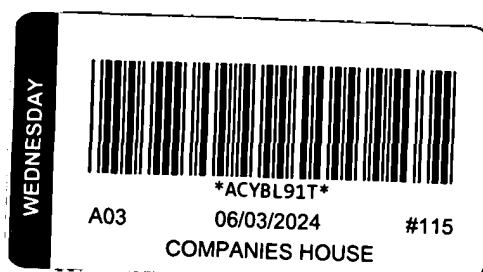


ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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ADVANTAGE SCHOOLS
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023**

Members	R Tobias M Lehair D Hill L Godden (Appointed 20 June 2023)
Trustees	R N Syson* P Jameson* (Chair of FAR Committee) M McCourt (Chair of Trustees from 4 October 2023) A Heavey I W Campbell * (Chair of Trustees until 4 th October 2023) P Moss P Akhtar * (Appointed 9 August 2023) * also members of the Finance, Audit and Resources (FAR) Committee.
Accounting Officer	S Lock
Company Secretary	S Campbell (Resigned 21 March 2023) M Chapman (Appointed 22 March 2023)
Trust Central Executive Team:	
Chief Executive Officer	S Lock
Chief Finance and Operations Officer	H Copas
Chief People and Estates Officer	S Campbell
Chief Education Officer	S Stanton
Head of Governance and Compliance	M Chapman (Appointed 7 March 2023)
Company Name	Advantage Schools
Principal and Registered Office	Bedford i-lab Stannard Way Priory Business Park Bedford MK44 3RZ
Company Registration Number	07337888 (England and Wales)
Independent Auditor	BKL Audit LLP 35 Ballards Lane London N3 1XW
Bankers	Barclays Bank Plc 111 High Street Bedford MK40 1NJ
Solicitors	Stone King LLP 13 Queen Square Bath Somerset BA1 2HJ

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements for Advantage Schools multi-academy trust (the Trust) for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates four schools as follows:

- **Bedford Free School** - a secondary school for pupils aged 11 to 16 serving Bedford and surrounding areas. The school capacity is 500 with a current roll of 533 students.
- **Elstow Primary School** - a primary school serving principally the Elstow area of Bedford. The school capacity is 420 with a current roll of 415 students.
- **Queens Park Academy** – a primary school which joined the trust on 1 December 2021 serving principally the Queens Park area of Bedford. The school capacity is 420 with a current roll of 378 students. The school also provides a Nursery Early Years provision with a current roll of 42 students.
- **Houstone School** – a secondary school that opened on 1 September 2022 serving the area of Houghton Regis in Bedfordshire. The school has a capacity of 900 with a current roll of 507 students.

The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2019.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees of Advantage Schools are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Advantage Schools.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with normal practice the Trust has subscribed to the government Risk Protection Arrangement (RPA) to meet its insurance needs and to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10m on any one claim and in any one membership year.

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or duty or which was committed with reckless disregard to whether it was a breach of trust or duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustee in their capacity as a Director of the Trust.

Principal activities

The Trust's object is specifically restricted to the following:

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 or schools offering a broad and balanced curriculum.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Method of Recruitment and Appointment or Election of Trustees

The members of the Trust shall comprise the signatories to the Memorandum of Association until they resign or otherwise cease to be members and any person appointed under Article 15A of the Trust's Articles of Association.

The Members may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such Member provided that at any time the minimum number of Members shall not be less than three.

The Trustees shall comprise:

- a) Up to ten member appointed Trustees
- b) The Chief Executive Officer if he/she agrees
- c) A minimum of 2 Parent Trustees if no local governing body is established
- d) Any co-opted Trustees

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees to ensure the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience.

Where necessary induction will include training on educational, legal and financial matters. All new Trustees will be given the opportunity of a tour of the schools, have the chance to meet staff and pupils and be provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and documents they need to undertake their role as a Trustee. As there is expected to be a small number of new Trustees each year, induction will be carried out informally and will be tailored specifically to the individual.

The Trust subscribes to the Bedford Borough Learning Service, and The Key for School Leaders and Governance, and Trustees have access to various internal and external training events.

Organisational Structure

The Trust Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of the Committees. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Trust Board may from time to time establish working groups to perform specific tasks. The Trust Board meet once per half term.

The following decisions are reserved for the Trust Board; to consider any change of status or constitution of its Trust and its committee structure, to appoint the Chief Executive Officer (CEO) (Accounting Officer), Chief Financial Officer, Data Protection Officer and Principals of its schools and to approve the Trust budget.

The Trust Board have established two Committees as well as the Local Governing Bodies. The two Committees of the Board are : the Finance, Audit and Resources Committee and the Education Standards and Curriculum Committee. The responsibilities of these Committees are set as follows:

Finance, Audit and Resources Committee – Meets up to 6 times each year:

- To review funding and annual budgets of the trust and its individual schools
- To monitor and review income and expenditure during the year as analysed in comparison to budget.
- To consider exceptional requests to make supplementary expenditure not otherwise included in budget plans.

ADVANTAGE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Organisational Structure (continued)

- To monitor and review the system of internal controls and procedures on a regular basis to ensure their efficacy in financial control as well as the maintenance of financial records and the preparation of the financial statements.
- To receive and review reports on health and safety across the trust
- To consider and review reports on the condition and use of the trust property and estates.
- To oversee the arrangements for appointment and commissioning of the work of internal and external auditors as well as to review the reports of both.
- To review the policies and proposals for pay of all trust staff including the Central Executive Team.
- To monitor and review reports of staffing and recruitment across the trust and its schools. all matters relating to finance, staffing and the resources of the Trust.

Education Standards and Curriculum Committee – Meets up to 6 times each year

- Setting educational targets for pupil achievement, progress and attendance
- Reviewing standards and curriculum
- Reviewing behaviour and attendance
- Reviewing any other matter referred by the Trust Board

The Trustees are responsible for setting general policy, adopting an annual budget, approving the statutory accounts, monitoring the Trust, by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Members and Trustees have devolved the responsibility for the day-to-day management of the Trust to the CEO and the Central Executive Team. The Senior Leadership Team of each school controls them on a daily basis, implementing policies laid down by the Members and Trustees and regularly reporting back to the Director of Education and the Chief Executive Officer. The Central Executive Team report back to the Trust Board on management and performance of the schools within the Trust.

During the period the Central Executive Team consisted of:

Stuart Lock	Chief Executive Officer
Hans Copas	Chief Finance and Operations Officer
Simon Campbell	Chief People and Estates Officer
Sallie Stanton	Chief Education Officer
Mikhaela Chapman	Head of Governance and Compliance (Appointed 7 March 2023)

The CEO was the Trust's Accounting Officer for the period.

The 4 schools at the trust were managed by Senior Leadership Teams led by:

Principal of Bedford Free School	Jane Herron
Principal of Elstow School	Sam Barlow (Resigned 31 December 2022)
	Sarah Ciantar (From 1 January 2023)
Principal of Queens Park Academy	Emma Bolton
Principal of Houstone School	Elizabeth English

ADVANTAGE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Arrangements for setting Pay and Remuneration of Key Management Personnel

The Central Executive Team is made up of the Chief Executive Officer, the Chief Finance and Operations Officer, the Chief People and Estates and the Director of Education. Their salaries are set on the relevant pay scale, and are reviewed annually as part of the whole-trust Performance Related Progression procedure. The pay scales are specific to the Trust but are benchmarked against similar types of roles in similar types and sized schools.

The Chief Executive Officer performance manages the Central Executive Team, in line with the target-setting process. These targets incorporate the whole-school targets that have been agreed by Trustees and which are relevant to the individuals' roles. These are reviewed at the end of each academic year and their performance is graded as for all other staff, depending on the extent to which targets have been met or exceeded.

For the Chief Executive Officer, Trustees delegate their appraisal responsibility to a panel of Trustees selected each year by the Chair. The Trust's targets are the Chief Executive Officer's personal targets, and their performance against these is assessed in an annual performance review meeting. Where required, an external adviser is involved to check the targets set are appropriate and objective.

Trade Union Facility Time

There is no trade union facility time spent in the year.

Related Parties and other Connected Charities and Organisations

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 Academies Trust Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Objectives and Activities

Objects and Aims

Vision and Values

Our vision is to run a family of excellent schools, setting an example to the system that illustrates that all children can become knowledgeable and join the community of educated citizens.

This is summarised as:

We aim for our schools to be the highest quality, serving our families, achieving exceptional standards

The Trust aims to be distinctive not just in what it does, but in how it does it, built around its three core values of

- Aspiration
- Respect
- Honesty

Our beliefs:

- The pursuit of truth is noble and just
- All individuals can become educated
- Schools should make no exceptions in their high aspirations

ADVANTAGE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objects and Aims (continued)

Vision and Values (continued)

The pursuit of truth:

We prioritise subjects and content as distinctive enquiries into truth.

Pupils acknowledge their teachers as a source of truth.

Our curriculum is under constant renewal as we understand that our disciplines evolve.

We stand for 'absolute freedom of discussion, absolute unity in action' in pursuit of better standards.

Being educated:

We use research to ensure that the curriculum and pedagogy are effective.

Our teachers use time efficiently to ensure that pupils remember what is taught.

Our pupils acquire substantive knowledge to engage in the subject, and disciplinary knowledge so that they can understand and even further the pursuit of truth within the subject as experts.

Our pupils know that they can be more knowledgeable than previous generations.

Pupils understand the standards of good public decorum to which civilised people adhere and wish to both promote and embody these standards.

Our alumni promote our mission.

No exceptions:

Advantage Schools provide calm places of learning for all to succeed.

We recognise and promote civil behaviour.

We are intolerant of uncivil behaviour.

We do not accept deprivation as a reason for failing to become educated - we ensure that all pupils, regardless of background, meet the highest possible standards.

Our leaders take responsibility for providing an environment with high expectations of civil conduct.

We 'reach more than we teach' contributing to the wider body of schools locally, nationally and internationally.

We are unashamedly proud of our academic emphasis and our attention to detail. Our schools are places where our culture and personal achievement is at the centre of every decision.

Our schools aim for the enrichment and development of pupils, and we believe that this also means very successful examination results.

Our wider curriculum provides our pupils with a fully-rounded education which takes into account personal and social development.

ADVANTAGE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, Strategies and Activities

The Trust's aims during the period ending 31 August 2023 are summarised below:

Maintain the status of Bedford Free School and Elstow School as oversubscribed schools and to continue and further improve the outcomes for their students.

To continue educational improvement at Queens Park Academy and to move towards a full student roll.

To establish Houstone School as a beacon of excellence, to achieve strong outcomes for its students and grow the school to full capacity for the benefit of the local community.

Continue the Trust's work to improve the outcomes for all pupils, with a particular focus on KS1, KS2 and GCSE outcomes.

To achieve cost/time efficiencies, economies of scale and comprehensive compliance of all statutory duties while facilitating the development of an effective Advantage Schools central structure

To refine and embed an efficient MAT Governance Structure to ensure clear lines of responsibility and accountability, risk management, statutory compliance and accurate reporting by Local Governing Bodies to the Board of Trustees.

To develop a growth strategy that maintains the Advantage Schools brand and ensures we have at least another two new schools confirmed in the next two years.

To recruit, train and retain the highest calibre of staff to Advantage Schools keeping turnover healthy, staff absence low and morale high.

To ensure that all schools in the Trust continue to be judged by Ofsted and the Trust to be at least good.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy trust's objectives and aims and in planning future activities for the year. The Trustees consider that the Trust's aims are demonstrably for the public benefit.

Strategic Report - Achievements and Performance

The trust has continued to achieve highly successful operational and educational performance. Highlights of educational performance in 2022-23 have been:

- The best-ever performance in GCSE results at Bedford Free School and an exceptional measure of progress by students since entering the school at age 11. The provisional Progress 8 measure for 2023 as published by the Department for Education in October 2023 was 0.99, placing the school as the most successful secondary school in Bedfordshire and the surrounding area.
- A continued strong performance in Key Stage 2 results at Elstow School.
- An improvement in performance in outcomes at Queens Park Academy including stronger performance in the individual categories of Writing and Maths at Key Stage 2.

Bedford Free School and Elstow School continue to be over-subscribed and following its educational improvement and success, applications to join Queens Park Academy are increasing steadily.

The trust has been delighted to have opened its doors to a brand new school in Houghton Regis called Houstone School. After being initially accommodated in a temporary site, the school has now moved to brand new, purpose built accommodation that was accepted from Central Bedfordshire Council on 7th September 2023. These new buildings include the latest in design of classrooms, science laboratories, sports facilities and other teaching spaces that will both accommodate the full capacity of pupils as well as provide a conducive learning environment for pupils. It is clear that with its very strong emphasis on academic curriculum and maintaining the most optimum attitudes to learning and conduct from its pupils, the school is already developing an extremely positive reputation and must now prepare for significant increases in students in 2024-25 and beyond. The school looks like it will already be oversubscribed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Achievements and Performance (continued)

The trust is also now delighted to have received approval from the Schools Regional Director for the East of England to welcome Laburnum Primary School into the Trust. This school is a small one form entry school located in Sandy in Central Bedfordshire and is expected to formally join the trust in March 2024. The Trust has already begun working with the school's Headteacher and leadership team to develop an approach and strategy for educational improvement at the school with the aim of bringing strong and improved outcomes for its pupils in 2023-24 and beyond.

Alongside its academic and educational success, the Trust has returned a significant surplus of income over expenditure in the year and continues to be in a very strong financial position to develop and grow the Trust.

This Trust is intent on using this financial strength to invest in securing strong educational performance in Houstone School during its initial phase of growth as well as maintaining the performance in the other schools in the trust including Laburnum Primary School. The Trust is also continuing to develop a scaleable structure of the central functions in preparation for supporting the educational and operational strategies of the trust as it grows and acquires new schools.

Bedford Free School was delighted to achieve overwhelming success in its GCSE results for its Year 11 students as follows:

School	Bedford Free School					
Current Ofsted Rating	Outstanding (January 2020)					
	Progress 8 Score & Description	P8 Disadvantaged	% Expected Ebacc	Grade 5+ in English & Maths GCSEs	Attainment 8 Score	Ebacc Average Point Score
2019	+0.8	+0.44	84%	42%	48.8	4.82
2022	+0.89	-0.08	92%	57%	54.6	5.26
2023 Provisional Outcome	+0.99	+0.93	95%	48%	51.0	4.93

In both Elstow School and Queens Park Academy the performance at Key Stage 2 showed outcomes as follows:

School	Elstow School						
Current Ofsted Rating	Good (January 2020)						
	% RWM Combined Expected +	% Expected + (Reading)	% Expected + (Maths)	% Expected + (Writing)	% Achieving at Higher Standard	Average Score Reading	Average Score Maths
2019	60	67	83	83	7	103	103
2022	78	87	82	85	0	105	103
2023 Provisional Outcome	64	85	83	85	5	105	105

School	Queens Park Academy						
Current Ofsted Rating	Good (May 2022)						
	% RWM Combined Expected +	% Expected + (Reading)	% Expected + (Maths)	% Expected + (Writing)	% Achieving at Higher Standard	Average Score Reading	Average Score Maths
2019	35	61	75	52	0	101	103
2022	34	52	47	40	0	98	98
2023 Provisional Outcome	36	40	57	55	0	100	100

The improvement of outcomes of Queen's Park Academy is a key focus for the Trust moving forward.

The ongoing careful management of income and expenditure enabled all schools to fund additional improvements to their site and facilities.

The Trust is involved in discussions with a number of schools and trusts about deepening a relationship with a view to running a significantly expanded excellent Trust.

Overall the Trust goes into the 2023/24 year in a very strong position financially, reputationally and academically. Trustees are confident that the outcomes of pupils will further improve in the next few years, enhancing its status, and thus funding and quality of provision, against the backdrop of tougher financial settlements in the medium term.

ADVANTAGE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Going Concern

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

Strategic Report - Financial Review

Key financial performance indicators

Most of the Trust's income is obtained from the Education Skills & Funding Agency (ESFA), part of the Department for Education (DfE), in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received during the period ending 31 August 2023 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets as capital funding from the ESFA. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The Trust has two key financial objectives, which are to remain financially robust and to remain solvent.

During the year ending 31 August 2023, the total recurrent expenditure of £11,295,256 (2022: £8,272,274) was mostly covered (98%) by grant funding from ESFA and other income sources. At the end of the period the Trust had an excess of income over expenditure for the period (excluding restricted fixed asset and pension funds) which amounted to £466,959 (2022: £246,116). This excess was allocated to restricted reserves except for £35,443 (2021: £91,931) which relates to unrestricted surplus.

At 31 August 2023 the school has reserves of £3,787,657 (2022: £3,320,698) (restricted general funds, excluding pension reserves, plus unrestricted funds) of which £396,554 (2021: £361,111) are free reserves (unrestricted funds).

The defined benefit LGPS pension scheme liability at 31 August 2023 is £0 (2021: £1,308,000) as a result of the scheme having moved into a position of measuring as a positive future net asset.

Reserves policy

The Board of Trustees regularly examine the Trust's requirements for reserves in light of the main risks to the organisation.

The Board of Trustees has adopted a Reserves Policy which recommends maintaining a level of uncommitted reserves to:

- Provide a short term working balance to cushion the impact of uneven cash flows. Currently this is assessed as one month's payroll bill and operating costs for the Trust.
- Support the continued expansion and development of the Trust
- Plan for potential major items of expenditure for example capital works or emergency repairs;
- Provide a contingency to cushion the impact of unexpected events, emergencies and large shortfalls in budgets for example fluctuations in student numbers;

The Board of Trustees ensures these Reserves are met whilst still maintaining the fabric and operations of its schools, and regularly reviews its levels of Reserves at its FAR Committee and Full Board meetings.

Investments policy

The Trust's investment policy is to invest surplus cash reserves on deposit with established UK banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure

ADVANTAGE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances and trade creditors, with limited trade (and other) debtors. The trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

The trustees also are fully aware of their responsibilities to ensure that the trust's estate is safe, well maintained and compliant with the relevant regulations.

In relation to any future pension scheme liabilities, 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.

Fundraising

The Trust has not engaged in any significant fundraising activities.

Plans for Future Periods

Future developments

During the coming year the Trust plans to:

- Continue to utilise our curricular expertise to distribute our distinctive, knowledge-based Advantage Schools curriculum supported by a rich framework of professional learning amongst the sector.
- Continue to successfully run extended cohorts delivering the Early Career Framework, the Behaviour Hub, the Attendance Hub, and to refine the Advantage Schools Knowledge Exchange.
- Continue to achieve cost/time efficiencies, economies of scale and comprehensive compliance of all statutory duties while facilitating the development of an effective Advantage Schools central structure.
- Continue to refine and embed an efficient MAT Governance Structure to ensure clear lines of responsibility and accountability, risk management, statutory compliance and accurate reporting by Local Governing Bodies to the Board of Trustees.
- Develop a growth strategy that maintains the Advantage Schools brand and ensures we have at least two further new schools confirmed in the next two years.
- Continue to recruit, train and retain the highest calibre of staff to Advantage Schools keeping turnover healthy, staff absence low and morale high.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Future developments (continued)

- Ensure that all schools in the Trust continue to be judged by Ofsted and the Trust to be at least good or where they have recently joined the Trust to make adequate progress towards being judged as good.

Other key objectives include:

- Take advantage of growth opportunities while developing and strengthening the central Trust offer.
- Maintaining or improving all schools' current Ofsted grade should we be re-inspected.
- Continuing to improve the quality of the school sites to improve the pupil experience.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2023 and signed on the board's behalf by:



M McCourt
Chair of Trustees

ADVANTAGE SCHOOLS
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Advantage Schools 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 has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Advantage Schools and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees of Advantage Schools has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
I W Campbell (Chair until 4 October 2023)	6	6
A Heavey	6	6
P Jameson	5	6
M McCourt (Chair from 4 October 2023)	5	6
R N Syson	6	6
P Moss	5	6
P Akhtar	0	0

The Finance, Audit and Resources (FAR) Committee is a sub-committee of the main board of trustees. The Committee's overriding purpose, as set out in its Terms of Reference, is to achieve internal scrutiny which delivers objective and independent assurance for the Trust in line with the principles of the Academies Financial Handbook.

The FAR Committee has met 6 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
I W Campbell (Chair until 4 October 2023)	6	6
P Jameson	5	6
R N Syson	6	6
P Akhtar	0	0

The Educational Standards Committee has met 5 times during the year. The Committee's overriding purpose, as set out in its Terms of Reference, is to monitor and evaluate the educational performance of students in the trust and to hold the Trust Executive Team accountable for that performance. Attendance at these meetings was as follows:

ADVANTAGE SCHOOLS
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
A Heavey	4	5
M McCourt (Chair from 4 October 2023)	4	5
P Moss	4	5

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year by ensuring that financial procedures are followed in line with the Academy Trust Handbook and the Trust's Financial Handbook as well as benchmarking attainment and outcomes as outlined elsewhere in the report.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Advantage Schools for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, which has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. Significant risks and changes in them will be reviewed at each Trust Board meeting.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed by Trustees;
- regular reviews by the Finance, Audit & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- inclusion of key financial KPI's in the financial reports reviewed at every Finance, Audit & Resources Committee meeting;
- 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.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has considered the Academy Trust Handbook's requirements for internal scrutiny and has decided to appoint an audit firm (UHY Hacker Young) to carry out termly internal scrutiny checks, reporting findings to Trustees via the Finance, Audit and Resources Committee.

The internal scrutiny work includes performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Review of Procedures for Procurement and Significant Tenders
- Review of Data and Information Security

Review of effectiveness

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

- the internal scrutiny checks; and
- the work of the external auditor;

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on their behalf by:



M McCourt
Chair of Trustees



S Lock
Accounting Officer

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Advantage Schools I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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, including responsibilities for estates safety and management.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Academy'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 Lock
Accounting Officer
Date: 13 December 2023

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report 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 of 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;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



M McCourt
Chair of Trustees

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE SCHOOLS**

Opinion

We have audited the financial statements of Advantage Schools (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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 and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE SCHOOLS (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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'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 or to cease operations, or have no realistic alternative but to do so.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE SCHOOLS (CONTINUED)**

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims,
- and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 Auditors' Report.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ADVANTAGE SCHOOLS (CONTINUED)**

Use of our report

This report is made solely to the Academy'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's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jake Lew

Jake Lew (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

13 December 2023

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 15 September 2023 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 Advantage Schools during the year 1 September 2022 to 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 Advantage Schools and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Advantage Schools and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Advantage Schools and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Advantage Schools's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Advantage Schools's funding agreement with the Secretary of State for Education dated 22 June 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 1 September 2022 to 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 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ADVANTAGE
SCHOOLS AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 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.

BKL Audit LLP

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 13 December 2023

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	(5,000)	489,949	484,949	208,182
Other trading activities	5	155,563	-	-	155,563	130,481
Investments	6	35,443	-	-	35,443	4,970
Charitable activities	4	-	11,141,557	-	11,141,557	7,459,484
Total income		191,006	11,136,557	489,949	11,817,512	7,803,117
Expenditure on:						
Charitable activities	8	155,563	10,614,480	525,213	11,295,256	8,272,274
Transfer of Academy into Trust		-	-	-	-	529,008
Total expenditure		155,563	10,614,480	525,213	11,295,256	8,801,282
Net income/(expenditure)		35,443	522,077	(35,264)	522,256	(998,165)
Transfers between funds	19	-	(171,561)	171,561	-	-
Net movement in funds before other recognised gains/(losses)		35,443	350,516	136,297	522,256	(998,165)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	25	-	1,389,000	-	1,389,000	6,214,000
Net movement in funds		35,443	1,739,516	136,297	1,911,256	5,215,835
Reconciliation of funds:						
Total funds brought forward		361,111	1,651,587	14,025,669	16,038,367	10,822,532
Net movement in funds		35,443	1,739,516	136,297	1,911,256	5,215,835
Total funds carried forward		396,554	3,391,103	14,161,966	17,949,623	16,038,367

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 55 form part of these financial statements.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07337888

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	13,913,030	13,971,904
		<u>13,913,030</u>	<u>13,971,904</u>
Current assets			
Debtors	16	624,384	445,269
Cash at bank and in hand		4,980,490	3,827,451
		<u>5,604,874</u>	<u>4,272,720</u>
Creditors: amounts falling due within one year	17	(1,564,273)	(893,104)
Net current assets		<u>4,040,601</u>	<u>3,379,616</u>
Total assets less current liabilities		<u>17,953,631</u>	<u>17,351,520</u>
Creditors: amounts falling due after more than one year	18	(4,008)	(5,153)
Net assets excluding pension asset / liability		<u>17,949,623</u>	<u>17,346,367</u>
Defined benefit pension scheme asset / liability	25	-	(1,308,000)
Total net assets		<u><u>17,949,623</u></u>	<u><u>16,038,367</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	14,161,966	14,025,669
Restricted income funds	19	3,391,103	2,959,587
		<u>17,553,069</u>	<u>16,985,256</u>
Restricted funds excluding pension liability	19	17,553,069	16,985,256
Pension reserve	19	-	(1,308,000)
Total restricted funds	19	<u>17,553,069</u>	<u>15,677,256</u>
Unrestricted income funds	19	<u>396,554</u>	<u>361,111</u>
Total funds		<u><u>17,949,623</u></u>	<u><u>16,038,367</u></u>

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue on 13 December 2023 and are signed on their behalf, by:


M McCourt
Chair of the Trust Board

The notes on pages 26-55 form part of these financial statements.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	1,070,436	304,282
Cash flows from investing activities	22	82,603	616,805
Change in cash and cash equivalents in the year		1,153,039	921,087
Cash and cash equivalents at the beginning of the year		3,827,451	2,906,364
Cash and cash equivalents at the end of the year	23, 24	<u>4,980,490</u>	<u>3,827,451</u>

The notes on pages 26 to 55 form part of these financial statements

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **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 year it is receivable and to the extent the Trust has provided the goods or services.

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Depreciation is provided on the following bases:

Freehold property	- 50 years
Long-term leasehold property	- 50 years
Furniture and equipment	- 5 years
Plant and machinery	- 5 years
Computer hardware	- 4 to 5 years
Motor vehicles	- 7 years

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

1.6 Debtors

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

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Pensions

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

ADVANTAGE SCHOOLS
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Pensions (continued)

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

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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 liability.

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3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	-	14,233	14,233
Capital Grants	-	475,716	475,716
Transfer of academy into trust	(5,000)	-	(5,000)
	<u>(5,000)</u>	<u>489,949</u>	<u>484,949</u>

	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Capital Grants	208,182	208,182

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants		
General Annual Grant (GAG)	9,090,294	9,090,294
Other DfE/ESFA grants		
Pupil Premium	498,390	498,390
UIFSM	105,547	105,547
Others	470,397	470,397
	<u>10,164,628</u>	<u>10,164,628</u>
Other Government grants		
Local Authority grants	932,464	932,464
	<u>932,464</u>	<u>932,464</u>
Other income from the Academy's educational activities	44,465	44,465
	<u>11,141,557</u>	<u>11,141,557</u>
	<u><u>11,141,557</u></u>	<u><u>11,141,557</u></u>

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

4. Funding for the Academy's charitable activities (continued)

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
DfE/ESFA grants		
General Annual Grant (GAG)	6,204,665	6,204,665
Other DfE/ESFA grants		
Pupil Premium	405,325	405,325
UFSM	68,561	68,561
Others	363,055	363,055
	7,041,606	7,041,606
Other Government grants		
Local Authority grants	362,525	362,525
	362,525	362,525
Other income from the Academy's educational activities	55,353	55,353
	7,459,484	7,459,484
	7,459,484	7,459,484

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Catering income	34,025	34,025
Educational trip income	55,848	55,848
Other income	65,690	65,690
	155,563	155,563
	155,563	155,563

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

5. Income from other trading activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Catering income	18,697	18,697
Educational trip income	42,394	42,394
Other income	69,390	69,390
	<u>130,481</u>	<u>130,481</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Short term deposits	<u>35,443</u>	<u>35,443</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Short term deposits	<u>4,970</u>	<u>4,970</u>

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Activities:				
Direct costs	6,583,038	-	862,433	7,445,471
Allocated support costs	1,617,288	1,073,241	1,159,256	3,849,785
	-	-	-	-
	<u>8,200,326</u>	<u>1,073,241</u>	<u>2,021,689</u>	<u>11,295,256</u>
	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Activities:				
Direct costs	4,750,757	-	509,317	5,260,074
Allocated support costs	1,512,349	447,332	1,052,519	3,012,200
Boarding activities:				
Direct costs	-	-	529,008	529,008
	<u>6,263,106</u>	<u>447,332</u>	<u>2,090,844</u>	<u>8,801,282</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Educational Activities	155,563	11,139,693	11,295,256

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Educational Activities	18,697	8,253,577	8,272,274

9. Analysis of expenditure by activities

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Educational Activities	7,445,471	3,849,785	11,295,256

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Educational Activities	5,260,074	3,012,200	8,272,274

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2023 £	Total funds 2023 £
Staff costs	6,402,775	6,402,775
Educational supplies	443,660	443,660
Examination fees	43,969	43,969
Staff development	41,603	41,603
Technology costs	112,706	112,706
Educational consultancy	17,094	17,094
Teaching supply costs	180,263	180,263
Other direct costs	74,468	74,468
Other staff costs	128,933	128,933
	<u>7,445,471</u>	<u>7,445,471</u>

	<i>Educational Activities 2022 £</i>	<i>Restated Total Funds 2022 £</i>
Staff costs	4,630,304	4,630,304
Educational supplies	233,126	233,126
Examination fees	34,109	34,109
Staff development	65,289	65,289
Technology costs	71,397	71,397
Educational consultancy	32,553	32,553
Teaching supply costs	120,453	120,453
Other direct costs	51,015	51,015
Other staff costs	21,828	21,828
	<u>5,260,074</u>	<u>5,260,074</u>

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2023 £	Total Funds 2023 £
Pension finance costs	44,000	44,000
Staff costs	1,549,675	1,549,675
Depreciation	501,663	501,663
Technology costs	94,394	94,394
Security and transport	7,457	7,457
Maintenance of premises and equipment	307,709	307,709
Cleaning	140,114	140,114
Other occupancy costs	27,630	27,630
Energy	435,634	435,634
Rent and rates	67,760	67,760
Insurance	37,533	37,533
Support staff supply costs	35,613	35,613
Catering	232,760	232,760
Legal and professional	118,275	118,275
Governance costs	27,891	27,891
Other staff costs	7,427	7,427
Other support costs	182,250	182,250
Non cash pension costs	32,000	32,000
	<u>3,849,785</u>	<u>3,849,785</u>

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational Activities 2022 £</i>	<i>Restated Total Funds 2022 £</i>
Pension finance costs	106,000	106,000
Staff costs	996,049	996,049
Depreciation	447,332	447,332
Technology costs	45,752	45,752
Security and transport	8,516	8,516
Maintenance of premises and equipment	170,686	170,686
Cleaning	80,444	80,444
Other occupancy costs	13,459	13,459
Energy	166,579	166,579
Rent and rates	56,589	56,589
Insurance	25,446	25,446
Support staff supply costs	9,300	9,300
Catering	142,150	142,150
Legal and professional	91,605	91,605
Governance costs	25,704	25,704
Other staff costs	557	557
Other support costs	119,032	119,032
Non cash pension costs	507,000	507,000
	<u>3,012,200</u>	<u>3,012,200</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	10,837	15,386
Depreciation of tangible fixed assets	501,663	447,332
Fees paid to auditors for:		
- audit	14,000	14,000
- other services	3,200	5,900
	<u>518,697</u>	<u>467,218</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	<i>Restated</i> 2022
	£	£
Wages and salaries	6,012,299	4,235,781
Social security costs	555,895	396,430
Pension costs	1,374,256	983,594
	7,942,450	5,615,805
Agency staff costs	215,876	129,753
Staff restructuring costs	10,000	10,548
Non cash pension costs	32,000	507,000
	8,200,326	6,263,106

Staff restructuring costs comprise:

	2023	2022
	£	£
Severance payments	10,000	10,548
	10,000	10,548

b. Severance payments

The Academy paid 1 severance payment in the year (2022: 2), disclosed in the following bands:

	2023	2022
	No.	No.
£0 - £25,000	1	2
	1	2

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

c. Staff numbers

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

	2023 No.	2022 No.
Teachers	92	69
Administration and Support	129	101
Management	9	7
	230	177

d. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	-

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £433,842 (2022 - £352,479).

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Central services

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

- Support to educational improvement
- Human resources
- Operational management of estates and facilities
- Financial services
- Others as arising

The Trust charges for these services on the following basis:

5.5% of GAG top-slice basis with additional support charges as and when occurred.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Bedford Free School	177,000	154,629
Elstow School	101,000	88,373
Queens Park Academy	107,000	-
Houstone School	115,000	-
Total	500,000	243,002

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

14. Trustees' and Officers' insurance

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

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

15. Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2022	7,175,958	8,433,219	595,230	31,795	986,809	39,753	17,262,764
Additions	19,755	84,005	-	-	339,029	-	442,789
At 31 August 2023	<u>7,195,713</u>	<u>8,517,224</u>	<u>595,230</u>	<u>31,795</u>	<u>1,325,838</u>	<u>39,753</u>	<u>17,705,553</u>
Depreciation							
At 1 September 2022	1,104,993	897,875	538,436	18,936	692,430	38,190	3,290,860
Charge for the year	143,914	144,146	18,317	2,783	190,941	1,562	501,663
At 31 August 2023	<u>1,248,907</u>	<u>1,042,021</u>	<u>556,753</u>	<u>21,719</u>	<u>883,371</u>	<u>39,752</u>	<u>3,792,523</u>
Net book value							
At 31 August 2023	<u>5,946,806</u>	<u>7,475,203</u>	<u>38,477</u>	<u>10,076</u>	<u>442,467</u>	<u>1</u>	<u>13,913,030</u>
At 31 August 2022	<u>6,070,965</u>	<u>7,535,344</u>	<u>56,794</u>	<u>12,859</u>	<u>294,379</u>	<u>1,563</u>	<u>13,971,904</u>

16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,344	35,286
Other debtors	170,246	137,960
Prepayments and accrued income	452,794	272,023
	<u>624,384</u>	<u>445,269</u>

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

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	891,747	391,228
Other creditors	311,028	237,218
Accruals and deferred income	361,498	264,658
	1,564,273	893,104
	2023	2022
	£	£
Deferred income brought forward from previous year	199,101	83,664
Resources deferred during the year	158,607	171,635
Amounts released from previous periods	(199,101)	(56,198)
	158,607	199,101

At the balance sheet date the academy trust was holding funds received in advance for grants.

18. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Other creditors	4,008	5,153

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	361,111	191,006	(155,563)	-	-	396,554
Restricted general funds						
General Annual Grant (GAG)	2,635,943	9,090,294	(8,163,573)	(171,561)	-	3,391,103
Houstone School	22,653	-	(22,653)	-	-	-
Other ESFA grants	33,595	575,944	(609,539)	-	-	-
Pupil Premium	16,076	498,390	(514,466)	-	-	-
Local Authority grant	-	932,464	(932,464)	-	-	-
Coronavirus support	(1,931)	-	1,931	-	-	-
DfE grants	2,694	-	(2,694)	-	-	-
Other activities	14,829	44,465	(59,294)	-	-	-
Transfer of academy into trust	235,728	-	(235,728)	-	-	-
Pension reserve	(1,308,000)	(5,000)	(76,000)	-	1,389,000	-
	<u>1,651,587</u>	<u>11,136,557</u>	<u>(10,614,480)</u>	<u>(171,561)</u>	<u>1,389,000</u>	<u>3,391,103</u>

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Transfer on conversion	5,046,696	-	-	-	-	5,046,696
ESFA capital grants	2,804,104	489,949	(525,213)	-	-	2,768,840
Other activities	2,850,000	-	-	-	-	2,850,000
Transfer of academy into trust	2,952,264	-	-	-	-	2,952,264
Transfer from general reserves to fund capital expenditure	372,605	-	-	171,561	-	544,166
	<u>14,025,669</u>	<u>489,949</u>	<u>(525,213)</u>	<u>171,561</u>	<u>-</u>	<u>14,161,966</u>
Total Restricted funds	<u>15,677,256</u>	<u>11,626,506</u>	<u>(11,139,693)</u>	<u>-</u>	<u>1,389,000</u>	<u>17,553,069</u>
Total funds	<u>16,038,367</u>	<u>11,817,512</u>	<u>(11,295,256)</u>	<u>-</u>	<u>1,389,000</u>	<u>17,949,623</u>

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

Unrestricted funds - these funds represent income from trips and other sundry income during the period. The funds can be utilised towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted funds - these funds arise from funding from the Department of Education and the Local Authority.

Restricted fixed asset funds - these funds represent asset additions and disposals with depreciation and capital grants attributed to this fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds						
All funds	269,180	148,410	(56,479)	-	-	361,111
Restricted general funds						
General Annual Grant (GAG)	2,729,586	6,204,665	(5,925,703)	(372,605)	-	2,635,943
Houstone School	-	142,021	(119,368)	-	-	22,653
Other ESFA grants	33,595	269,147	(269,147)	-	-	33,595
Pupil Premium	16,076	405,324	(405,324)	-	-	16,076
Local Authority grant	-	355,681	(355,681)	-	-	-
Coronavirus support	-	6,844	(8,775)	-	-	(1,931)
DfE grants	2,694	20,449	(20,449)	-	-	2,694
Other activities	23,451	42,394	(51,016)	-	-	14,829
Transfer of academy into trust	-	-	235,728	-	-	235,728
Pension reserve	(3,192,000)	-	(613,000)	-	2,497,000	(1,308,000)
	<u>(386,598)</u>	<u>7,446,525</u>	<u>(7,532,735)</u>	<u>(372,605)</u>	<u>2,497,000</u>	<u>1,651,587</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Transfer on conversion	5,046,696	-	-	-	-	5,046,696
ESFA capital grants	3,043,254	208,182	(447,332)	-	-	2,804,104
Other activities	2,850,000	-	-	-	-	2,850,000
Transfer of academy into trust	-	2,952,264	-	-	-	2,952,264
Transfer from general reserves to fund capital expenditure	-	-	-	372,605	-	372,605
	<u>10,939,950</u>	<u>3,160,446</u>	<u>(447,332)</u>	<u>372,605</u>	<u>-</u>	<u>14,025,669</u>
Total Restricted funds	<u>10,553,352</u>	<u>10,606,971</u>	<u>(7,980,067)</u>	<u>-</u>	<u>2,497,000</u>	<u>15,677,256</u>
Total funds	<u>10,822,532</u>	<u>10,755,381</u>	<u>(8,036,546)</u>	<u>-</u>	<u>2,497,000</u>	<u>16,038,367</u>

Total funds analysis by academy

Fund balances were allocated as follows:

	31 August 2023 £	31 August 2022 £
Bedford Free School	2,868,880	2,577,954
Elstow School	1,200,631	997,052
Queens Park Academy	270,413	359,028
Houstone School	462,072	-
Central services	(1,014,339)	(613,336)
Total before fixed asset funds and pension reserve	<u>3,787,657</u>	<u>3,320,698</u>
Restricted fixed asset fund	<u>14,161,966</u>	<u>14,025,669</u>
Pension reserve	<u>-</u>	<u>(1,308,000)</u>
Total	<u>17,949,623</u>	<u>16,038,367</u>

ADVANTAGE SCHOOLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Central services	<u>(1,014,339)</u>

The Trust is currently engaging in a growth plan, requiring significant funds to be spent to improve central services and to have infrastructure in place to welcome new schools to the Trust.

The Trust is taking the following action to return the central services to surplus:

The Trust is aware of the deficit and expects this to return to surplus in future years as the Trust grows.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
Bedford Free School	2,160,812	339,276	191,334	601,803	3,293,225
Elstow School	1,294,463	148,108	129,455	364,225	1,936,251
Queens Park Academy	1,578,621	439,470	115,226	457,160	2,590,477
Houstone School	1,259,171	196,222	390,361	197,574	2,043,328
Central services	289,971	494,212	4,685	141,444	930,312
	<u>6,583,038</u>	<u>1,617,288</u>	<u>831,061</u>	<u>1,762,206</u>	<u>10,793,593</u>

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19. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs</i>	<i>Other support staff costs</i>	<i>Educational supplies</i>	<i>Other costs excluding depreciation</i>	<i>Total 2022</i>
	£	£	£	£	£
Bedford Free School	2,104,014	479,455	82,779	574,647	3,240,895
Elstow School	1,253,372	260,820	49,639	360,313	1,924,144
Queens Park Academy	1,068,723	510,382	27,322	819,875	2,426,302
Central services	324,648	261,692	65,939	110,330	762,609
	<u>4,750,757</u>	<u>1,512,349</u>	<u>225,679</u>	<u>1,865,165</u>	<u>8,353,950</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023	Restricted funds 2023	Restricted fixed asset funds 2023	Total funds 2023
	£	£	£	£
Tangible fixed assets	-	-	13,913,030	13,913,030
Current assets	396,554	4,959,384	248,936	5,604,874
Creditors due within one year	-	(1,564,273)	-	(1,564,273)
Creditors due in more than one year	-	(4,008)	-	(4,008)
Total	<u>396,554</u>	<u>3,391,103</u>	<u>14,161,966</u>	<u>17,949,623</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	13,971,904	13,971,904
Current assets	361,111	3,857,844	53,765	4,272,720
Creditors due within one year	-	(893,104)	-	(893,104)
Creditors due in more than one year	-	(5,153)	-	(5,153)
Provisions for liabilities and charges	-	(1,308,000)	-	(1,308,000)
Total	361,111	1,651,587	14,025,669	16,038,367

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	522,256	(998,165)
Adjustments for:		
Depreciation	501,663	447,332
Capital grants from DfE and other capital income	(489,949)	(208,182)
Interest receivable	(35,443)	(4,970)
Defined benefit pension scheme cost less contributions payable	32,000	507,000
Defined benefit pension scheme finance cost	44,000	106,000
Increase in debtors	(179,115)	(98,667)
Increase in creditors	675,024	553,934
Net cash provided by operating activities	1,070,436	304,282

**NOTES TO THE FINANCIAL STATEMENTS
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22. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	35,443	4,970
Purchase of tangible fixed assets	(442,789)	(361,083)
Capital grants from DfE Group	489,949	208,182
Transfer of Academy into trust	-	764,736
Net cash provided by investing activities	82,603	616,805

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	4,980,490	3,827,451
Total cash and cash equivalents	4,980,490	3,827,451

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,827,451	1,153,039	4,980,490
	3,827,451	1,153,039	4,980,490

**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments

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

The latest valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2023.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 full-time 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 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS impacting these financial statements was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £883,460 (2022 - £630,806).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £608,000 (2022 - £484,000), of which employer's contributions totalled £489,000 (2022 - £394,000) and employees' contributions totalled £119,000 (2022 - £90,000). The agreed contribution rates for future years for Bedford Free School are 21.5 per cent for employers and 5.5 - 12.5 per cent for employees, for Elstow School are 35.2 per cent for employers and 5.5 - 12.5 per cent for employees, for Queens Park are 22.1 per cent for employers and 5.5 - 12.5 per cent for employees and for Houstone School are 22.1 per cent for employers and 5.5 - 12.5 per cent 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

Bedfordshire Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.25	4.20
Inflation assumption (CPI)	2.90	2.90

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.0
24.4	23.9	24.4
<i>Retiring in 20 years</i>		
Males	22.1	22.9
Females	25.5	26.1

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25. Pension commitments (continued)

Sensitivity analysis

Bedfordshire Pension Fund

	2023	2022
	£000	£000
Discount rate +0.1%	(131,000)	(176,000)
Discount rate -0.1%	136,000	181,000
Mortality assumption - 1 year increase	151,000	178,000
Mortality assumption - 1 year decrease	(148,000)	(174,000)
CPI rate +0.1%	135,000	174,000
CPI rate -0.1%	(128,000)	(169,000)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2023	At 31 August 2022
	£	£
Equities	3,720,000	3,014,000
Gilts	-	1,143,000
Corporate bonds	1,063,000	697,000
Property	886,000	184,000
Cash and other liquid assets	235,000	-
Total market value of assets	5,904,000	5,038,000

The actual return on scheme assets was £205,000 (2022 - £81,000).

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

	2023	2022
	£	£
Current service cost	(514,000)	(901,000)
Interest income	226,000	81,000
Interest cost	(270,000)	(187,000)
Total amount recognised in the Statement of Financial Activities	(558,000)	(1,007,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	6,346,000	4,792,000
Conversion of academy trusts	15,000	6,447,000
Current service cost	514,000	901,000
Interest cost	270,000	187,000
Employee contributions	-	90,000
Actuarial gains	(1,184,000)	(6,317,000)
Benefits paid	(57,000)	(27,000)
Plan introductions, benefit changes, curtailments and settlements	-	273,000
At 31 August	5,904,000	6,346,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	5,038,000	1,600,000
Conversion of academy trusts	10,000	3,009,000
Interest income	226,000	81,000
Actuarial gains/(losses)	205,000	(103,000)
Employer contributions	489,000	394,000
Employee contributions	-	90,000
Benefits paid	(57,000)	(27,000)
Administration expenses	(7,000)	(6,000)
At 31 August	5,904,000	5,038,000

26. Operating lease commitments

The Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 August 2023 £	31 August 2022 £
Not later than 1 year	10,837	15,386
Later than 1 year and not later than 5 years	34,293	16,196
	45,130	31,582

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

27. 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.

28. Related party transactions

Owing to the nature of the 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, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

29. Post balance sheet event

The supreme court ruling on Harpur vs Brazel (2022) has upheld the ruling impacting holiday pay for part time workers. Employers will now be required to revisit their historical holiday calculations to retrospectively apply this ruling. Whilst this will create a liability for the trust, the government are yet to produce guidance as to the specifics of the calculation required, and hence no accurate provision can currently be made.