



**The Howard
Partnership Trust**
Bringing out the best

The Howard Partnership Trust

Annual Report and Consolidated Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
07597068 (England and Wales)

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Reference and administrative information

| | |
|--------------------------------------|---|
| Members | P Baumann D Grehan L O'Connor S Trundle C Williamson I Wilson |
| Trustees | R J Barnfield (CEO) P Belok T Crombie J Cunliffe S Darvill-Croxford L Kemeny M Lowcock Tim Mills C Williamson I Wilson |
| Company Secretary | O O'Mahoney (resigned 31/08/22) |
| Company registration number | 07597068 (England and Wales) |
| Executive Leadership Team | |
| Chief Executive Officer | R J Barnfield |
| Deputy Chief Executive Officer | N Euridge |
| Chief Operating Officer | O O'Mahoney |
| Director of Education & Safeguarding | J Roddick |
| Chief Finance Officer | Zoe Lever (resigned 12/08/22) |
| Interim Chief Finance Officer | Abi Agideeadekunle |
| Registered address | Lower Road Effingham Surrey KT24 5JR |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |

Reference and administrative information

Bankers Lloyds Bank Plc (from 24/03/21)
25 Gresham Street
London
EC2V 7HN

Solicitors Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Trustees' report 31 August 2022

The Trustees of The Howard Partnership Trust (THPT) present their statutory report together with the financial statements of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

THPT operates four secondary academies, six primary phase academies and three special academies in Surrey. The total pupil numbers on roll reported in the Trust's census for 6 October 2022 was 7,627 (2021: 7,410).

The financial statements have been prepared in accordance with the accounting policies set out on pages 38 to 43, THPT's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trust was incorporated on 8 April 2011 and took over the activities of Howard of Effingham School from 1 July 2011. In 2013, the Trust changed its name to The Howard Partnership Trust and became a Multi Academy Trust (MAT). Each academy within the MAT has established a Local Governance Board (LGB). LGB Members do not act as Trustees or directors of the charitable company unless directly appointed by the Board to do so. The schools within the Trust and their date of joining are shown below.

| School | Date of joining THPT | Ofsted judgement on joining THPT | Latest Ofsted judgement |
|-------------------------------------|----------------------|----------------------------------|-------------------------|
| Howard of Effingham | 1 November 2013 | Outstanding | Good (2019) |
| Thomas Knyvett College | 1 November 2013 | Requires Improvement | Good (2018) |
| Kenyngton Manor Primary School | 1 December 2013 | Requires Improvement | Good (2022) |
| St Lawrence Primary School | 1 November 2014 | Good | Good (2017) |
| Oxted School | 1 September 2015 | Good | Good (2022) |
| Cuddington Community Primary School | 1 July 2016 | Requires Improvement | Good (2019) |

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Constitution (continued)

| School | Date of joining THPT | Ofsted judgement on joining THPT | Latest Ofsted judgement |
|--------------------------|----------------------|----------------------------------|--|
| Eastwick Infant School | 1 July 2016 | Good | Good (2018) |
| Eastwick Junior School | 1 July 2016 | Good | Good (2019) |
| Three Rivers Academy | 1 September 2016 | Inadequate | Good (2019) |
| Meadhurst Primary School | 1 December 2018 | Inadequate | <i>Awaiting first inspection post-conversion</i> |
| West Hill School | 1 March 2021 | Outstanding | <i>Awaiting first inspection post-conversion</i> |
| Linden Bridge School | 1 March 2021 | Outstanding | Requires Improvement (2021) |
| Fox Grove School | Opened Sept 2021 | N/A | N/A |

Details of the Trustees who served throughout the period are included on page 1. THPT Services Limited, a wholly owned subsidiary of THPT was incorporated on 3 March 2015 and is also consolidated within these financial statements.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the Trust purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business via Zurich PLC until June 2022. The former LIFT schools have maintained their existing arrangements in relation to insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business via the DfE's Risk Protection Arrangement. Following a review, the Trust moved all other schools to the RPA scheme from July 2022 and retains its membership of the scheme for the 2022/23 financial year. In addition, protection to cover The Howard Nursery commenced from 01 September 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities

The Trust's principal activities, in accordance with its objectives for the year ended 31 August 2022, were advancing education in the United Kingdom by establishing, maintaining, managing and developing schools, offering a broad and balanced curriculum with the aim of maximising the life chances of young people. In addition, the Trust promoted the use of recreational facilities and provided educational events for the benefit of local residents and their families in the communities surrounding the Trust schools.

THPT Services Limited, the trading company subsidiary of THPT, provides nursery education for children from 18 months to 4 years at a purpose-built nursery facility, The Howard Nursery School, which is located on the site of Howard of Effingham School. This formed its principal activity in accordance with its objectives, for the year ended 31 August 2022.

Support services to other schools and local authorities have taken place this year which have included specific school-to-school support (StSS), continuing professional and leadership development (CPLD) and initial teacher training (ITT). The Trust has also seconded colleagues to the local authority to help develop and support initiatives such as SEND. The Trust has received £44,900 in income for the support services offered this year and we will look to develop this service further in the future.

Trustees

In the year under review Trustees (who are also directors of the charitable company for the purposes of the Companies Act 2006) were as follows and served throughout the period except where shown:

| Trustee | Appointed/Resigned |
|--------------------|--------------------|
| R J Barnfield | |
| P Belok | |
| T Crombie | |
| J Cunliffe | |
| S Darvill-Croxford | Appointed 11/02/22 |
| L Kemeny | |
| M Lowcock | |
| T Mills | Appointed 13/12/21 |
| C Williamson | |
| I Wilson | |

Details of committees that support the Board of Trustees are set out within the Governance Statement.

Method of recruitment and appointment or election of Trustees

For the period under review, the Trust Board comprised of:

- ♦ the CEO; and
- ♦ 7 Trustees between 1 September 2021 and 12 December 2021; 8 between 13 December and 10 February 2022; 9 Trustees 11 February to 31 August 2022. All Trustees were appointed by Members.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees (continued)

The CEO is selected by the Trust Board. Trustees are appointed by Members in accordance with the Articles of Association.

Policies and procedures adopted for the induction and training of Members, Trustees and governors

The Trust Board has a structured process for the induction and training of new Members, Trustees and Local Governors. A tailored Code of Conduct for each level of governance is made available in the first instance and the necessary safeguarding checks and training are also undertaken.

Regular training takes place and targeted support and mentoring is put in place for new appointments and others as required. Induction of new Trustees, Members and Local Governors is delegated to the Chair of the Trust with support from Executives. A checklist covering all required elements is reviewed at the end of the first full term and academic year. New Trustees and Local Governors are assigned a mentor to support them and are encouraged to participate in a dedicated Trust Governance Development Programme, including bespoke training available on request. A range of external resources which the Trust has bought in as well as sources of relevant governance information are available online.

Organisational structure

The Trustees fulfil a strategic role. They are responsible for the strategic direction of the Trust alongside the Executive Leadership Team. They oversee general policy, review and approve annual Trust development plans and budgets, monitor the Trust's performance, both financial and in terms of student outcomes, and provide oversight of decisions about significant capital expenditure and senior staff appointments.

Responsibility is delegated from the Trustees to the Executive Leadership Team via an appropriate Scheme of Delegation.

The CEO, Deputy CEO, COO, Director of Education and Safeguarding, CFO, Executive Principals, Principals and Shared Services Leads are Trust Board appointments.

The Executive Leadership Team comprises the CEO (who is the Accounting Officer), the Deputy CEO, the COO and the Director of Education and Safeguarding. This team meets regularly with the Executive Principals and Principals.

Each school has a designated Executive Principal or Leader who is accountable for the performance and standards of the school and supports and line manages the Principal. Executive Principals also have strategic accountabilities for specific MAT-wide improvement initiatives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Principal in each school is supported by a Senior Leadership Team (SLT). These professionals lead the school at a senior level implementing the policies ratified by the Trust. As a group, the SLT are responsible for the authorisation of spending within specific approved budgets and the appointment of staff (having regard to the Executive's advice); although appointment panels for the most senior posts including the SLT are supported by at least one local Governor.

The LGB committees of each school within THPT have delegated responsibilities according to the Scheme of Delegation. Governors largely fulfil a monitoring role in holding the school leadership to account on school performance, in terms of outcomes of children and young people, together with School Improvement Plans. The Chair of Governors forms part of the selection panel for Principal appointments.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is set in accordance with the Trust's Recruitment and Pay Policies and in 2021-22 was monitored by the People, Pay and Performance (PP&P) Committee.

Appointments are made to a pay range which is benchmarked with reference to the School Teachers Pay and Conditions Document (STPCD), local authority arrangements for support staff and sector evidence relating to Multi Academy Trust Executive and Leadership pay.

The support staff remuneration framework is a Trust-specific structure not linked with Local Authority rates, albeit ongoing benchmarking does take place.

Details of individuals who are defined as key management personnel and their remuneration are included within note 7e to the financial statements.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

| | |
|--|----|
| Total cost of facility time | |
| Total pay bill | |
| Percentage of the total pay bill spent on facility time, calculated as: | 0% |
| $(\text{total cost of facility time} \div \text{total pay bill}) \times 100$ | |

Paid trade union activities

| | |
|--|----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: | |
| (total hours spent on paid trade union activities by relevant union officials during the relevant period \div total paid facility time hours) $\times 100$ | 0% |

Connected organisations, including related party relationships

The Howard of Effingham School Charitable Trust exists to support the students of Howard of Effingham School and The Oxted School Trust exists to support those at Oxted School. Both of these charitable trusts provide enhancements and additional activities for students of the school they support which are not otherwise affordable within the delegated budget of the school.

THPT schools work closely with their network of local schools. This provides senior leaders with local knowledge and insights and helps them to make decisions that reflect their local context and needs. THPT schools also fully engage with phase specific Surrey based regional and Local Authority wide networks. This provides excellent CPD for Principals and staff, and these networks also ensure that THPT schools fully engage with LA developments.

THPT Services Limited, incorporated on 3 March 2015, is a wholly owned subsidiary of THPT whose object is to carry on business as a general commercial company to procure funds for the purpose of paying them to THPT or any other charitable body that succeeds it to further its charitable purposes. The company undertakes the provision and development of nursery care and education and school to school support and improvement.

The Trust has a wholly owned subsidiary called THPT Services Limited with Company Registration Number 09468301 (England and Wales)

The principal activities during the year to 31 August 2022 related to the provision and development of nursery care and education. It was incorporated on 3 March 2015 and commenced trading on 1 July 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

Ultimate parent company undertaking THPT Services Limited is 100% owned by its ultimate parent undertaking The Howard Partnership Trust (THPT). THPT Services Limited's activities and aims align with those of THPT in preparing pre-school children for a successful onward education, ideally within the THPT group of schools. Also, by offering an on-site nursery provision for children of THPT school-based staff it contributes to the recruitment and retention of employees for THPT.

Engagement with employees (including disabled persons)

THPT (The Howard Partnership Trust) employs over 1,400 staff across the Trust and is committed to providing equal opportunities for all staff and prospective employees. The Trust, through the implementation of relevant policies and monitoring, seeks to eliminate unlawful discrimination in all aspects of employment.

The Trust encourages all schools and services to communicate regularly with all employees via regular emails, newsletters, meetings, training and consultation where necessary. This provides employees with an opportunity to voice opinions and offer feedback. The Trust has policies in place regarding employment, including Equality and Diversity Policy, and the Trust's Recruitment Policy. THPT values all staff and seeks to promote and maintain positive relationships with employees through regular provision of information and consultation where appropriate, which was particularly important during the Covid pandemic.

The Trust consults with staff on significant changes and allows opportunity for feedback and discussion. A consultation process is also in place during any TUPE process, with a number of briefing sessions to ensure staff have the opportunity to ask questions in relation to significant changes. Unions are advised and invited to participate in all such consultations. THPT ensures that communication with employees is frequent and transparent.

The media of communication with employees include written letters, staff surveys, newsletters, focus groups, forums and working parties. The ongoing dialogue with employees has been especially important during this year with the continuing need to respond to the changes necessitated by the post Covid-19 pandemic period. Risk assessments for Covid-19 were developed on a Trust wide, school and function basis. These were adapted in the latter part of the year to facilitate the Covid-19 recovery period.

The Trust has ensured that all relevant updates and developments were disseminated to all staff. The Trust also launched an HR intranet and HR portal which provide an employee with direct access to their specific employment information and also to relevant policies and procedures.

In accordance with the Trust's equal opportunities policy, the Trust has established fair employment practices in the recruitment, selection, retention and training of disabled staff. The Trust supports the employment of disabled persons regarding both recruitment and retention for those who may become disabled whilst working for the Trust. Training, career development and promotion is encouraged for all staff including disabled employees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with suppliers, customers and others in a business relationship with the trust

The Trust ensures that business relationships with suppliers, customers and other key stakeholders are developed and maintained in a positive way that supports a mutually beneficial partnership and has worked hard to ensure these relationships have been maintained during Covid. All suppliers are treated with fairness and equality, and The Trust aims to conduct all its business relationships with integrity and courtesy whilst also considering value for money in all arrangements. Clear procurement procedures, and adherence to these, are followed. The Trust employs a dedicated procurement manager who manages and monitors our relationships with suppliers.

The Trust ensures compliance with relevant codes of practice, including statutory reporting duty for payment practices and considers measures to prevent modern slavery in our supply chains and has an up to date Modern Slavery Policy in place. The Trust also ensures its websites are up to date with news and key performance data to ensure engagement with all stakeholders. This includes parents, pupils, staff, Trustees, Local Governors, trade suppliers and the wider local community.

OBJECTS AND AIMS

The Trust's objects as a MAT are for the advancement of education for the public benefit in the United Kingdom, and in particular by establishing, maintaining, managing and developing schools offering broad and balanced curricula with the aim of maximising the life-chances of young people.

Objectives, strategies and activities

The objectives, strategies and activities of THPT are fully outlined in the Trust's Improvement Plan and individual School Improvement Plans, all of which are renewed annually and monitored on a regular basis, typically termly.

During the academic year 2021/22 Trustees took the opportunity to review and revise the Trust's 3-5 year Strategic Plan.

Public benefit

The public benefit provided by the Trust is outlined in the Objects and Aims above. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting appropriate policies for the year.

STRATEGIC REPORT

When considering the strategic report on the achievements and performance of The Howard Partnership Trust (THPT) schools, it is relevant to consider how the Partnership came into being, as that journey has shaped the THPT ethos of collaboration and inclusion that has developed over time.

STRATEGIC REPORT (continued)

THPT grew out of a long-standing federation, the first in Surrey, which was originally formed in 2007 at the request of the DfE and Surrey Local Authority. The federation was between Howard of Effingham, an Ofsted outstanding 11-18 school, which was designated the lead, and Thomas Knyvett College, an 11-16 school in Ashford. Through school-to-school collaboration, both schools benefitted from improved student outcomes, leading to Ofsted judging partnership working in each school as *outstanding* in 2009.

The Multi Academy Trust (MAT) was formed in November 2013, again at the request of the DfE and Local Authority, to enable the Partnership's first primary school to join. Kenyngton Manor School, a Surrey 2-form entry primary converted to an academy within THPT in December 2013.

Since then, THPT has grown to its current size of mainstream schools, four secondary and six in the primary phase, with the addition in March 2021 of the former Learning and Inspiration for Tomorrow (LIFT) Special Schools, Linden Bridge School and West Hill, together with Fox Grove, which opened on 1 September 2021. We hope that our family of schools will soon be joined by another special school, Betchwood Vale Academy, which is at the project phase of submission of its planning application.

These latest developments have further strengthened the highly inclusive ethos of the MAT, which already encompasses 5 Special Centres attached to mainstream settings; one Visually Impaired Centre at Oxted School, 5COIN (Communication and Interaction Needs) Centres – one each at Eastwick Junior and Infant Schools, with one at Cuddington Community Primary School, one centre at Meadhurst Primary School, and one at Three Rivers Academy. This ethos will be enhanced by the successful Wave 12 Free School Special School bid mentioned above, together with the addition of another COIN Centre to Howard of Effingham School when it is rebuilt.

Those involved with THPT are justly proud of the ethos of collaboration, school improvement and inclusion achieved in each of the Partnership schools. This has been achieved by upholding shared vision and values in which there is a commitment to 'bringing out the best' in young people of all abilities and aptitudes, so increasing their life-chances.

Promoting the success of the company

Context

The Key Stage 2 SATs and Key Stage 4 and 5 examination results are the first determined by either formal assessments or examinations since 2019. All the students who were assessed had had their educational experience heavily impacted by the disruption of the pandemic. Whilst the national curriculum tests and public examinations have been adjusted with some of the content narrowed to reflect the lost learning time, and grade boundaries, where they were applied, amended, it is unlikely that these mitigations fully address the problems created by studying subjects amid lockdowns and high absence level for both staff and students. In view of this, what the students and staff have achieved is a real cause for celebration on many levels. The commentary below compares 2022 outcomes to 2019 outcomes in our Primary and Secondary phases.

STRATEGIC REPORT (continued)

Promoting the success of the company (continued)

Key Stage 2 Performance

Across the Trust there was some very pleasing outcomes. The percentage of children reaching the expected standard in Reading, Writing and Maths was 59%, in line with the national outcomes and an improvement on 2019 attainment. Students' progress in Reading has improved from 0 in 2019 to +1.31 in 2022. In Maths we are able to celebrate the impact of the Singapore Maths and 'Maths No Problem' approaches, resulting in strong students' progress scores which have improved from -1.3 in 2019 to +0.95 in 2022. Students' Writing scores also improved from -3 in 2019 to -0.15 in 2022.

All our primary schools who have been inspected since joining the Trust are judged by Ofsted to provide at least a good standard of education for our students.

Key Stage 4 and 5 Performance

Across our Trust at A' level A*-A attainment was 9% higher than 2019 and A*- B pass rates were 12% higher. Overall, the progress score for A Level was +0.15, the equivalent of an ALPS 2/3 which is similar to the pleasing 2019 outcomes. The attainment of those students who completed vocational courses was relatively good with the vast majority passing and most securing Merit grades.

At GCSE students' attainment improved with the percentage of students securing a grade 4 or above in both English and Maths increasing from 66% in 2019 to 69% in 2022. Our overall progress 8 score significantly improved from -0.14 in 2019 to -0.08 in 2022. In line with the national context the outcomes for disadvantaged students remain a priority for the Trust as this cohort have been the most impacted by the loss of in school learning opportunities caused by the pandemic.

All our secondary schools are judged by Ofsted to provide at least a good standard of education for our students, with the Howard of Effingham offering Outstanding sixth form provision.

Special Schools

Students across the Special Phase made very good progress in meeting their individual Education Health Care Plan (EHCP) targets. There is ongoing work taking place to develop robust academic curriculum and assessment policies, which is resulting in significant improvements in students' academic progress. All the students at Linden Bridge have been successful in transitioning to the next stage of their education, employment, or training at the age of 19.

Of our other Special schools, one is judged by Ofsted to be outstanding, one is a new school awaiting its first inspection, although its readiness to open assessment by Ofsted judged that it would be likely to meet the Ofsted criteria to be at least good. In November 2021, having joined our Trust in March 2021, one of the special schools was judged by Ofsted to Require Improvement. Effective support for this school is being achieved through the Trust's 'Additional Support Programme (ASP)'.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

Most of the Trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the ESFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities. The Trust also received grant funding for capital investment and maintenance from the ESFA.

The total income for the year was £69,163,000 (2021 - £57,487,000). This includes £11,840,000 attributed to the building donated to the Trust in relation to Fox Grove School (2021: £5,700,000 related to the value of buildings for new schools joining the Trust). Income also includes GAG income of £42,045,000 (2021: £36,933,000); trading activities of £1,004,000 (2021: £488,000) and capital grants of £2,103,000 (2021: £3,503,000).

The results for the year are shown on page 35.

The operational surplus for the year after transfers between funds, excluding the fixed assets fund and the pension reserve was £1,529,000, as reported in the table below (2021: surplus of £1,427,000).

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Overall net movement in funds | 37,059 | (1,220) |
| Less: net income attributable to the fixed assets fund | (9,234) | (8,063) |
| Add: transfer of net liabilities from LIF-1 Partnership | — | 3,029 |
| Add: FRS 102 pension adjustments | (26,296) | 7,681 |
| Operational surplus for the year | 1,529 | 1,427 |

The financial performance during the year gave an improved position compared to budget, primarily due to delays to investment in ICT infrastructure together with those in the Trust estates and maintenance thereof. The delays were partly caused by capacity issues, limited supplier availability and unexpected inflationary pressures which necessitated a temporary spending reduction across the Trust. In addition, the projected increase in energy costs, eg gas increase of some 650%, were previously unheard of. This instability in the wholesale energy prices, at a critical point when the Trust was having to procure new energy contracts for 1 October 2022, prompted an affordability review which, in turn, led to further temporary spending reductions across the Trust as it was anticipated that the price increases would have to be met from reserves.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

At 31 August 2022, the Group had total funds of £130,914,000 (2021: £93,855,000). This comprised £125,479,000 (2021: £89,395,000) of restricted funds and £5,435,000 (2021: £4,460,000) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £9,689,000 at 31 August 2022 (2021: £35,985,000). The pension liability is based on certain assumptions which are set out in note 21.

Reserves policy

THPT is dependent on the flow of grants from the ESFA, which allows it to spend on today's students in addition to holding a level of reserves. THPT current policy is to hold levels of free reserves of between 5 - 7.5% of total annual revenue income with any reserves held in excess of that range to be applied to specific plans and strategies. This level of free reserves equates to between £ 2,761,000 and £5,522,000 at 31 August 2022.

The Trustees recognise, therefore, that the level of free reserves held will be varied within acceptable parameters to reflect the Trust's activities, plans for growth, and the operating environment particularly in the light of increased inflation and energy costs.

The Trust's current level of free reserves (comprising of the unrestricted general fund balance and restricted income fund carry forward balance) was £7,210,000 at 31 August 2022 (2021: £5,791,000) and it is anticipated that circa £2,500,000 will be applied to funding a £2,000,000 increase in energy bills while £500,000 will be allocated to the Trust's energy conservation project.

Trustees are minded that, while the levels of free reserves are currently outside the range indicated in the Reserves Policy, they plan to apply the amounts in excess of the upper threshold (10%) to energy conservation projects across the Trust. In addition, there are plans identifying specific strategic initiatives to deliver bespoke interventions to support current pupils who are still struggling post-Covid. Using some reserves on these strategic imperatives will still enable the Trust to remain financially sustainable and to implement future growth strategies.

The Trust had a consolidated pension scheme liability of £9,689,000 as at 31 August 2022 which forms part of restricted reserves (2021: £35,985,000). Any cash flows as a result of the pension scheme deficit will occur over a number of years, and consequently the pension liability is excluded in considering the reserves policy.

Going Concern

Following the appropriate enquiries, the Trust Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The forecast cash flow models the expected future impact of Covid-19 as well as all other operational income and expenditure covering the going concern period. As part of the monthly reporting suite, THPT monitors short term forecast reserves (12 months) versus budgeted reserves as well as undertaking medium term forecasting (a further two years) of reserves.

STRATEGIC REPORT (continued)

Financial review (continued)

Going Concern (continued)

At 31 August 2022, the Group had net current assets of £10,555,000 (2021: £11,319,000) and cash balances of £13,377,000 (2021: £13,987,000) at 31 August 2022, emphasising the liquidity of the Group.

For this reason, the Trust 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.

Investment policy

The Trust does not have any material investments.

Risk management

The principal risk management objective of the Trust as stated in the risk management policy is to minimise all identified risks, outlined in the risk register, undertaking frequent review of identified risks and adopting mitigating actions where possible.

The Trustees and Governors have assessed the major risks to which the Trust and each school is exposed, in particular those areas relating to maximising young people's outcomes and the Trust's finances. The Trustees have monitored the effectiveness of Trust and school strategies and procedures implemented to mitigate risks that the schools face, especially in the operational areas; recruitment, staff wellbeing, health and safety (including safeguarding) and financial controls. Where significant financial risk still remains, they have ensured, where possible, that they have adequate insurance cover.

A dedicated Audit & Risk Committee has responsibility for monitoring all internal controls and review of internal audit functions as directed by FRC, Ethical Standards; this is delegated by the Board of Trustees. The Audit & Risk Committee comprises three Trustees, with the CEO, COO and CFO in attendance at meetings.

Each Trust committee receives and reviews the risk register appropriate to its Terms of Reference. THPT Audit & Risk Committee receives and reviews the composite Trust risk register. Reviews are carried out on a biannual basis using the same methodology to identify the scope of the identified risks, and any other mitigating actions that may be necessary. In this way, the Trust ensures that its strategic decision-making is fully informed by the risk management protocols that are in place.

Principal risks and uncertainties

The major risks to which the Trust were exposed are: -

- ♦ Ongoing risks associated with curriculum catch-up for pupils, student wellbeing and exceptional costs, missing out on education and funding related to Covid-19.
- ♦ Managing staff well-being and workload following a turbulent period of unprecedented change.

Trustees' report 31 August 2022

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- ◆ Exponential increases in the cost of energy supply to all the schools in the Trust.
- ◆ Effective staff recruitment within a nationally and locally challenging landscape.
- ◆ IT security - whilst the Trust is confident in its current mitigations it is critical to remain aware of potential security threats.
- ◆ Increases in costs for all staff and particularly unfunded pay rises for teachers that are prescribed through the School Teachers Pay and Conditions Document.
- ◆ Challenges posed by availability of candidates and recruitment difficulties generally seen within the education sector due to the impact of the pandemic on the available workforce.

Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022 | Current reporting year 2021/22 | Comparison reporting year 2020/21 |
|--|--------------------------------|-----------------------------------|
| Energy consumption used to calculate emissions (kWh) | 9,630,722 | 9,859,855 |
| Energy consumption break down (kWh) (optional) | | |
| • Gas | 6,608,866 | 7,105,350 |
| • Electricity | 2,865,930 | 2,683,183 |
| • Transport fuel | 155,926 | 71,322 |
| <u>Scope 1 emissions in metric tonnes CO₂e</u> | | |
| Gas consumption | 1206.38 | 1301.42 |
| Owned transport – mini-buses | 16.29 | 8.51 |
| Total scope 1 | 1222.67 | 1309.93 |
| <u>Scope 2 emissions in metric tonnes CO₂e</u> | | |
| <u>Purchased electricity</u> | 554.21 | 569.72 |
| <u>Scope 3 emissions in metric tonnes CO₂e</u> | | |
| <u>Business travel in employee owned vehicles</u> | 21.72 | 4.02 |
| Total gross emissions in metric tonnes CO ₂ e | 1798.61 | 1883.67 |
| <u>Intensity ratio</u> | | |
| Tonnes CO ₂ e per pupil | 0.24 | 0.25 |
| Quantification and Reporting Methodology | | |
| We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting. | | |
| Intensity Measurement | | |
| The chosen intensity measurement ratio is total gross emissions in metric tonnes CO ₂ e per pupil, the recommended ratio for the sector. | | |

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

| Measures taken to improve energy efficiency |
|---|
| CCP – internal lighting upgraded to LED |
| EWS – internal lighting upgraded to LED (KS2 building) |
| MPS – internal lighting upgraded to LED (KS1 building) |
| STL – internal lighting upgraded to LED |
| OXT – external lighting upgraded to LED |
| OXT – ground floor windows replaced in the Science block |
| TKC – external doors & windows replaced in the Main Hall & side exits |

FUNDRAISING

THPT does not employ fundraising agencies, fundraisers, or undertake telephone fundraising campaigns.

THPT benefits from two independent charitable funds; The Oxted School Trust and Howard of Effingham Charitable Trust. In addition, some THPT schools also benefit from donations made via the School Fund. The income from these funds is utilised within the relevant school, to provide equipment and other items to support the curriculum which would otherwise be unaffordable within the core offer. Charity law covers the rules relating to the setting up and operation of charities and we ensure compliance with the legislation for both the Oxted School and Howard of Effingham Charitable Trusts, as well as for THPT. The Trust recognises the Code of Fundraising Practice and The Trust also complies with laws that apply to data protection, health and safety and the environment.

The Trust's charitable objects are clear, and the Trust is transparent in its core purpose and how donations are used. The Trust respects the rights, dignities and privacy of its supporters and beneficiaries; the Trust does not put undue pressure on donors to make a gift. THPT has not received any complaints regarding its fundraising practices in the year.

PLANS FOR FUTURE PERIODS

Future strategic plans centre on the delivery of the 3-5 year strategic plan that has been developed by Trustees. An overarching MAT Improvement Plan and associated action plans for 22/23 reflect these priorities which are as follows:

- ◆ Every school is a great school – a Trust wide focus on identifying the effective practice in each THPT school and developing approaches to share expertise more widely.
- ◆ Growth and achievement of a sustainable future – addressing the twin challenges of financial security and raising levels of sustainability.
- ◆ Investment in our people as a great employer – recognising how important our people are to our effectiveness and striving to become the employer of choice in the educational landscape.

Trustees' report 31 August 2022

PLANS FOR FUTURE PERIODS (continued)

- ◆ Build a great MAT profile and culture – strengthening links between schools and building a network of external partners to raise the profile of THPT.

Operational developments planned for 22/23 include:

- ◆ Expansion of SEND provision at Meadhurst Primary School, West Hill Special School and Three Rivers Academy.
- ◆ Commencing the building of Betchwood Vale Academy Special School.
- ◆ Commencing the rebuild of the Howard of Effingham school.

AUDITOR

In so far as the Trustees are aware:

- ◆ relevant audit information has been disclosed to The Trust's auditors; and
- ◆ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the Members of the Board of Trustees on *9 December 2022* and signed on its behalf by:


I Wilson
Chair of Trustees

Governance statement 31 August 2022

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 the Trust and the Secretary of State for Education. The CEO is responsible for reporting to the Trustees any material weaknesses or breakdowns in internal controls.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Trust Board met 9 times from 1 September 2021 to 31 August 2022. Attendance at these meetings was as follows:

| Trustee | Number of meetings attended | Out of a possible |
|---------------------|-----------------------------|-------------------|
| R Barnfield | 9 | 9 |
| P Belok | 9 | 9 |
| T Crombie | 7 | 9 |
| J Cunliffe | 6 | 9 |
| S Darvill-Croxford* | 3 | 4 |
| L Kemeny | 9 | 9 |
| M Lowcock | 9 | 9 |
| T Mills* | 5 | 5 |
| C Williamson | 9 | 9 |
| I Wilson | 9 | 9 |

**denotes left or appointed during the year*

The Trust Board has responsibility for the agreement of the long-term strategic plan of the Trust and ensuring adequate resourcing in place to deliver against this plan. The Trust Board receives regular monitoring of the progress of the initiatives in place to ensure the delivery of the overall strategic plan for the Trust.

The Business & Finance Committee and the Audit & Risk Committee are committees of the main Trust Board, as is the Standards & Performance Committee, which has oversight of student progress/outcomes and effective governance across the Trust, and the People, Pay & Performance Committee which has oversight of how employees are remunerated. There is also a dedicated SEND Sub-Committee for specialist provision which reports into the Standards & Performance Committee.

The Standards & Performance Committee met six times during the year.

Governance statement 31 August 2022

Governance (continued)

| Trustee | Number of meetings attended | Out of a possible |
|--------------|-----------------------------|-------------------|
| R Barnfield | 6 | 6 |
| T Crombie | 6 | 6 |
| L Kemeny | 6 | 6 |
| M Lowcock | 6 | 6 |
| C Williamson | 6 | 6 |
| I Wilson | 6 | 6 |

**denotes left or appointed during the year*

The purpose of the SEND Sub-Committee is to provide oversight of student progress/outcomes and effective governance across the specialist provision within the Trust. Its first year of operation was spent in ensuring the smooth opening of Fox Grove School in 2022, including undertaking the responsibility for an Interim LGB while appointing and inducting a new governance team for the school.

The SEND Sub-Committee met 5 times during the year:

| Trustee | Number of meetings attended | Out of a possible |
|-------------------|-----------------------------|-------------------|
| M Lowcock (Chair) | 5 | 5 |
| J Cunliffe | 3 | 5 |
| P Belok | 5 | 5 |
| T Mills* | 3 | 3 |
| R Barnfield | 5 | 5 |

**denotes left or appointed during the year*

In accordance with the Academy Trust Handbook 2021, Academy Trust Boards are tasked with setting an organisation's risk appetite and ensuring that the framework of governance, risk management and control is in place to manage risk within this. The Audit and Risk Committee plays a crucial role in supporting the Trust Board to meet these obligations. The Audit & Risk Committee comprises four Trustees, with the CEO, COO and the CFO in attendance.

The Audit & Risk Committee met three times during the year:

| Trustee | Number of meetings attended | Out of a possible |
|------------|-----------------------------|-------------------|
| P Belok | 3 | 3 |
| J Cunliffe | 3 | 3 |
| M Lowcock | 3 | 3 |

**denotes left or appointed during the year*

The purpose of the Business & Finance Committee is to provide oversight of the THPT financial position ensuring sufficient levels of resourcing to deliver the Trust's main purpose whilst having due regard to the financial viability of the Trust. It also monitors and challenges the major HR policies and practice.

Governance statement 31 August 2022

Governance (continued)

The Business & Finance Committee met six times during the year, attendance at these meetings was as follows:

| Trustee | Number of meetings attended | Out of a possible |
|-------------|-----------------------------|-------------------|
| R Barnfield | 6 | 6 |
| P Belok | 6 | 6 |
| L Kemeny | 6 | 6 |
| T Mills* | 2 | 3 |
| I Wilson | 5 | 6 |

In May 2022, the Remuneration Committee was renamed as the People, Pay & Performance Committee, with an extended remit for providing oversight of strategic direction, challenge and decision-making on the following areas: pay and rationale, recruitment and retention, performance development and staff welfare and wellbeing.

The Remuneration/People Pay & Performance Committee met four times during the year; attendance at these meetings was as follows:

| Trustee | Number of meetings attended | Out of a possible |
|----------------------|-----------------------------|-------------------|
| C Williamson (Chair) | 4 | 4 |
| P Belok | 4 | 4 |
| I Kemeny | 2 | 4 |
| S Darvill-Croxford* | 2 | 2 |

*Joined People, Pay & Performance Committee in May 2022.

Conflicts of interests

The Trust maintains an up-to-date and complete register of interests. In addition to the annual declaration of interest forms which are completed by Trustees and key personnel under the supervision of the Partnership Clerking & Governance Manager, declarations of interest are a standing item at all Trustee meetings. Declared relationships are flagged on the relevant finance and procurement systems so that any proposed or actual transactions are noted and managed in line with the Trust procedures for managing related party transactions. These are then updated on the ESFA portal as and when required. Persons with declared business interests are not involved in discussions and decisions made with regard to suppliers and the CFO ensures that related party suppliers comply with 'at cost' provisions where they apply.

Governance reviews

Since THPT was established as a MAT in 2013, it has experienced significant growth with an increase in the range and complexity of its activities. Appointments to the Trust Board of Trustees are made to ensure an appropriate range of skills are incorporated across the Board and Committees. Trustees hold at least six Board meetings per year.

Governance reviews (continued)

Each school within the Trust has a Local Governance Board (LGB) operating a Portfolio Holder model. Following recruitment difficulties, the Board established an Interim LGB for Moadhurst Primary School upon joining the Trust which, following a recruitment drive, will develop into an independent LGB when ready. This is a strategy deployed as the need arises.

The role and responsibilities of the LGBs as committees of the Trust within each school reflect partnership working and focus on the critical monitoring of standards, teaching/learning and progress of the School Improvement Plan as well as ensuring safeguarding is effective at a local level.

The Trust follows DfE advice that the model of governance within MATs should be reviewed every 3 years. The recommendations from the triennial review of the LGB tier of governance, delayed by the Covid-19 pandemic and completed in July 2021, were implemented with effect from September 2021. The principle underpinning the recommendations was the development of a network approach to the major aspects of THPT Governance at the LGB Tier, i.e. Portfolio Holders and Chairs of Governors.

The triennial review of the Trustee tier of governance was similarly delayed by the pandemic and the merger with LIFT but began in Spring/Summer 2021 and continued into Academic Year 2021/22 with an external specialist consultant. That expert advice is intended to support Trustees in ensuring their key governance accountabilities are appropriate for the larger trust THPT has become and the structure is suitable and scalable to accommodate future growth.

The Trust regularly reviews its Governance Scheme of Delegation which currently encompasses governance and operational accountability and, supports the governance structure developments described above.

Review of Value for Money

As Accounting Officer, the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered and improved value for money during the year by:

Educational Strategies

All Executive Principals have MAT-wide accountabilities which include leadership development, stakeholder engagement and the quality of education. In addition, the Trust has further increased resources to the central school improvement teams including the appointment of phase specific THPT lead professionals for:

- ◆ Core subjects
- ◆ Behaviour & Attendance

Governance statement 31 August 2022

Review of Value for Money (continued)

Educational Strategies (continued)

- ◆ Mental Health
- ◆ Inclusion
- ◆ Safeguarding

These leads co-ordinate and align the sharing of good practice across all THPT schools, primary, secondary and special phase. The value for money achieved in these part-time appointments, which Senior Leaders across the Trust undertake as a career development opportunity, is demonstrable, leading to improvements in educational outcomes (see below) and wider achievements associated with removing barriers to learning.

This approach together with planned and costed interventions led by the school improvement teams, have brought about quantifiable improvements and hence value for money in:

- ◆ The planned curriculum and quality of education provided
- ◆ Standards of teaching and learning across the schools
- ◆ Standards of behaviour
- ◆ Addressing safeguarding incidents
- ◆ Coping strategies for mental health and wellbeing issues
- ◆ Outcomes for students, especially those with SEND.

The introduction of curriculum led financial planning continues to result in significant savings in the secondary phase. Continued investment to complete an implemented Trust-wide IT Strategy has offered the opportunity to improve teaching and learning through latest technology (cloud storage and Office 365 connectivity).

During the Covid-19 recovery phase last year, the Trust had regard to the Policy Procurement Notices 02/20, 04/20. Contract variations were agreed with suppliers (eg catering and cleaning) where they could not deliver a fully compliant offer. During Summer Term 2022, the Trust engaged the services of a specialist energy broker to review and advise on the needs of the Trust and to manage the procurement and tender processes for the provision of new energy contracts across the Trust. The specialist broker helped Trustees and Trust Leaders to navigate the unprecedented instability in the energy markets at a critical time.

Review of Value for Money (continued)

THPT Shared Services Team

- ◆ The THPT shared services of HR, Finance, Estates, IT, Procurement and Project Management are organised centrally to support the Trust and overseen by the Trust COO. The aim is to provide a robust fit for purpose support structure that delivers economies of scale across the Trust and ensures best practice in place.
- ◆ The Executive Leadership Team reviews the dashboard tool supplied by the ESFA and reviews the benchmarking data to benchmark our organisational structure against similar MATs.
- ◆ There is a process of continuous improvement in place to ensure optimal use of systems and resources.
- ◆ The Trust has a dedicated procurement manager who manages all procurement of goods and services within the framework and ensures best value.
- ◆ The Trust reviews existing contracts with third parties to ensure value for money and service definition is delivered.

The purpose of the system of internal control

The system of internal controls 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 THPT's 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 Trust has an internal system of control which was in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. The system of internal control is then tested/reviewed on a periodic basis by the independent internal auditors.

Wylie & Bisset, an independent audit firm, continue to provide internal audit services and internal control assurance to the Trust.

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is an on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Governance statement 31 August 2022

The risk and control framework

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

- ♦ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- ♦ regular reviews by the Business and Finance Committee and the main Trust Board 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 educational performance;
- ♦ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ♦ delegation of authority and segregation of duties; and
- ♦ identification and mitigation of risks.

A comprehensive internal assurance review of working practices during the period of school closures was carried out across all Trust schools, delivered by professional shared services finance staff.


Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has taken account of:

- ♦ the work of the internal auditor;
- ♦ the work of the external auditor;
- ♦ the financial management and governance self-assessment process;
- ♦ the strategic financial leadership and management by the Trust's Executive Leadership Team; and
- ♦ the work of the CFO, the Principal and the Finance Partner within each school who collectively have responsibility for the implementation and maintenance of the financial internal control framework.

The Accounting Officer has advised the Trust Board of the implications of the result of their review of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees and signed on their behalf by:

 I Wilson

Chair of Trustees

Approved on: 9 December
2022


R J Barnfield
CEO and Accounting Officer

Statement on regularity, propriety and compliance 31 August 2022

As Accounting Officer of The Howard Partnership Trust, I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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



R J Barnfield
Accounting Officer

Date: 9 December 2022

Statement of Trustees' responsibilities 31 August 2022

The Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2019 and the ESFA;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Trustees are responsible for ensuring that in its conduct and operation the Trust 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.

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

Approved by order of the Board of Trustees on 9 December 2022 and signed on its behalf by:



I Wilson

Chair of Trustees

Independent auditor's report on the financial statements 31 August 2022

Independent auditor's report on the financial statements to the members of The Howard Partnership Trust

Opinion

We have audited the financial statements of The Howard Partnership Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2022, and of the group's income and expenditure for the period 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 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or charitable parent company'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.

Independent auditor's report on the financial statements 31 August 2022

Conclusions relating to going concern (continued)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ♦ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♦ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ♦ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ♦ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ♦ certain disclosures of trustees' remuneration specified by law are not made; or

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;

Independent auditor's report on the financial statements 31 August 2022

Auditor's responsibilities for the audit of the financial statements (continued)

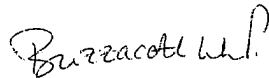
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 16 December 2022

Independent reporting accountant's report on regularity 31 August 2022

Independent reporting accountant's assurance report on regularity to The Howard Partnership Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Howard Partnership Trust during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Howard Partnership Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Howard Partnership 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 The Howard Partnership Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Howard Partnership Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Howard Partnership Trust's funding agreement with the Secretary of State for Education dated 27 June 2011 and the Academy Trust Handbook 2021, extant from 1 September 2021, 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 Academies Accounts Direction 2021 to 2022. 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 from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

Approach (continued)

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.

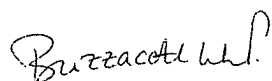
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Shachi Blakemore (Senior Statutory Auditor)
For and behalf of Buzzacott LLP
130 Wood Street
London
EC2V 6DL
Date: 16 December 2022

Statement of financial activities Year to 31 August 2022
(Including income and expenditure account and statement of recognised gains and losses)

| | Notes | Unrestricted general fund £'000 | Restricted general funds £'000 | Restricted fixed assets funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|--|-------|--|---|---|---------------------------------|---------------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 1 | 2 | 64 | 13,943 | 14,009 | 3,686 |
| Transfer on existing Academies joining the Trust | 24 | — | — | — | — | 5,700 |
| Charitable activities | | | | | | |
| Funding for the Trust's educational operations | 3 | 1,395 | 52,755 | — | 54,150 | 47,613 |
| Other trading activities | 2 | 1,004 | — | — | 1,004 | 488 |
| Total income | | 2,401 | 52,819 | 13,943 | 69,163 | 57,487 |
| Expenditure on: | | | | | | |
| Raising funds | 4 | 111 | — | — | 111 | 86 |
| Charitable activities | | | | | | |
| Trust's educational operations | 5 | 1,304 | 57,104 | 4,709 | 63,117 | 53,748 |
| Total expenditure | 4 | 1,415 | 57,164 | 4,709 | 63,288 | 53,834 |
| Net income (expenditure) | | 986 | (4,345) | 9,234 | 5,875 | 3,653 |
| Transfers between funds | 15 | (11) | (99) | 110 | — | — |
| Other recognised gains and losses | | | | | | |
| Actuarial gains (losses) on defined benefit pension scheme | 21 | — | 31,184 | — | 31,184 | (4,873) |
| Net movement in funds | | 975 | 26,740 | 9,344 | 37,059 | (1,220) |
| Reconciliation of funds | | | | | | |
| Total fund balances brought forward at 1 September | | 4,460 | (34,654) | 124,049 | 93,855 | 95,075 |
| Fund balances carried forward at 31 August | | 5,435 | (7,914) | 133,393 | 130,914 | 93,855 |

All of the Trust's activities derive from continuing operations during the above financial periods.

Balance sheets 31 August 2022

| | Notes | 2022 | | 2021 | |
|--|-------|----------------|----------------|----------------|----------------|
| | | Group £'000 | Trust £'000 | Group £'000 | Trust £'000 |
| Fixed assets | | | | | |
| Tangible assets | 12 | 130,048 | 130,007 | 118,521 | 118,479 |
| Current assets | | | | | |
| Debtors | 13 | 2,070 | 2,222 | 1,623 | 1,762 |
| Cash at bank and in hand | | 13,377 | 13,336 | 13,987 | 13,948 |
| | | <u>15,447</u> | <u>15,558</u> | <u>15,610</u> | <u>15,710</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (4,892) | (4,880) | (4,291) | (4,285) |
| Net current assets | | <u>10,555</u> | <u>10,678</u> | <u>11,319</u> | <u>11,425</u> |
| Net assets excluding pension scheme liability | | <u>140,603</u> | <u>140,685</u> | <u>129,840</u> | <u>129,904</u> |
| Pension scheme liability | 21 | (9,689) | (9,689) | (35,985) | (35,985) |
| Total net assets | | <u>130,914</u> | <u>130,996</u> | <u>93,855</u> | <u>93,919</u> |
| Restricted funds | | | | | |
| Fixed assets fund | 15 | 133,393 | 133,350 | 124,049 | 124,005 |
| Restricted income funds | 15 | 1,775 | 1,775 | 1,331 | 1,331 |
| Pension reserve | 15 | (9,689) | (9,689) | (35,985) | (35,985) |
| Total restricted funds | | <u>125,479</u> | <u>125,436</u> | <u>89,395</u> | <u>89,351</u> |
| Unrestricted income funds | | | | | |
| General fund | 15 | 5,435 | 5,560 | 4,460 | 4,568 |
| Total unrestricted funds | | <u>5,435</u> | <u>5,560</u> | <u>4,460</u> | <u>4,568</u> |
| Total funds | | <u>130,914</u> | <u>130,996</u> | <u>93,855</u> | <u>93,919</u> |

The financial statements on pages 35 to 65 were approved by the Trustees, and authorised for issue on 9 December 2022 and are signed on their behalf by:



I Wilson
Chair of Trustees

The Howard Partnership Trust
Company Limited by Guarantee
Registration Number: 07597068 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2022

| | | 2022 £'000 | 2021 £'000 |
|--|---|---------------|---------------|
| Net cash flow from operating activities | | | |
| Net cash provided by operating activities | A | 1,683 | 3,760 |
| Cash flows (used in) provided by investing activities | B | (2,293) | 496 |
| Change in cash and cash equivalents in the year | | (610) | 4,256 |
| Cash and cash equivalents at 1 September | | 13,987 | 9,731 |
| Cash and cash equivalents at 31 August | C | 13,377 | 13,987 |

A Reconciliation of income to net cash flow from operating activities

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Net income (expenditure) for the year (as per the statement of financial activities) | 5,875 | 3,653 |
| Adjusted for: | | |
| Depreciation charges (note 12) | 4,709 | 4,164 |
| Capital grants from DfE and other capital income | (2,103) | (3,503) |
| Inherited fixed assets | (11,840) | (8,729) |
| Defined benefit pension scheme obligation inherited | — | 4,772 |
| Defined benefit pension scheme cost less contributions payable (note 21) | 4,260 | 2,359 |
| Defined benefit pension scheme finance cost (note 21) | 628 | 449 |
| (Increase) in debtors | (447) | (301) |
| Increase in creditors | 601 | 896 |
| Net cash provided by operating activities | 1,683 | 3,760 |

B Cash flows from investing activities

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Purchase of tangible fixed assets | (4,396) | (3,007) |
| Capital grants from DfE/ESFA | 2,103 | 3,503 |
| Net cash (used in) provided by investing activities | (2,293) | 496 |

C Analysis of changes in net debt

| Group | At 1 September 2021 £'000 | Cash flows £'000 | At 31 August 2022 £'000 |
|--------------------------|------------------------------------|------------------------|----------------------------------|
| Cash at bank and in hand | 13,987 | (610) | 13,377 |
| Total | 13,987 | (610) | 13,377 |

Principal accounting policies 31 August 2022

Statement of accounting policies

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

Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP, second edition effective 2019), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Howard Partnership Trust meets the definition of a public benefit entity under FRS 102.

These financial statements have been rounded to the nearest thousand pounds sterling.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet include the financial results of the Trust and the trading subsidiary, THPT Services Limited, for the year ended 31 August 2022.

No separate statement of financial activities has been presented for The Howard Partnership Trust alone, as permitted by Section 408 of the Companies Act 2006.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. In making this assessment the trustees have considered operational income and expenditure covering the going concern period. As part of the monthly reporting suite, THPT monitors short term forecast reserves (12 months) versus budgeted reserves as well as undertaking medium term forecasting (a further two years) of reserves.

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

Income

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

Principal accounting policies 31 August 2022

Income (continued)

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.

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

Donations

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

Other income

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

Donated goods, facilities and services

The assets and liabilities of schools joining the Trust have been valued at fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised within *Donations – transfer from existing academy into the Trust* in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 24.

Expenditure

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

Expenditure (continued)

Expenditure on raising funds

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

Charitable activities

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 assets 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 Trust's depreciation policy.

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

| | |
|----------------------------------|------------------|
| Freehold buildings | 2% per annum |
| Leasehold buildings | 2% per annum |
| Fixtures, fittings and equipment | 10-20% per annum |
| Motor vehicles | 20% per annum |
| Computer equipment | 33% per annum |

Depreciation is charged from the month of acquisition.

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

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

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 note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The 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 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.

Pensions benefits

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

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

A small number of qualifying support staff access a workplace pension scheme with NOW pensions, having opted out of the defined benefit schemes indicated above. The NOW pension scheme is a defined contribution scheme. Consequently, contributions payable are charged to the statement of financial activities.

Fund accounting

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

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

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Surrey County Council.

Principal accounting policies 31 August 2022

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 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 note 21, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.
- ◆ The net book value of tangible fixed assets is based on the original cost of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.
- ◆ The values attributed to properties donated to the Trust are initially recognised based on an independent professional valuation. The property's condition, the nature of educational use, and the geographical location are taken into consideration in estimating the value.
- ◆ The Trust's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern.

Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 23.

Notes to the financial statements Year to 31 August 2022

1 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Restricted fixed assets funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|----------------------|--------------------------------|------------------------------|---|---------------------------------|---------------------------------|
| Capital grants | — | — | 2,103 | 2,103 | 3,503 |
| Donated fixed assets | — | — | 11,840 | 11,840 | — |
| Other donations | 2 | 64 | — | 66 | 183 |
| | 2 | 64 | 13,943 | 14,009 | 3,686 |

Donated fixed assets relate to the building at Fox Grove School gifted to the Trust by the ESFA.

| | Unrestricted funds £'000 | Restricted funds £'000 | Restricted fixed assets funds £'000 | 2021 Total funds £'000 |
|-----------------|--------------------------------|------------------------------|---|---------------------------------|
| Capital grants | — | — | 3,503 | 3,503 |
| Other donations | 50 | 133 | — | 183 |
| | 50 | 133 | 3,503 | 3,686 |

2 Other trading activities

| | Unrestricted funds | |
|--------------------|---------------------------------|---------------------------------|
| | 2022 Total funds £'000 | 2021 Total funds £'000 |
| Hire of facilities | 526 | 219 |
| Miscellaneous | 173 | 91 |
| Nursery Services | 81 | 77 |
| Wraparound Care | 224 | 101 |
| | 1,004 | 488 |

Notes to the financial statements Year to 31 August 2022

3 Funding for Trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|--|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | — | 42,045 | 42,045 | 36,933 |
| Other DfE/ESFA grants | | | | |
| · UIFSM | — | 236 | 236 | 278 |
| · Pupil Premium | — | 1,407 | 1,407 | 1,314 |
| · Teachers Pay and Pension | — | 249 | 249 | 1,793 |
| · PE and Sports | — | 194 | 194 | 129 |
| · Rates Rebate | — | 263 | 263 | 259 |
| · Supplementary grant | — | 453 | 453 | — |
| · Other | — | 328 | 328 | 154 |
| | — | 45,175 | 45,175 | 40,860 |
| Other Government grants | | | | |
| · Local authority grants | — | 7,197 | 7,197 | 4,564 |
| · Nursery | 636 | — | 636 | 657 |
| | 636 | 7,197 | 7,833 | 5,221 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | — | — | — | 661 |
| Other DfE/ESFA COVID-19 funding | — | 277 | 277 | 197 |
| | — | 277 | 277 | 751 |
| COVID-19 additional funding (non-DfE/ESFA) | | | | |
| Coronavirus Job Retention Scheme grant | — | — | — | 8 |
| Other COVID-19 funding | — | — | — | 34 |
| | — | — | — | 42 |
| Non-Government funding | | | | |
| Other income from the Trust's educational operations | 759 | 106 | 865 | 739 |
| 2022 Total funds | 1,395 | 52,755 | 54,150 | 47,613 |

Notes to the financial statements Year to 31 August 2022

3 Funding for Trust's educational operations (continued)

| | Unrestricted funds £'000 | Restricted funds £'000 | 2021 Total funds £'000 |
|--|--------------------------------|------------------------------|---------------------------------|
| <i>DfE / ESFA grants</i> | | | |
| General Annual Grant (GAG) | — | 36,933 | 36,933 |
| <i>Other DfE/ESFA grants</i> | | | |
| · UIFSM | — | 278 | 278 |
| · Pupil Premium | — | 1,314 | 1,314 |
| · Teachers Pay and Pension | — | 1,193 | 1,193 |
| · PE and Sports | — | 129 | 129 |
| · Rates Rebate | — | 259 | 259 |
| Other DfE group grants | — | 154 | 154 |
| | — | 40,860 | 40,860 |
| <i>Other Government grants</i> | | | |
| · Local authority grants | — | 4,564 | 4,564 |
| · Nursery | 657 | — | 657 |
| | 657 | 4,564 | 5,221 |
| <i>COVID-19 additional funding (DfE/ESFA)</i> | | | |
| Catch-up premium | — | 554 | 554 |
| Other DfE/ESFA COVID-19 funding | — | 197 | 197 |
| | — | 751 | 751 |
| <i>COVID-19 additional funding (non-DfE /ESFA)</i> | | | |
| Coronavirus Job Retention Scheme grant | — | 8 | 8 |
| Other COVID-19 funding | — | 34 | 34 |
| | — | 42 | 42 |
| <i>Non-Government funding</i> | | | |
| Other income from the Trust's educational operations | 309 | 430 | 739 |
| 2021 Total funds | 966 | 46,647 | 47,613 |

4 Expenditure

| | Staff costs £'000 | Non pay expenditure | | 2022 Total funds £'000 |
|---------------------------------------|-------------------------|---------------------|-------------------------|---------------------------------|
| | | Premises £'000 | Other costs £'000 | |
| <i>Expenditure on raising funds</i> | | | | |
| · Direct costs | 69 | — | 11 | 80 |
| · Support costs | 19 | 6 | 6 | 31 |
| <i>Trust's educational operations</i> | | | | |
| · Direct costs | 38,583 | — | 3,468 | 42,051 |
| · Allocated support costs | 9,988 | 7,919 | 3,219 | 21,126 |
| | 48,659 | 7,925 | 6,704 | 63,288 |

Notes to the financial statements Year to 31 August 2022

4 Expenditure (continued)

| | Staff costs £'000 | Non pay expenditure | | 2021 Total funds £'000 |
|--|----------------------|---------------------|---|---|
| | | Premises £'000 | Other costs £'000 | |
| <i>Expenditure on raising funds</i> | | | | |
| Direct costs | 57 | — | 7 | 64 |
| Support costs | 13 | 5 | 4 | 22 |
| <i>Trust's educational operations</i> | | | | |
| Direct costs | 34,207 | — | 2,399 | 36,606 |
| Allocated support costs | 7,518 | 6,978 | 2,646 | 17,142 |
| | 41,795 | 6,903 | 5,050 | 53,034 |
| | | | 2022 Total funds £'000 | 2021 Total funds £'000 |
| Net income (expenditure) for the year includes: | | | | |
| Operating lease rentals | | | 121 | 71 |
| Depreciation | | | 4,709 | 4,164 |
| Fees payable to auditor | | | | |
| Audit | | | 49 | 44 |
| Other services | | | 12 | 10 |

5 Charitable activities – Trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds £ | 2021 Total funds £ |
|---------------|--------------------------------|---|---------------------------------------|---------------------------------------|
| Direct costs | 1,080 | 40,971 | 42,051 | 36,606 |
| Support costs | 224 | 20,902 | 21,126 | 17,142 |
| | 1,304 | 61,873 | 63,177 | 53,748 |
| | | <i>Unrestricted funds £'000</i> | <i>Restricted funds £'000</i> | <i>2021 Total funds £</i> |
| Direct costs | | 510 | 36,096 | 36,606 |
| Support costs | | 156 | 16,986 | 17,142 |
| | | 666 | 53,082 | 53,748 |

Notes to the financial statements Year to 31 August 2022

5 Charitable activities – Trust's educational operations (continued)

| | 2022 Total funds £'000 | 2021 Total funds £'000 |
|----------------------------------|---------------------------------|---------------------------------|
| Analysis of support costs | | |
| Support staff costs | 9,988 | 7,518 |
| Depreciation and impairment | 4,709 | 4,164 |
| Technology costs | 682 | 478 |
| Premises costs | 3,210 | 2,814 |
| Legal costs - conversion | — | 100 |
| Legal costs – other | 50 | — |
| Other support costs | 2,382 | 1,944 |
| Governance costs | 105 | 124 |
| Total support costs | 21,126 | 17,142 |

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

| | Unrestricted general funds £'000 | Restricted general funds £'000 | Restricted fixed assets £'000 | 2021 Total funds £'000 |
|--|---|---|--|---------------------------------|
| <i>Income from:</i> | | | | |
| Donations and capital grants | 50 | 133 | 3,503 | 3,686 |
| Transfer on existing Academies joining the Trust | 952 | (3,987) | 8,729 | 5,700 |
| Charitable activities | | | | |
| Funding for the Trust's educational operations | 966 | 46,647 | — | 47,613 |
| Other trading activities | 488 | — | — | 488 |
| Total income | 2,456 | 42,799 | 12,232 | 57,487 |
| <i>Expenditure on:</i> | | | | |
| Raising funds | 86 | — | — | 86 |
| Charitable activities | | | | |
| Trust's educational operations | 666 | 48,913 | 4,169 | 53,748 |
| Total expenditure | 752 | 48,913 | 4,169 | 53,834 |
| Net income (expenditure) | 1,704 | (6,114) | 8,063 | 3,653 |
| Transfers between funds | (128) | (172) | 300 | — |
| <i>Other recognised gains and losses</i> | | | | |
| Actuarial losses on defined benefit pension scheme | — | (4,873) | — | (4,873) |
| Net movement in funds | 1,576 | (11,159) | 8,363 | (1,220) |
| <i>Reconciliation of funds</i> | | | | |
| Total fund balances brought forward at 1 September | 2,884 | (23,495) | 115,686 | 95,075 |
| Fund balances carried forward at 31 August | 4,460 | (34,654) | 124,049 | 93,855 |

Notes to the financial statements Year to 31 August 2022

7 Staff

a) Staff costs

Staff costs during the period were:

| | 2022 Total funds £'000 | 2021 Total funds £'000 |
|---|---------------------------------|---------------------------------|
| Wages and salaries | 32,870 | 29,658 |
| Social security costs | 3,158 | 2,111 |
| Pension costs (2022 LGPS service cost: £4,260k) | 11,331 | 8,712 |
| Apprenticeship levy | 148 | 133 |
| | 47,507 | 41,280 |
| Supply staff costs | 1,122 | 498 |
| Staff restructuring costs | 30 | 17 |
| | 48,659 | 41,795 |

| Staff restructuring costs comprise | 2022 £'000 | 2021 £'000 |
|------------------------------------|---------------|---------------|
| Redundancy payments | — | — |
| Severance payments | 30 | 17 |
| | 30 | 17 |

b) Severance payments

The Academy Trust paid one severance payment in the year, disclosed in the following bands:

| | 2022 No. |
|---------------------|-------------|
| £0 - £25,000 | — |
| £25,001 - £50,000 | 1 |
| £50,001 - £100,000 | — |
| £100,001 - £150,000 | — |
| £150,000+ | — |

c) Non statutory/ non contractual staff severance payments

Of the £30,000 noted above, non-statutory/non-contractual severance payments totalling £30,000 are included (2021: £11,562). Individual payment was for £30,000 (2021: individually the payments were for £5,062 and £6,500).

Notes to the financial statements Year to 31 August 2022

7 Staff (continued)

d) Staff numbers

The average number of staff (including the senior management team) employed by the Trust during the year was as follows:

| Charitable activities | 2022 No. | 2021 No. |
|----------------------------|--------------|--------------|
| Teachers | 504 | 500 |
| Administration and support | 717 | 667 |
| Management | 33 | 32 |
| | 1,254 | 1,199 |

e) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

| | 2022 No. | 2021 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 22 | 22 |
| £70,001 - £80,000 | 10 | 12 |
| £80,001 - £90,000 | 9 | 3 |
| £90,001 - £100,000 | 3 | 3 |
| £100,001 - £110,000 | 1 | 2 |
| £110,001 - £120,000 | | 1 |
| £120,001 - £130,000 | 1 | — |
| £210,001 - £220,000 | 1 | 1 |
| | 47 | 44 |

Apart from one (2021: one) staff member, all of the above employees participated in the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2022, pension contributions for these staff amounted to £811,104 (2021: £694,035).

f) Key management personnel

The key management personnel of the Trust comprise the Trustees and the Executive Leadership team as listed on page 1. The total amount of employer benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £757,886 (2021: £679,570).

8 Trustees' remuneration and expenses

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the role of Chief Executive Officer and not in respect of services as a trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits for the year ended 31 August 2022 for their period of office as a Trustee was as follows:

| | 2022 £'000 | 2021 £'000 |
|------------------------------------|---------------|---------------|
| R Barnfield, CEO | | |
| • Remuneration | 210 – 215 | 210 – 215 |
| • Employer's pension contributions | 10 – 15 | 10 – 15 |

Notes to the financial statements Year to 31 August 2022

8 Trustees' remuneration and expenses (continued)

During the year ended 31 August 2022, Trustees' travel and subsistence expenses totalled £nil (2021 - £35 for one Trustee).

9 Trustees' and officers' Insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period to 30 June 2022 was included within the overall Trust policy premium. From 1 July 2022 the Trust has joined the ESFA Risk Protection Arrangement, and the cost was covered in the overall Trust premium.

10 Wholly owned trading subsidiary

The Trust owns 100% of the issued ordinary share capital of THPT Services Limited, a company incorporated in England. The principal activities of the subsidiary are the provision of nursery services. A summary of the result for the year and position at the year end of THPT Services Limited, which have been included in these consolidated financial statements, is shown below:

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Turnover | 82 | 77 |
| Cost of Sales | (94) | (68) |
| Gross (loss) profit | (12) | 9 |
| Administrative expenses | (10) | (11) |
| Loss on ordinary activities before taxation | (22) | (2) |
| Loss on ordinary activities after taxation | (22) | (2) |

The assets and liabilities of the subsidiary were:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Non-current assets | 43 | 44 |
| Current assets | 51 | 44 |
| Creditors: amounts falling due within one year | (46) | (20) |
| Total assets less current liabilities | (42) | (68) |
| Creditors: amounts falling due after more than one year | (134) | (132) |
| Net liabilities | (86) | (64) |
| Represented by: | | |
| Shareholders' funds | (86) | (64) |
| | (86) | (64) |

Notes to the financial statements Year to 31 August 2022

11 Central services

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

- ◆ Strategic leadership support
- ◆ Educational support services
- ◆ Human Resources consultancy and support;
- ◆ Financial, IT and business support services;
- ◆ Estates and premises support; and
- ◆ Project management services.

The Trust charges for these central services on an allocation which also takes into account numbers on roll. In addition, a partnership fee of up to 6% of budgeted income is charged and includes a variable portion based on numbers on roll and Ofsted rating. The actual amounts for partnership fees charged during the year have remained static since 2018/19 but will be subject to review in the coming financial year:

| | 2022 £'000 | 2021 £'000 |
|--------------------------|---------------|---------------|
| Howard of Effingham | 216 | 216 |
| Thomas Knyvett College | 152 | 152 |
| Kenyngton Manor school | 50 | 50 |
| St Lawrence school | 20 | 20 |
| Oxted school | 356 | 356 |
| Cuddington school | 34 | 35 |
| Eastwick school | 88 | 88 |
| Three Rivers Academy | 252 | 252 |
| Meadhurst Primary school | 72 | 72 |
| Fox Grove School | 42 | — |
| Linden Bridge school | 86 | 42 |
| West Hill school | 81 | 36 |
| | 1,449 | 1,319 |

Notes to the financial statements Year to 31 August 2022

12 Tangible fixed assets

| Group | Freehold buildings £'000 | Freehold improvements £'000 | Leasehold buildings £'000 | Leasehold improvements £'000 | Furniture and equipment £'000 | Computer equipment £'000 | Motor vehicles £'000 | Total funds £'000 |
|-------------------------|-----------------------------|--------------------------------|------------------------------|---------------------------------|----------------------------------|-----------------------------|-------------------------|----------------------|
| Cost/valuation | | | | | | | | |
| At 1 September 2021 | 104,373 | 4,109 | 18,516 | 575 | 12,193 | 1,501 | 76 | 141,343 |
| Gifted to Trust by ESFA | — | — | 11,345 | — | 356 | 139 | — | 11,840 |
| Additions | — | 2,614 | — | 1,261 | 91 | 430 | — | 4,396 |
| Reclassification | — | (660) | — | 660 | 735 | — | — | 735 |
| At 31 August 2022 | 104,373 | 6,063 | 29,861 | 2,496 | 13,375 | 2,070 | 76 | 158,314 |
| Depreciation | | | | | | | | |
| At 1 September 2021 | 14,664 | 231 | 1,039 | 11 | 5,995 | 844 | 38 | 22,822 |
| Charge in year | 2,036 | 287 | 534 | 89 | 1,212 | 533 | 18 | 4,709 |
| Reclassification | — | (14) | — | 14 | 735 | — | — | 735 |
| At 31 August 2022 | 16,700 | 504 | 1,573 | 114 | 7,942 | 1,377 | 56 | 28,266 |
| Net book value | | | | | | | | |
| At 31 August 2022 | 87,673 | 5,559 | 28,288 | 2,382 | 5,433 | 693 | 20 | 130,048 |
| At 31 August 2021 | 89,709 | 3,878 | 17,477 | 564 | 6,198 | 657 | 38 | 118,521 |

| Trust | Freehold buildings £'000 | Freehold improvements £'000 | Leasehold buildings £'000 | Leasehold improvements £'000 | Furniture and equipment £'000 | Computer equipment £'000 | Motor vehicles £'000 | Total funds £'000 |
|-------------------------|-----------------------------|--------------------------------|------------------------------|---------------------------------|----------------------------------|-----------------------------|-------------------------|----------------------|
| Cost/valuation | | | | | | | | |
| At 1 September 2021 | 104,323 | 4,109 | 18,516 | 575 | 12,194 | 1,501 | 76 | 141,294 |
| Gifted to Trust by ESFA | — | — | 11,345 | — | 356 | 139 | — | 11,840 |
| Additions | — | 2,614 | — | 1,261 | 91 | 430 | — | 4,396 |
| Reclassification | — | (660) | — | 660 | 735 | — | — | 735 |
| At 31 August 2022 | 104,323 | 6,063 | 29,861 | 2,496 | 13,376 | 2,070 | 76 | 158,265 |
| Depreciation | | | | | | | | |
| At 1 September 2021 | 14,658 | 231 | 1,038 | 11 | 5,995 | 844 | 38 | 22,815 |
| Charge in year | 2,035 | 287 | 534 | 89 | 1,212 | 533 | 18 | 4,708 |
| Reclassification | — | (14) | — | 14 | 735 | — | — | 735 |
| At 31 August 2022 | 16,693 | 504 | 1,572 | 114 | 7,942 | 1,377 | 56 | 28,258 |
| Net book value | | | | | | | | |
| At 31 August 2022 | 87,630 | 5,559 | 28,289 | 2,382 | 5,434 | 693 | 20 | 130,007 |
| At 31 August 2021 | 89,665 | 3,878 | 17,478 | 564 | 6,199 | 657 | 38 | 118,479 |

The freehold buildings relate to:

- The Howard of Effingham School site at Lower Road;
- The Thomas Knyvett College site at Stanwell Road;
- The St Lawrence School site at Effingham Common Road;
- The Oxted School site at Bluehouse Lane;
- The Eastwick Schools site at Eastwick Drive;
- The Three Rivers Academy site at Hersham Road;

The leasehold buildings relate to:

- The Kenyngton Manor School site at Bryony Way;
- The Cuddington Community Primary School site at Salisbury Road;
- The Meadhurst Primary School at Feltham Hill Road;
- The Linden Bridge School at Grafton Road;
- The West Hill School at Kingston Road;
- The Fox Grove School at Kingston Road.

Notes to the financial statements Year to 31 August 2022

12 Tangible fixed assets (continued)

From a consistent accounting perspective, at 31 August 2022 the sites were designated for educational purposes only. The land has no open market value and hence the value in these financial statements relate to the school buildings only, which are included at a depreciated replacement cost valuation.

13 Debtors

| | Group 2022 £'000 | Trust 2022 £'000 | Group 2021 £'000 | Trust 2021 £'000 |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
| Trade debtors | 243 | 240 | 57 | 54 |
| VAT recoverable | 590 | 590 | 592 | 592 |
| Amount due from subsidiary | — | 163 | — | 145 |
| Other debtors | 49 | 49 | 96 | 96 |
| Prepayments and accrued income | 1,188 | 1,180 | 878 | 875 |
| | 2,070 | 2,222 | 1,623 | 1,762 |

Included within the Trust debtors are amounts due greater than one year of £134,150 (2021: £132,350).

14 Creditors: amounts falling due within one year

| | Group 2022 £'000 | Trust 2022 £'000 | Group 2021 £'000 | Trust 2021 £'000 |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
| Trade creditors | 889 | 880 | 942 | 940 |
| Taxation and social security | 772 | 772 | 745 | 744 |
| Other creditors | 896 | 896 | 932 | 932 |
| Accruals and deferred income | 2,335 | 2,332 | 1,672 | 1,669 |
| | 4,892 | 4,880 | 4,291 | 4,285 |

| | Group 2022 £'000 | Trust 2022 £'000 | Group 2021 £'000 | Trust 2021 £'000 |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Deferred income | | | | |
| Deferred Income at 1 September | 443 | 443 | 531 | 531 |
| Amounts released from previous years | (443) | (443) | (531) | (531) |
| Resources deferred in the year | 605 | 605 | 443 | 443 |
| Deferred Income at 31 August | 605 | 605 | 443 | 443 |

Deferred income relates to funding received in advance for various educational and sporting activities.

Notes to the financial statements Year to 31 August 2022

15 Funds

| | Balance at 1 September 2021 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2022 £'000 |
|------------------------------------|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 1,039 | 42,045 | (41,377) | (91) | 1,616 |
| Other DfE/ESFA grants: | | | | | |
| UIFSM | — | 236 | (236) | — | — |
| Pupil Premium | — | 1,407 | (1,407) | — | — |
| Teachers Pay and Pension | — | 249 | (249) | — | — |
| PE sports grant | 13 | 194 | (207) | — | — |
| Rates Rebate | — | 263 | (263) | — | — |
| Catch-up premium | 164 | — | (104) | (8) | 52 |
| Supplementary grant | — | 453 | (453) | — | — |
| Other DfE/ESFA COVID-19 funding | — | 277 | (277) | — | — |
| Other grants | — | 328 | (328) | — | — |
| Pension reserve | (35,985) | — | (4,888) | 31,184 | (9,689) |
| | <u>(34,769)</u> | <u>45,452</u> | <u>(49,789)</u> | <u>31,085</u> | <u>(8,021)</u> |
| Fixed assets fund | | | | | |
| Fixed assets | 118,521 | — | (4,709) | 16,236 | 130,048 |
| Gifted from ESFA – new school | — | 11,840 | — | (11,840) | — |
| DfE/ESFA capital grants | 5,364 | 2,098 | — | (4,259) | 3,203 |
| Other capital grants | 36 | 5 | — | (38) | 3 |
| Other capital | 128 | — | — | 11 | 139 |
| | <u>124,049</u> | <u>13,943</u> | <u>(4,709)</u> | <u>110</u> | <u>133,393</u> |
| Other funds | | | | | |
| Local authority grants | — | 7,197 | (7,197) | — | — |
| Other restricted grants | 115 | 170 | (178) | — | 107 |
| | <u>115</u> | <u>7,367</u> | <u>(7,375)</u> | <u>—</u> | <u>107</u> |
| Total restricted funds | <u>89,395</u> | <u>66,762</u> | <u>(61,873)</u> | <u>31,195</u> | <u>125,479</u> |
| Unrestricted funds | | | | | |
| General funds | 4,460 | 2,401 | (1,415) | (11) | 5,435 |
| Total unrestricted funds | <u>4,460</u> | <u>2,401</u> | <u>(1,415)</u> | <u>(11)</u> | <u>5,435</u> |
| Total funds | <u>93,855</u> | <u>69,163</u> | <u>(63,288)</u> | <u>31,184</u> | <u>130,914</u> |

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

ESFA revenue grant fund and other restricted funds

These grants relate to the Trust's educational operations and development.

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2022.

Notes to the financial statements Year to 31 August 2022

15 Funds (continued)

Pension reserve

The pension reserve relates to the Trust's Local Government Pension Scheme liability for support staff.

Fixed asset fund

This fund represents the tangible fixed assets of the Trust, together with unspent contributions from other funds, in order to carry out work of a capital nature. The Trust's policy is to review substantial capital and maintenance projects on commencement to assess whether they are capital or maintenance in nature. Spending on capital projects is then transferred to the fixed assets fund, while spending on maintenance is expensed. Amounts transferred in the year represent capital expenditure funded by School Condition allocation and other capital maintenance grants where the project was completed in the year.

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

| | 2022 £'000 | 2021 £'000 |
|--|----------------|---------------|
| Central trust | 7,335 | 5,899 |
| Total before fixed assets and pension reserve | 7,335 | 5,899 |
| Restricted fixed asset fund | 133,350 | 124,005 |
| Pension liability | (9,689) | (35,985) |
| Total for academy trust | 130,996 | 93,919 |
| THPT Services Ltd: | | |
| Restricted fixed asset | 43 | 44 |
| Other funds | (125) | (108) |
| Total for the group | 130,914 | 93,855 |

The Trust operates a reserve pooling policy. All unspent funds are held centrally by the Trust.

Notes to the financial statements Year to 31 August 2022

15 Funds (continued)

Analysis of academies by cost

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

| | Teaching and educational support costs £'000 | Other support staff costs £'000 | Educational supplies £'000 | Other costs (excluding depreciation) £'000 | 2022 £'000 | 2021 £'000 |
|------------------------------|---|------------------------------------|-------------------------------|---|---------------|---------------|
| Cuddington Community Primary | 953 | 123 | 68 | 186 | 1,330 | 1,250 |
| Eastwick schools | 2,786 | 381 | 224 | 396 | 3,787 | 3,585 |
| Fox Grove school | 1,285 | 121 | 202 | 281 | 1,889 | 146 |
| Howard of Effingham | 6,461 | 756 | 458 | 738 | 8,413 | 8,202 |
| Kennynton Manor school | 1,544 | 256 | 124 | 304 | 2,228 | 2,329 |
| Linden Bridge school | 2,857 | 331 | 137 | 370 | 3,695 | 1,899 |
| Meadhurst Primary school | 2,189 | 262 | 212 | 412 | 3,075 | 2,620 |
| Oxted school | 8,027 | 926 | 721 | 975 | 10,649 | 10,280 |
| St Lawrence Primary | 131 | 144 | 75 | 120 | 1,084 | 1,077 |
| Thomas Knyvett College | 3,421 | 510 | 294 | 592 | 4,817 | 4,590 |
| Three Rivers Academy | 5,499 | 558 | 581 | 796 | 7,434 | 6,746 |
| West Hill school | 1,838 | 219 | 143 | 242 | 2,442 | 1,170 |
| Teaching school | 23 | 4 | — | 7 | 34 | 107 |
| Central services | 962 | 5,418 | 208 | 1,016 | 7,602 | 5,590 |
| | 38,582 | 10,007 | 3,447 | 6,443 | 58,479 | 49,591 |

Notes to the financial statements Year to 31 August 2022

15 Funds (continued)

Comparative information

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

| | Balance at 1 September 2020 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2021 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | — | 36,933 | (36,553) | 659 | 1,039 |
| On transfer | — | 689 | — | (689) | — |
| Other DfE/ESFA grants: | | | | | |
| UIFSM | — | 278 | (278) | — | — |
| Pupil Premium | — | 1,314 | (1,314) | — | — |
| Teachers Pay and Pension | — | 1,793 | (1,793) | — | — |
| PE sports grant | — | 129 | (116) | — | 13 |
| Rates Rebate | — | 259 | (259) | — | — |
| Catch-up premium | — | 554 | (284) | (106) | 164 |
| Other DfE/ESFA COVID-19 funding | — | 197 | (197) | — | — |
| Other grants | — | 154 | (154) | — | — |
| Pension reserve | (23,532) | (4,772) | (2,808) | (4,873) | (35,985) |
| | <u>(23,532)</u> | <u>37,528</u> | <u>(43,756)</u> | <u>(5,009)</u> | <u>(34,769)</u> |
| Fixed assets fund | | | | | |
| Fixed assets | 110,949 | 8,729 | (4,164) | 3,007 | 118,521 |
| DfE/ESFA capital grants | 4,683 | 3,503 | — | (2,822) | 5,364 |
| Other capital grants | 54 | — | (5) | 115 | 164 |
| | <u>115,686</u> | <u>12,232</u> | <u>(4,169)</u> | <u>300</u> | <u>124,049</u> |
| Other funds | | | | | |
| Local authority grants | — | 4,564 | (4,564) | — | — |
| Coronavirus Job Retention Scheme grant | — | 8 | (8) | — | — |
| Other COVID-19 funding | — | 34 | (34) | — | — |
| On transfer | — | 102 | (39) | (63) | — |
| Other restricted grants | 37 | 563 | (512) | 27 | 115 |
| | <u>37</u> | <u>5,271</u> | <u>(5,157)</u> | <u>(36)</u> | <u>115</u> |
| Total restricted funds | <u>92,191</u> | <u>55,031</u> | <u>(53,082)</u> | <u>(4,745)</u> | <u>89,395</u> |
| Unrestricted funds | | | | | |
| General funds | 2,884 | 1,504 | (752) | 824 | 4,460 |
| On transfer | — | 952 | — | (952) | — |
| Total unrestricted funds | <u>2,884</u> | <u>2,456</u> | <u>(752)</u> | <u>(128)</u> | <u>4,460</u> |
| Total funds | <u>95,075</u> | <u>57,487</u> | <u>(53,834)</u> | <u>(4,873)</u> | <u>93,855</u> |

Notes to the financial statements Year to 31 August 2022

16 Analysis of net assets between funds

| Group | General funds £'000 | Restricted General funds £'000 | Restricted Fixed Assets fund £'000 | Total 2022 £'000 | Total 2021 £'000 |
|--|---------------------------|---|--|------------------------|------------------------|
| Fund balances at 31 August 2022 are represented by: | | | | | |
| Tangible fixed assets | — | — | 130,048 | 130,048 | 118,521 |
| Current assets | 5,435 | 6,667 | 3,345 | 15,447 | 15,610 |
| Current liabilities | — | (4,892) | — | (4,892) | (4,291) |
| Pension scheme liability | — | (9,689) | — | (9,689) | (35,985) |
| Total net assets | 5,435 | (7,914) | 133,393 | 130,914 | 93,855 |

| Trust | General funds £'000 | Restricted General funds £'000 | Restricted Fixed Assets fund £'000 | Total 2022 £'000 | Total 2021 £'000 |
|--|---------------------------|---|--|------------------------|------------------------|
| Fund balances at 31 August 2022 are represented by: | | | | | |
| Tangible fixed assets | — | — | 130,007 | 130,007 | 118,479 |
| Current assets | 5,560 | 6,655 | 3,343 | 15,558 | 15,710 |
| Current liabilities | — | (4,880) | — | (4,880) | (4,285) |
| Pension scheme liability | — | (9,689) | — | (9,689) | (35,985) |
| Total net assets | 5,560 | (7,914) | 133,350 | 130,996 | 93,919 |

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

| Group | General funds £'000 | Restricted General funds £'000 | Restricted Fixed Assets fund £'000 | Total 2021 £'000 |
|--|---------------------------|---|--|------------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | — | — | 118,521 | 118,521 |
| Current assets | 4,460 | 5,622 | 5,528 | 15,610 |
| Current liabilities | — | (4,291) | — | (4,291) |
| Pension scheme liability | — | (35,985) | — | (35,985) |
| Total net assets as restated | 4,460 | (34,654) | 124,049 | 93,855 |

| Trust | General funds £'000 | Restricted General funds £'000 | Restricted Fixed Assets fund £'000 | Total 2021 £'000 |
|--|---------------------------|---|--|------------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | — | — | 118,479 | 118,479 |
| Current assets | 4,568 | 5,616 | 5,526 | 15,710 |
| Current liabilities | — | (4,285) | — | (4,285) |
| Pension scheme liability | — | (35,985) | — | (35,985) |
| Total net assets as restated | 4,568 | (34,654) | 124,005 | 93,919 |

Notes to the financial statements Year to 31 August 2022

17 Capital commitments

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Contracted for, but not provided in the financial statements | 458 | 1,216 |

18 Commitments under operating leases

Operating leases

At 31 August, the total of the Trust's future minimum lease payments under non-cancellable operating leases was as follows:

| | Equipment | |
|--|---------------|---------------|
| | 2022 £'000 | 2021 £'000 |
| Amounts due within one year | 122 | 79 |
| Amounts due between two and five years inclusive | 95 | 114 |
| | 217 | 193 |

19 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreements, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

20 Members' liability

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

21 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes. In addition, a small number of qualifying support staff access a workplace pension scheme with NOW pensions, having opted out of the defined benefit schemes indicated above. The NOW pension scheme is a defined contribution scheme.

21 Pension and similar obligations (continued)

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 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; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £4,830,265 (2021: £4,274,518), with £562,968 payable at 31 August 2022 (2021: £533,227).

Notes to the financial statements Year to 31 August 2022

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme 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.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £2,877,000 (2021: £2,391,000), of which employer's contributions totalled £2,246,000 (2021: £1,867,000) and employees' contributions totalled £631,000 (2021: £524,000). The agreed contribution rates for future years are unknown pending valuation information.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

| | At 31 August 2022 | At 31 August 2021 |
|--|-------------------------|-------------------------|
| Principal Actuarial Assumptions | | |
| Rate of increase in salaries | 3.95% | 3.8% |
| Rate of increase for pensions in payment / inflation | 3.05% | 2.9% |
| Discount rate for scheme liabilities | 4.25% | 1.7% |
| Inflation assumption (CPI) | 3.05% | 2.9% |

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

| | At 31 August 2022 | At 31 August 2021 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 22.1 | 22.3 |
| Females | 24.5 | 24.7 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.1 | 23.4 |
| Females | 26.2 | 26.4 |

| | At 31 August 2022 £'000 | At 31 August 2021 £'000 |
|--|----------------------------------|----------------------------------|
| Discount rate +0.1% | 987 | 1,607 |
| Mortality assumption – 1 year increase | 65 | 432 |
| CPI rate +0.1% | 922 | 1,476 |

Notes to the financial statements Year to 31 August 2022

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

| | Fair value at 31 August 2022 £'000 | Fair value at 31 August 2021 £'000 |
|--|---|---|
| Equities | 24,205 | 24,131 |
| Corporate bonds | 5,164 | 5,148 |
| Property | 2,259 | 2,252 |
| Cash and other liquid assets | 645 | 643 |
| Total market value of assets | 32,273 | 32,174 |
| Present value of scheme liabilities | | |
| Funded | (41,962) | (68,159) |
| Deficit in the scheme | (9,689) | (35,985) |

| | 2022 £'000 | 2021 £'000 |
|--|-----------------------|-----------------------|
| Amounts recognised in statement of financial activities | | |
| Current service cost | 6,506 | 4,226 |
| Net interest cost | 628 | 449 |
| Total amount recognised in the SOFA | 7,134 | 4,675 |

| Changes in the present value of defined benefit obligations were as follows: | 2022 £'000 | 2021 £'000 |
|---|-----------------------|-----------------------|
| At 1 September | 68,159 | 43,929 |
| Inherited on transfer of existing academy | — | 9,108 |
| Current service cost | 6,506 | 4,226 |
| Interest cost | 1,173 | 850 |
| Employee contributions | 631 | 524 |
| Actuarial (gain) loss | (33,361) | 9,868 |
| Benefits paid | (1,146) | (346) |
| At 31 August | 41,962 | 68,159 |

| Changes in the fair value of the Trust's share of scheme assets: | 2022 £'000 | 2021 £'000 |
|---|-----------------------|-----------------------|
| At 1 September | 32,174 | 20,397 |
| Inherited on transfer of existing academy | — | 4,336 |
| Interest income | 545 | 401 |
| Actuarial (loss) gain | (2,177) | 4,995 |
| Employer contributions | 2,246 | 1,867 |
| Employee contributions | 631 | 524 |
| Benefits paid | (1,146) | (346) |
| At 31 August | 32,273 | 32,174 |

Notes to the financial statements Year to 31 August 2022

22 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The Trust has granted loans with a balance of £120,000 (2021: £120,000) to its wholly owned subsidiary, THPT Services Limited. The loans are secured on the assets of THPT Services Limited and is repayable over five years. Interest is being charged on the loan at 1.5% and £1,800 (2021: £1,800) was charged in the year. At the year end, the full balance of the interest of £14,150 (2021: £12,350) was also outstanding and is included within debtors.

In addition, THPT Services Limited owed the Trust £29,046 (2021: £12,662) and this is included in THPT Services Limited creditors. During the year the Trust recharged expenditure totalling £16,384 (2021: £12,662).

During the year the Trust procured therapeutic intervention services from Inclusive Education Trust, totalling £18,506. At 31 August 2022, a balance of £1,288 was outstanding. A close family member of N Euridge, a member of the Executive Leadership Team, is Executive Head of Inclusive Education Trust. In the prior year, Reigate Valley College and Wey Valley College incorporated to form Inclusive Education Trust on 24 March 2021. During the prior year the Trust procured therapeutic interventions services from Wey Valley College, totalling £14,846. At 31 August 2021, there were no amounts outstanding. A close family member of N Euridge, a member of the Executive Leadership Team, was Executive Head of Wey Valley College at the time of engagement. Also during the prior year the Trust procured therapeutic interventions services from Reigate Valley College, totalling £5,600. At 31 August 2021, there were no amounts outstanding. A close family member of N Euridge, a member of the Executive Leadership Team, was Executive Head of Reigate Valley College at the time of engagement.

During the year, the Trust paid membership and training fees of £7,000 (2021: £4,500) to Surrey Downs Partnership for School Direct teacher training. Surrey Downs Partnership is part of South East Surrey Schools Education Trust (SESSET). At 31 August 2022 there were no payments outstanding (2021: £nil). Trustee I Wilson is a trustee of SESSET.

During the year the Trust procured training workshops for students from Growing Against Violence totalling £nil (2021: £1,900). At 31 August 2022 there were no amounts outstanding (2021: £nil). J Roddick, a member of the Executive Leadership Team, is a trustee of Growing Against Violence.

Where a related party relationship has been established, these services have a statement assurance was requested that this has been provided at no more than cost.

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

Notes to the financial statements Year to 31 August 2022

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £37,186 and disbursed £32,141 from the fund. An amount of £30,003 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2021 are £38,390 received, £29,759 disbursed and £24,958 included in other creditors.

24 Transfer of existing Academies

On 1 March 2021, LIFT Partnership joined the MAT. Under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

| | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £'000 | 2021 Total £'000 |
|-------------------------------------|--------------------------------|---|--|------------------------|
| Tangible fixed assets | | | | |
| · Leasehold buildings | — | — | 8,525 | 8,525 |
| · Other tangible fixed assets | — | — | 204 | 204 |
| Budget surplus on ESFA and LA funds | — | 652 | — | 652 |
| Budget surplus on school fund | 73 | — | — | 73 |
| Budget surplus on other funds | 879 | 139 | — | 1,018 |
| LGPS pension (deficit) | — | (4,772) | — | (4,772) |
| Net assets / (liabilities) | 952 | (3,981) | 8,729 | 5,700 |

25 Events after the balance sheet date

There are no post balance sheet events to disclose.