

Report of the Governors and
Financial Statements
for the Year Ended 31 August 2023
for
Ashperton Primary Academy Trust

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

WEDNESDAY



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28/02/2024

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COMPANIES HOUSE

Contents of the Financial Statements
for the Year Ended 31 August 2023

	Page
Reference and Administrative Details	1 to 2
Report of the Governors	3 to 10
Governance Statement	11 to 14
Statement on Regularity, Propriety and Compliance	15
Governors' Responsibility Statement	16
Report of the Independent Auditors	17 to 20
Independent Accountant's Report on Regularity	21 to 22
Statement of Financial Activities	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Cash Flow Statement	26
Notes to the Financial Statements	27 to 44
Detailed Statement of Financial Activities	45 to 46

Ashperton Primary Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2023

MEMBERS:

Mrs K Ford
P Hagger
Mrs J A Dodds
Mrs R Nolan
J A Taylor (Chairman)

GOVERNORS

J A Taylor Retired (resigned 3.3.23) *
C Bandfield Headteacher and Accounting Officer *
Mrs J A Dodds (Chair) *
Mrs C Bullock *
Miss C Bushnell Teacher (resigned 6.2.23)
J Nicklin
P Mess *
G Jenkins Vice Chair
Mrs S Snowball
A B T Bowyer Care Manager (appointed 1.9.22)
Mrs A L Clarke Educational Psychologist (appointed 1.11.22)
Mrs J B Baird Senior Support Learning Assistant

* members of the finance and general purpose committee

SENIOR MANAGEMENT TEAM:

Mr C Bandfield (Headteacher)
Mrs C Bullock (Deputy Headteacher)
Mrs E Marriage
Mrs C Brown

COMPANY NAME

Ashperton Primary Academy Trust

COMPANY SECRETARY

Wrigleys Solicitors LLP

REGISTERED OFFICE

Ashperton Primary Academy Trust
Ashperton
Ledbury
Herefordshire
HR8 2SE

REGISTERED COMPANY NUMBER

07551088 (England and Wales)

SENIOR STATUTORY AUDITOR

K M Tong FCCA, ACA

AUDITORS

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS

Wrigleys Solicitors LLP
19 Crookbridge Street
Leeds
West Yorkshire
LS2 3AG

BANKERS

Barclays Bank PLC
1-3 Broad Street
Hereford
HR4 9BA

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2023. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy trust operates an academy for pupils aged 5 to 11 serving a catchment area in East Herefordshire. It has a pupil capacity of 183. Number of currently attending pupils is 205.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy Trust's principal activities are, for the public benefit to:

- advance and promote education by, in particular but not limited to, the provision of facilities or property for any education institution;
- advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

In addition the aims of the Academy (as set down in Section 1(6) of the Academies Act 2010) are that:

- the school has a balanced and broadly based curriculum;
- the school provides education for pupils of different abilities;
- the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

Objectives, Strategies and Activities

To achieve our objects and aims the Academy is governed, led and managed in a way which facilitates self-critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward-looking since it involves analysis of aspects of a changing world and other political, social and economic factors which may affect the nature and relevance of our provision and the demand for the education we offer. Good communication is vital so that pupils, parents and staff feel engaged and clear about the Academy's values, purpose and direction.

The long term aims, objectives and strategies are reviewed annually during a development planning process. The Headteacher reports on progress in implementing the development plan to Governors on a termly basis. Each Autumn, the Leadership Team reviews, with Governors, the Academy's effectiveness using a number of agreed performance indicators, including statistical data relating to academic performance. The Academy also has a well-established programme of staff performance, appraisal and target-setting.

Medium to long term objectives include:

- Provide the best possible outcomes for children through working to achieve the highest standards in teaching and learning, pastoral care and the extra-curricular programme so that each child thrives at the Academy.
- Maintain and further develop our buildings and resources to provide facilities fit for the 21st Century.
- Recruit and retain highly effective staff. To provide continuous professional development for our staff so that they are able to respond effectively to the changing demands of their roles.
- Utilise the latest developments in information technology to improve outcomes in teaching and learning, communication and information management.
- Remain financially stable, with strong control on expenditure and obtaining best value in financial decision-making.
- Foster good relations with all our stakeholders.
- Ensure the trust's estate is safe, well-maintained, and complies with relevant regulations.

OBJECTIVES AND ACTIVITIES

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy's aims and objectives and in planning future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

All the activities undertaken by the Academy Trust are for the education of its pupils and the good of the wider local community. As such the primary objective of the Academy Trust is to support those objectives and there is no financial return to any shareholders.

The Academy has a defined catchment area and is still a local community school providing education for the local population with pupils admitted in Reception and via in-year transfers through the Local Authority admissions department. These admissions arrangements are available to all regardless of whether they are in catchment or are currently living in the local area (i.e. moving into the area from another part of the country).

STRATEGIC REPORT

Achievement and performance

School Performance Data

KS2 Attainment Data 2023

% of pupils attaining the expected standard or better

	National NCER 2023	Ashperton 2023
Reading	73	76
Writing	72	73
Maths	73	87
GP&S	72	77
R, W&M	60	67
Science	TBA	TBA

% of pupils attaining greater depth

	National NCER 2023	Ashperton 2023
Reading	29	50
Writing	13	10
Maths	24	47
GP&S	30	40
R, W&M	8	10

KS1 Attainment Data 2023

% of pupils attaining the expected standard or better

	National NCER 2023	Ashperton 2023
Reading	68	80
Writing	60	70
Maths	70	83
Science	79	90
R, W&M	56	70

% of pupils attaining greater depth

	National NCER 2023	Ashperton 2023
Reading	19	13
Writing	8	10
Maths	16	17
R, W&M	6	7

Phonics Screening Check - Year 1 - 2023

% pupils attaining the expected standard

National NCER 2023	Ashperton 2023
79	89

EYFS Attainment Data 2023

% pupils achieving a Good Level Of Development

National NCER 2023	Ashperton 2023
67	83

Report of the Governors
for the Year Ended 31 August 2023

We are very proud of our staff who have worked exceptionally well for our pupils. They have implemented a curriculum focussed on enabling our pupils to catch-up following the disruption caused by Covid19.

Our number on roll continues to look very healthy into the new financial year at approximately 207 and we were oversubscribed this year in our Reception Class.

The Governing Body uses a variety of documents to help assess performance and achievement of targets across a range of areas. These documents include: Inspection Data Summary Report, Fischer Family Trust pupil progress and attendance data, Perspective Lite, School Improvement Plan, ScholarPack pupil progress data and attendance data, parent questionnaire results, Governor visit reports, School Council interviews, Headteacher's report to Governors, Health and Safety Reports, Safeguarding Reports and Equality Reports. These form the basis of discussion and analysis at Governor meetings throughout the year.

Governors are proactive in scrutinising the above and require the Head to provide evidence to support the data. This process enables Governors to measure the progress of the School in relation to the aims and objectives that have been set by OFSTED and through the heads performance management process.

Covid Catch Up Funding

Ashperton Primary Academy received Covid Catch Up Funding during 2022-23. This was spent on:

- Employing an additional Teacher to support mainly disadvantaged pupils throughout school to secure faster rates of progress particularly in reading.

Class organisation

Our class organisation is as follows:

Red - Reception - Mrs Marriage and Mrs Handley

Purple - Year 1 - Miss Young, Mrs Bullock and Miss Powell

Orange - Year 2 - Miss Bushnell, Mrs Jackson, and Mrs Lane

Green - Year 3 - Mrs Hassan, Mrs Bullock and Mrs Kokidko DaSilva

Blue - Year 4 - Miss Taylor and Mrs Gardner

Yellow - Year 5 - Mrs Blake, Mrs Bullock and Mrs Baird, (Mrs Margetts on maternity leave)

Turquoise - Year 6 - Miss Wise, Mrs Bullock and Miss Simcock

Sport

We held Cluster Sports Tournaments as well as attending tournaments in Hereford and Ledbury. We had highly successful teams in tag rugby, football and netball.

Increased participation in competitive sport, for example by:

- Increasing and actively encouraging pupils' participation in the School Games
- The children took part in the Herefordshire Spring and Summer Games.
- The children took part in intra-school tournaments throughout the year and we held a KS1 and KS2 Sports Day which all the children took part in.

Pupils from Y6 took part in an outdoor and adventurous residential at Mill on the Brue, Somerset.

Swimming Outcomes - Y6 - 80% were able to swim 25m, 80% were able to use a range of strokes, 80% were able to complete a safe rescue.

Fundraising activities

Save the Children Christmas Jumper Day

St Michael's Hospice Reindeer Run

Children in Need

Key financial performance indicators

Key financial performance indicators are considered throughout this report.

STRATEGIC REPORT

Financial review

Financial position

During the year ended 31 August 2023, total expenditure of £764,185 (2022: £813,318) was covered by recurrent grant funding from the DfES. The net incoming resources before transfers and revaluations for the year was £8,361 (2022: £105,307 deficit).

The Academy held fund balances at 31 August 2023 totalling £2,468,911 (2022: £2,366,550), including £341,926 (2022: £291,199) of restricted funds, a pension reserve deficit of £22,000 (2022: £113,000) and £110,155 (2022: £96,569) unrestricted general funds.

It is the policy of the Academy to agree terms of payment with their suppliers when the order for goods and services is placed and to adhere to these arrangements when making payment.

At 31 August 2023 the net book value of fixed assets was £2,038,451 (2022: £2,101,089) and movements in tangible fixed assets are shown in the fixed asset note to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Principal funding sources

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds (non-fixed assets) in the Statement of Financial Activities.

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

Investment policy

The school will invest any surplus funds on deposit to ensure it maximises its return.

Reserves policy

The Academy's "free" reserves are its funds after excluding restricted funds. "Reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the governors discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £110,155 (2022: £96,569) all of which is free reserves. The level of general restricted reserves (less pension and fixed asset funds) is £341,926 (2022: £291,199).

The governors have planned a level of reserves that is appropriate.

The reasons for holding the current level of reserves include the procurement of a new extension and storage facilities, a contingency for replacing the MUGA carpet, resurfacing of playground and car parking spaces, a contingency for unforeseen capital works and to cover at least three months salaries.

Going concern

After making appropriate enquiries, the Governing Body 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

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £22,000 (2022: £113,000). The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in the future, although this may not be achieved until stock market investment values start to recover.

Principal risks and uncertainties

Ashperton Primary Academy Trust recognises the responsibility it has under the Companies Act 2006 S417 (3b) to disclose the principal risks and uncertainties that it faces. The Academy acknowledges that its ability to provide for students the continuing advancement of education is reliant upon the agreed public funding levels, distributed to the school in the form of the GAG and LACSEG and it pays due regard to the known future reduction in that funding which is proposed (MFG -1.5%). The Academy acknowledges that its planned level of expenditure must not exceed the Academy's known income now and the future forecast income. In doing so, it pays due regard to the high proportion of costs based on wages and any forces influencing rising wage costs. It prepares detailed budget plans for the current year and there is robust internal financial monitoring. Time is spent looking at the likely out-turn for the current financial year and any significant factors contributing to a surplus (or future deficit). Ashperton Primary Academy Trust does have a defined pension deficit of £22,000 (2022: £113,000).

The principal risks and uncertainties are around adequate insurance, ensuring the trust's estate is safe, well-maintained, and complies with relevant regulations, future pupil numbers and future government funding which are key areas in the Academy's risk register and ongoing risk management process.

Ensuring that the trust is safe, well maintained, and complies with relevant regulations is achieved through ensuring that all statutory inspections and procedures are implemented e.g. playground equipment, sports hall equipment, tree surveys, boiler inspections, fire detection system inspections, insurance company inspections etc. All recommendations are implemented. E.g. fire detection systems have been upgraded and we now have direct calling to Fire Brigade, Police etc.

Financial and risk management objectives and policies

The Academy has full and robust financial and risk policies. They detail all the major risks to the Academy across numerous areas and how the risk is to be contained. Risk is an agenda item on all full Governor meetings and Resources Committee meetings.

Future plans

The Governors, Headteacher and SLT are working to provide outstanding outcomes for our pupils.

The Governors and SLT will continue to work to maintain the current upward trend in pupil attainment, pupil achievement, attendance and numbers on roll.

Strategic plans for the future include continuing the development of Baggard's Field to enhance curriculum opportunities for pupils. We are working towards having a Sewage Treatment Plant installed, our playground resurfaced, anti-ram bollards installed and to continue to procure an extra room for music lessons and small group work, toilets and bespoke storage facilities to replace outdated sheds etc.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Ashperton Primary Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Ashperton Primary Academy.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of 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 governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich.

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and Appointment or Election of Governors

The members may appoint Governors as per the Memorandum and Articles. The members may appoint Staff Governors provided that the total number of Staff Governors (including the Headteacher) does not exceed one-third of the total number of Governors. The LA at the request of the Members may appoint the LA governor. Parent Governors shall be elected by parents of registered pupils at the Academy by secret ballot and a Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The Governors may appoint up to 3 co-opted Governors. Additional Governors may, if deemed necessary, be appointed by the Secretary of State.

Organisational structure

On a day-to-day basis the operational running of the Academy has been delegated to the headteacher. The headteacher is able to delegate the day to day running of the school to the deputy headteacher. The headteacher acts as the Accounting Officer. The headteacher has 3 additional members of staff on the Senior Leadership Team. In addition, there are a further 6 members of teaching staff, 2 finance/administrative staff and 9 support staff in TA roles.

Policies and Procedures adopted for the Induction and training of Governors

All Governors are subject to an induction period with training and information given. Ongoing training is given to Governors and is provided by the Local Authority or through the School's membership of the Activate group.

Key management remuneration

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression and is reviewed by the personnel and pay committee.

The headteacher reports to governors on the whole school appraisal cycle and on decisions relating to performance-related pay progression.

Connected organisations, including related party relationships

Ashperton Foundation own the "oldest" part of the building (front section of the School).

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Governors are responsible for the management of risks faced by the Academy. The Governors are assisted in this task by the Resources Committee, which comprises members of the Governing Body and the Senior Leadership Team.

Health and Safety (incorporating Risk Management) features as a termly standing item on the agenda for full Governors and Resources meetings. Continuity between these bodies is maintained through the Chair of the Resources Committee.

The key controls used by the Academy include:

- Formal agendas for all Committee and Governors' meetings;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Setting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Academy, the Governing Body are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.


AUDITORS

In so far as the Governors are aware:

- there is not relevant audit information of which the charitable company's auditor is unaware; and the Governors 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on12/12/23..... and signed on its behalf by:

..........
Mrs J A Dodds - Governor

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Ashperton Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Governors' consider that the Board and its Committees combined, meet adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements

Governance Statement
for the Year Ended 31 August 2023

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Governors' Responsibilities Statement. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor		Meetings attended	Out of a possible
Governor		Meetings attended	Out of a possible
Julia Baird	Staff Governor (appointed 7/7/22)	4	4
Chris Bandfield	Head Teacher	4	4
Alan Bowyer	General Governor	3	4
Caroline Bullock	Staff Governor	4	4
Catherine Bushnell	Staff Governor (Resigned 6/2/23)	2	2
Jacqueline Dodds	General Governor (Chair)	4	4
Geraint Jenkins	General Governor (Vice Chair)	4	4
Paul Mess	Parent Governor	2	4
Jon Nicklin	General Governor	3	4
Amy Clarke	Parent Governor (Appointed 22/11/22)	3	3
Sue Snowball	General Governor	3	4
John Taylor	General Governor (Term of Office ended 3/3/23)	1	2

Governance Review

The Academy reviews the skills set of the Governors to ensure a broad range of knowledge/expertise is represented.

A governance review is completed periodically and outcomes actioned as soon as possible.

The Finance, Resources and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to, amongst others, scrutinise and monitor the budget and all financial risks to the Academy; oversee performance management and staff pay; monitor capital expenditure and capital projects; monitor all control systems and allocate resources. Any further details are to be found on the Terms of Reference for this committee.

Attendance during the year at meetings of the board of governors was as follows:

Governor		Meetings attended	Out of a Possible
C Bandfield	Headteacher & Accounting Officer	3	3
J Dodds		3	3
J Taylor	Chair until 28/02/23	1	1
C Bullock		3	3
G Jenkins	Chair from 01/03/23	2	3
P Mess		2	3
J Baird		3	3
A Bowyer		2	3

Review of Value for Money

The accounting officer, Christopher Bandfield, accepts that he is responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. He is aware of the guide to academy value for money statements published by the Education & Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes as well as estates safety and management achieved in return for the taxpayer resources received.

He has set out below how he has ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Principals

- Management and governors are given regular management accounts to track, and hold to account, the finances of the Academy. These reports are used to make informed decisions about the best use of the Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Full Governing Body as is the risk register.
- The Academy use the principals of best value: challenge, compare, consult, compete and apply them when making a decision about the allocation, targeting and use of resources to promote the aims and values of the school, improve standards and quality of provision and best support the various educational needs of all pupils.
- External Auditors review the schools financial procedures and audit the accounts, on an annual basis, reporting back to the Governors Resources Committee.
- Strong internal controls are in place to ensure that all orders and payments are signed by an authorised signature.
- A prudent budget is maintained, to improve the learning and teaching environment and to improve outcomes for all our pupils. Resources are shared where appropriate.
- When significant expenditure is due to take place, for example on a new IT system, different options are appraised and competitive quotations (usually 3) sought to ensure that the best value for money is obtained and that the investment will generate the best possible results for the Academy.
- Configuration and deployment of staff is reviewed annually at the Governing Body Resources Committee meeting, to ensure best value in terms of quality of teaching, quality of learning and staff-pupil ratio.
- Information in relation to measures taken to ensure the trust's estate is safe, well-maintained, and complies with relevant regulations, and the costs involved are communicated to governors in Governors meetings in Health and Safety Reports to governors and in the Head's Report to governors.

Specific Examples

- We sought and obtained additional excellent value for money for all our service level agreements, whilst ensuring best quality and effectiveness continued.
- We obtain equipment, materials and services to provide pupils and staff with resources which support quality of teaching and learning.
- We have an ongoing cycle of monitoring the quality of our provision to provide pupils with the best possible outcomes.
- Tree surveys, insurance company surveys, fire safety installation, playground inspections, PE equipment inspections, boiler inspections etc. are all undertaken to ensure the trust's estate is safe, well-maintained, and complies with relevant regulations.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ashperton Primary Academy Trust for the period 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 governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

Governance Statement
for the Year Ended 31 August 2023

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, a peer review will be undertaken by Rachael Lovell. Who is an Independent Adviser. Rachael Lovell completed the internal scrutiny review as an receptacle offer this year. A different approach will be discussed at this year's full governors meeting.

Review of Effectiveness

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

- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Governors within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on12/12/23..... and signed on its behalf by:



.....
Mrs J A Dodds - Governor



.....
C Bandfield - Governor

Ashperton Primary Academy Trust

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2023

As accounting officer of Ashperton Primary Academy Trust I have considered my responsibility to notify the academy trust board of governors 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 academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the 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 governors and ESFA.

.....

C Bandfield - Accounting Officer

Date:12/12/23.....

Governors' Responsibility Statement
for the Year Ended 31 August 2023

The governors (who act as trustees of Ashperton Primary Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued 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 governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the governors are aware:

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

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Approved by order of the members of the board of trustees on ...12/12/23..... and signed on its behalf by:

.....
Mrs J A Dodds - Governor

Report of the Independent Auditors to the Members of
Ashperton Primary Academy Trust

Opinion

We have audited the financial statements of Ashperton Primary Academy Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Responsibilities of governors

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

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Trust Handbook 2022, the Academies Accounts Direction 2023, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

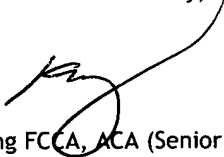
Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Ashperton Primary Academy Trust

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



K M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:19/12/23.....

Independent Reporting Accountant's Assurance Report on Regularity to
Ashperton Primary Academy Trust and the Education and Skills Funding Agency

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

Respective responsibilities of Ashperton Primary Academy Trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Ashperton Primary Academy Trust's funding agreement with the Secretary of State for Education 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 period 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 Academies Accounts Direction 2022 to 2023 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

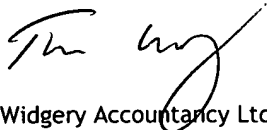
This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in the related party note in the attached accounts.

Independent Reporting Accountant's Assurance Report on Regularity to
Ashperton Primary Academy Trust and the Education and Skills Funding Agency

Conclusion

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



Thorne Widgey Accountancy Ltd
Chartered Accountants
Reporting Accountant
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:19/12/23.....

Ashperton Primary Academy Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2023

					31.8.23	31.8.22
	Notes	Unrestricted Fund £	Restricted Fixed Asset Funds £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	30,373	20,053	39,132	89,558	44,413
Charitable activities						
Funding for the academy's educational operations	3	-	-	1,008,251	1,008,251	917,005
Other trading activities	4	-	-	27,876	27,876	12,841
Investment income	5	548	-	-	548	46
Total		30,921	20,053	1,075,259	1,126,233	974,305
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	7	17,335	82,694	1,017,843	1,117,872	1,079,612
Total		17,335	82,694	1,017,843	1,117,872	1,079,612
NET INCOME/(EXPENDITURE)		13,586	(62,641)	57,416	8,361	(105,307)
Transfers between funds	16	-	9,685	(9,685)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	-	94,000	94,000	383,000
Net movement in funds		13,586	(52,956)	141,731	102,361	277,693
RECONCILIATION OF FUNDS						
Total funds brought forward		96,569	2,091,786	178,195	2,366,550	2,088,857
TOTAL FUNDS CARRIED FORWARD		110,155	2,038,830	319,926	2,468,911	2,366,550


The notes form part of these financial statements

Balance Sheet
31 August 2023

	Notes	31.8.23 £	31.8.22 £
FIXED ASSETS			
Tangible assets	12	2,038,451	2,101,089
CURRENT ASSETS			
Debtors	13	49,818	46,227
Cash at bank and in hand		480,954	408,135
		<u>530,772</u>	<u>454,362</u>
CREDITORS			
Amounts falling due within one year	14	(78,312)	(75,901)
NET CURRENT ASSETS		<u>452,460</u>	<u>378,461</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,490,911	2,479,550
PENSION LIABILITY	17	(22,000)	(113,000)
NET ASSETS		<u><u>2,468,911</u></u>	<u><u>2,366,550</u></u>
FUNDS	16		
Restricted funds:			
General Annual Grant		297,088	226,490
Restricted Pension Fund		(22,000)	(113,000)
DfE/ESFA Capital Grants		893,600	910,355
Other Restricted		44,838	64,709
Predecessor School Surplus		152,973	156,902
Donations - Capital		748,320	760,270
Capital expenditure from GAG		243,937	264,255
		<u>2,358,756</u>	<u>2,269,981</u>
Unrestricted funds:			
Unrestricted Fund		110,155	96,569
TOTAL FUNDS		<u><u>2,468,911</u></u>	<u><u>2,366,550</u></u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors and authorised for issue on 12/12/23 and were signed on its behalf by:


.....
J A Dodds - Governor

Ashperton Primary Academy Trust

Cash Flow Statement
for the Year Ended 31 August 2023

	Notes	31.8.23 £	31.8.22 £
Cash flows from operating activities			
Cash generated from operations	1	56,731	17,067
Net cash provided by operating activities		56,731	17,067
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,514)	(12,597)
Capital grants from DfE/EFA		20,054	6,171
Interest received		548	46
Net cash provided by/(used in) investing activities		16,088	(6,380)
Change in cash and cash equivalents in the reporting period		72,819	10,687
Cash and cash equivalents at the beginning of the reporting period		408,135	397,448
Cash and cash equivalents at the end of the reporting period		480,954	408,135

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.23 £	31.8.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	8,361	(105,307)
Adjustments for:		
Depreciation charges	67,153	68,003
Capital grants from DfE/ESFA	(20,054)	(6,171)
Interest received	(548)	(46)
Increase in debtors	(3,591)	(888)
Increase in creditors	2,410	20,478
Difference between pension charge and cash contributions	3,000	40,998
Net cash provided by operations	<u>56,731</u>	<u>17,067</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	408,135	72,819	480,954
	<u>408,135</u>	<u>72,819</u>	<u>480,954</u>
Total	<u>408,135</u>	<u>72,819</u>	<u>480,954</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Ashperton Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The governors 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 Company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of the current inflationary pressures on the future finances of the academy.

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue as a going concern.

The Trustee's assessment that is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding, during this period; and
- c) income is received in line with the forecast

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES - continued

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold buildings	- 2% on cost
Improvements to property	- 10% on cost and 2% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Computer equipment	- 33% on cost and 20% on cost

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

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

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

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

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to accounts. 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 the notes to accounts. 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.

Taxation

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teacher's Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

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

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

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the accounts, 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 the year end. 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Grants	-	20,054	20,054	6,171
School funds	30,373	31,541	61,914	36,599
Other donations	-	7,590	7,590	1,643
	<u>30,373</u>	<u>59,185</u>	<u>89,558</u>	<u>44,413</u>

£37,648 included in the comparatives related to restricted funds and £6,824 related to unrestricted funds.

Grants received, included in the above, are as follows:

	31.8.23 £	31.8.22 £
Capital Grant	<u>20,054</u>	<u>6,171</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	844,470	844,470	798,980
Other DfE/EFSA grant				
Universal Infants Free School Meals Grant	-	43,024	43,024	10,552
Pupil Premium Grant	-	42,366	42,366	25,110
Sports / PE Grant	-	17,700	17,700	17,650
Other DfE/ESFA Grants	-	17,710	17,710	26,649
Supplementary Grant	-	26,782	26,782	-
	<u>-</u>	<u>992,052</u>	<u>992,052</u>	<u>878,941</u>
Local Authority grant				
Local Authority grants	-	13,263	13,263	35,164
COVID-19 additional funding (DfE/ESFA)				
Covid Catch up Premium	-	2,936	2,936	2,900
	<u>-</u>	<u>1,008,251</u>	<u>1,008,251</u>	<u>917,005</u>

All of the figures included in the comparatives related to restricted funds.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.23 Total funds	31.8.22 Total funds
	£	£	£	£
Catering income	-	225	225	444
Other income	-	27,651	27,651	12,397
	<u>-</u>	<u>27,876</u>	<u>27,876</u>	<u>12,841</u>

£12,655 included in the comparatives related to other restricted funds and the balance to unrestricted.

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.8.23 Total funds	31.8.22 Total funds
	£	£	£	£
Short term deposits	548	-	548	46
	<u>548</u>	<u>-</u>	<u>548</u>	<u>46</u>

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

	Non-pay expenditure			31.8.23	31.8.22
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academy's educational operations					
Direct costs	500,136	9,549	141,078	650,763	706,724
Allocated support costs	225,941	95,402	145,766	467,109	372,888
	<u>726,077</u>	<u>104,951</u>	<u>286,844</u>	<u>1,117,872</u>	<u>1,079,612</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.23	31.8.22
	£	£
Auditors' remuneration	8,589	8,180
Other non-audit services	935	1,789
Depreciation - owned assets	67,152	68,001
Operating leases	<u>1,303</u>	<u>1,212</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Direct costs	-	650,763	650,763	706,724
Support costs	17,335	449,774	467,109	372,888
	<u>17,335</u>	<u>1,100,537</u>	<u>1,117,872</u>	<u>1,079,612</u>

	31.8.23 Total £	31.8.22 Total £
Analysis of support costs		
Support staff costs	225,941	169,992
Depreciation	7,899	9,268
Administrative supplies	12,405	14,762
Premises costs	95,402	89,884
Other support costs	115,938	79,013
Governance costs	9,524	9,969
Total support costs	<u>467,109</u>	<u>372,888</u>

All of the figures included in the comparatives related to restricted funds.

8. STAFF COSTS

	31.8.23 £	31.8.22 £
Wages and salaries	529,043	510,171
Social security costs	46,835	40,165
Operating costs of defined benefit pension schemes	138,329	119,649
	<u>714,207</u>	<u>669,985</u>
Supply teacher costs	11,870	35,594
	<u>726,077</u>	<u>705,579</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.23	31.8.22
Teachers	5	6
Administration and support	6	6
Management	4	4
	<u>15</u>	<u>16</u>

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

	31.8.23	31.8.22
£70,001 - £80,000	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

8. STAFF COSTS - continued

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £249,921 (2022: £262,225).

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The Value of governors' remuneration was as follows:

			2023	2022
C Bandfield	Headteacher	Remuneration	£70,000 - £75,000	£70,000 - £75,000
		Er Pension		
		Contributions	£15,000 - £20,000	£15,000 - £20,000
C Bushnell	Staff Governor	Remuneration	£35,000 - £40,000	£30,000 - £35,000
		Er Pension		
		Contributions	£5,000 - £10,000	£5,000 - £10,000
K Bishop	Staff Governor	Remuneration	£Nil	£5,000 - £10,000
		Er Pension		
		Contributions	£Nil	£0 - £5,000
C Bullock	Staff Governor	Remuneration	£50,000 - £55,000	£45,000 - £50,000
		Er Pension		
		Contributions	£10,000 - £15,000	£10,000 - £15,000
J Baird	Staff Governor	Remuneration	£15,000 - £20,000	£0 - £5,000
		Er Pension		
		Contributions	£0 - £5,000	£0 - £5,000

K Bishop resigned March 2022 and J Baird appointed to governing body from July 2022.

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2022 is included in the total insurance premium.

The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Restricted Fixed Asset Funds £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	37,589	6,170	654	44,413
Charitable activities				
Funding for the academy's educational operations	-	-	917,005	917,005
Other trading activities	186	-	12,655	12,841
Investment income	46	-	-	46
Total	37,821	6,170	930,314	974,305
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	15,129	70,884	993,599	1,079,612
Total	15,129	70,884	993,599	1,079,612
NET INCOME/(EXPENDITURE)	22,692	(64,714)	(63,285)	(105,307)
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	383,000	383,000
Net movement in funds	22,692	(64,714)	319,715	277,693
RECONCILIATION OF FUNDS				
Total funds brought forward	73,877	2,156,496	(141,516)	2,088,857
TOTAL FUNDS CARRIED FORWARD	96,569	2,091,782	178,199	2,366,550

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

12. TANGIBLE FIXED ASSETS

	Long leasehold buildings £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2022	775,079	1,790,840	38,502	136,407	2,740,828
Additions	-	-	-	4,514	4,514
Disposals	-	-	-	(816)	(816)
At 31 August 2023	775,079	1,790,840	38,502	140,105	2,744,526
DEPRECIATION					
At 1 September 2022	109,027	368,155	33,672	128,885	639,739
Charge for year	9,550	49,704	2,184	5,714	67,152
Eliminated on disposal	-	-	-	(816)	(816)
At 31 August 2023	118,577	417,859	35,856	133,783	706,075
NET BOOK VALUE					
At 31 August 2023	656,502	1,372,981	2,646	6,322	2,038,451
At 31 August 2022	666,052	1,422,685	4,830	7,522	2,101,089

The land and buildings are included at a valuation prepared by Education & Skills Funding Agency in 2012. Included within the Long leasehold value of £775,079 is an amount of £297,600 relating to land.

Leasehold land and buildings are subject to a 125 year lease with the local authority and The Trustees of the Ashperton Foundation.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23 £	31.8.22 £
Trade debtors	2,219	31,262
VAT	2,272	1,978
Prepayments and accrued income	45,327	12,987
	49,818	46,227

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade creditors	15,589	19,692
Social security and other taxes	24,586	24,587
Accrued expenses	21,032	16,530
Deferred government grants	17,105	15,092
	<u>78,312</u>	<u>75,901</u>
Deferred income	31.08.23	31.08.22
	£	£
Deferred income brought forward	15,092	14,686
Resources deferred in the years	17,105	15,902
Amounts released from previous years	(15,092)	(14,686)
	<u>17,105</u>	<u>15,092</u>

At the balance sheet date the academy trust was holding funds received in advance in relation to Universal Infant Free School Meal income relating to the 23/24 financial year totalling £17,105 (2022: £15,092).

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Restricted Fixed Asset Funds	Restricted General Fund	31.8.23 Total funds
	£	£	£	£
Fixed assets	-	2,038,451	-	2,038,451
Current assets	110,719	381	419,672	530,772
Current liabilities	(564)	(2)	(77,746)	(78,312)
Pension liability	-	-	(22,000)	(22,000)
	<u>110,155</u>	<u>2,038,830</u>	<u>319,926</u>	<u>2,468,911</u>

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

	Unrestricted Fund	Restricted Fixed Asset Funds	Restricted General Fund	31.8.22 Total funds
	£	£	£	£
Fixed assets	-	2,101,089	-	2,101,089
Current assets	96,964	(6,492)	363,890	454,362
Current liabilities	(395)	(2,815)	(72,691)	(75,901)
Pension liability	-	-	(113,000)	(113,000)
	<u>96,569</u>	<u>2,091,782</u>	<u>178,199</u>	<u>2,366,550</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

16. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Restricted general funds				
General Annual Grant	226,486	80,287	(9,685)	297,088
Restricted Pension Fund	(113,000)	91,000	-	(22,000)
DfE/ESFA Capital Grants	910,356	(21,065)	4,309	893,600
Other Restricted	64,709	(19,871)	-	44,838
Predecessor School Surplus	156,903	(3,930)	-	152,973
Donations - Capital	760,271	(11,951)	-	748,320
Capital expenditure from GAG	264,256	(25,695)	5,376	243,937
	<u>2,269,981</u>	<u>88,775</u>	<u>-</u>	<u>2,358,756</u>
Unrestricted fund				
Unrestricted Fund	96,569	13,586	-	110,155
	<u>96,569</u>	<u>13,586</u>	<u>-</u>	<u>110,155</u>
TOTAL FUNDS	<u>2,366,550</u>	<u>102,361</u>	<u>-</u>	<u>2,468,911</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	844,472	(764,185)	-	80,287
Restricted Pension Fund	-	(3,000)	94,000	91,000
DfE/ESFA Capital Grants	20,054	(41,119)	-	(21,065)
Other Restricted	80,270	(100,141)	-	(19,871)
Other DfE/ESFA grants	17,710	(17,710)	-	-
Predecessor School Surplus	(1)	(3,929)	-	(3,930)
Donations - Capital	-	(11,951)	-	(11,951)
Capital expenditure from GAG	-	(25,695)	-	(25,695)
Other DfE/ESFA - Covid Catch Up Premium	2,936	(2,936)	-	-
Other DfE/ESFA - Pupil Premium ESFA	42,365	(42,365)	-	-
Other DfE/ESFA - Sports Premium	17,700	(17,700)	-	-
Other DfE/ESFA - UIFSM	43,024	(43,024)	-	-
Other DfE/ESFA - Supplementary Grant	26,782	(26,782)	-	-
	<u>1,095,312</u>	<u>(1,100,537)</u>	<u>94,000</u>	<u>88,775</u>
Unrestricted fund				
Unrestricted Fund	30,921	(17,335)	-	13,586
	<u>30,921</u>	<u>(17,335)</u>	<u>-</u>	<u>13,586</u>
TOTAL FUNDS	<u>1,126,233</u>	<u>(1,117,872)</u>	<u>94,000</u>	<u>102,361</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Restricted general funds			
General Annual Grant	240,822	(14,332)	226,490
Restricted Pension Fund	(455,000)	342,000	(113,000)
DfE/ESFA Capital Grants	930,677	(20,322)	910,355
Other Restricted	59,399	5,310	64,709
Predecessor School Surplus	160,832	(3,930)	156,902
Donations - Capital	773,659	(13,389)	760,270
Capital expenditure from GAG	291,328	(27,073)	264,255
Other DfE/ESFA - Sports Premium	13,263	(13,263)	-
	<u>2,014,980</u>	<u>255,001</u>	<u>2,269,981</u>
Unrestricted fund			
Unrestricted Fund	73,877	22,692	96,569
	<u>2,088,857</u>	<u>277,693</u>	<u>2,366,550</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	798,986	(813,318)	-	(14,332)
Restricted Pension Fund	-	(41,000)	383,000	342,000
DfE/ESFA Capital Grants	6,171	(26,493)	-	(20,322)
Other Restricted	48,466	(43,156)	-	5,310
Other DfE/ESFA grants	26,649	(26,649)	-	-
Predecessor School Surplus	-	(3,930)	-	(3,930)
Donations - Capital	-	(13,389)	-	(13,389)
Capital expenditure from GAG	(1)	(27,072)	-	(27,073)
Other DfE/ESFA - Covid Catch Up Premium	2,900	(2,900)	-	-
Other DfE/ESFA - Pupil Premium ESFA	25,110	(25,110)	-	-
Other DfE/ESFA - Sports Premium	17,651	(30,914)	-	(13,263)
Other DfE/ESFA - UIFSM	10,552	(10,552)	-	-
	<u>936,484</u>	<u>(1,064,483)</u>	<u>383,000</u>	<u>255,001</u>
Unrestricted fund				
Unrestricted Fund	37,821	(15,129)	-	22,692
	<u>974,305</u>	<u>(1,079,612)</u>	<u>383,000</u>	<u>277,693</u>

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

16. MOVEMENT IN FUNDS - continued

- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds

During the year a transfer between funds was made in respect of capital assets purchased which have been funded by the General Annual Grant (GAG).

17. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £13,922 were payable to the schemes at 31 August 2023 (2022 - £13,669) and are included within creditors.

Teachers' pension scheme

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

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

17. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £97,466 (2022 - £88,790).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £39,498 (2022: £33,956), of which employer's contributions totalled £30,163 (2022: £26,239) and employees' contributions totalled £9,336 (2022: £7,717). The agreed contribution rates for future years are 18.0% for employers and between 5.5% and 9.9% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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 the parliamentary minute published on GOV.UK.

As the scheme is in deficit, the academy has entered into an agreement with the governors to make additional contributions in addition to normal funding levels.

The rates payable over a three year period will be the Future Service Rate of 18.0% of payroll plus phased lump sum deficit contributions starting at £5,100 for the year to 31 March 2024, increasing by approximately 4.8% per annum.

The current estimated recovery period is 12 years.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

17. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Present value of funded obligations	(554,000)	(600,000)
Fair value of plan assets	532,000	487,000
	<u>(22,000)</u>	<u>(113,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(22,000)</u>	<u>(113,000)</u>
Net liability	<u>(22,000)</u>	<u>(113,000)</u>

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Current service cost	102,000	66,000
Net interest from net defined benefit asset/liability	11,000	8,000
Past service cost	-	-
	<u>113,000</u>	<u>74,000</u>
Actual return on plan assets	<u>(5,000)</u>	<u>(11,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening defined benefit obligation	915,000	915,000
Current service cost	102,000	66,000
Contributions by scheme participants	17,000	8,000
Interest cost	41,000	16,000
Actuarial losses/(gains)	(512,000)	(402,000)
Benefits paid	(9,000)	(3,000)
	<u>554,000</u>	<u>600,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

17. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening fair value of scheme assets	460,000	460,000
Contributions by employer	71,000	34,000
Contributions by scheme participants	17,000	8,000
Expected return	30,000	8,000
Actuarial gains/(losses)	(35,000)	(19,000)
Benefits paid	(9,000)	(3,000)
Administration expenses	(2,000)	(1,000)
	<u>532,000</u>	<u>487,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Actuarial gains/(losses)	<u>94,000</u>	<u>(383,000)</u>
	<u>94,000</u>	<u>(383,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Equities	389,000	358,000
Bonds - Other	12,000	13,000
Cash/liquidity	5,000	9,000
Other	82,000	67,000
Property	44,000	40,000
	<u>532,000</u>	<u>487,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.23	31.8.22
Discount rate	5.30%	4.30%
Future salary increases	4.30%	4.30%
Future pension increases	2.90%	2.90%
Inflation assumption (CPI)	2.80%	2.80%

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

17. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31.8.23	31.8.22
Retiring today		
Males	25	22.6
Females	22.6	25
Retiring in 20 years		
Males	27	24.1
Females	24.1	27
Sensitivity analysis		
	31.8.23	31.8.22
	£	£
Discount rate +0.1%	(10,000)	(13,000)
Discount rate -0.1%	10,000	13,000
Mortality assumption - 1 year increase	11,000	12,000
Mortality assumption - 1 year decrease	(11,000)	(12,000)
CPI rate +0.1%	10,000	13,000
CPI rate -0.1%	(10,000)	(13,000)

18. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

19. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.23	31.8.22
	£	£
Within one year	842	513
Between one and five years	2,315	-
	<u>3,157</u>	<u>513</u>

During the year ended 31.08.23, the trust continues occupying a field for educational purposes. The field is intended to be used for the next several years at an annual cost of £700. However, no formal contract exists, therefore no lease disclosure has been included.

20. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account.