

	31.08.23	31.08.22
	£	£
Opening fair value of scheme assets	7,814,000	7,636,000
Employer contributions	390,000	353,000
Employee contributions	105,000	102,000
Interest on plan assets	340,000	128,000
Administration expenses	(5,000)	(4,000)
Return on assets less interest	(397,000)	(227,000)
Other actuarial gains/(losses)	43,000	-
Benefits paid	<u>(100,000)</u>	<u>(174,000)</u>
	<u>8,190,000</u>	<u>7,814,000</u>

The estimated value of employer contributions for the year to 31 August 2024 is £419,870.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. There were no such transactions in the year.

28. POST-BALANCE SHEET EVENT

On 1 September 2023, the assets and liabilities of the company transferred to the Skinners' Academies Trust. The Company will continue in existence in order to resolve certain matters that could not be transferred to the Skinners Academies Trust, which has confirmed that it will meet any future expenses incurred by the company.

Once the Company has completed the resolution of all outstanding matters it is expected that it will be wound up.