

Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2023
for
Three Counties Academy Trust

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



Three Counties Academy Trust

Reference and Administrative Details for the Year Ended 31 August 2023

MEMBERS:

T Hayes (appointed 10.10.22)
J G Lester
C Edwards
J Donaldson
A R Burt

TRUSTEES

M J Farmer (Accounting Officer) *
D Racic (Staff governor) (resigned 31.8.23)
M Henderson (Chair of Trustee Board) *
N D Ferguson *
S L Reeves-Walters
D Berry (resigned 18.9.23) *
M Franklin *
A Taylor (resigned 5.10.22)
K Ewing (resigned 18.9.23)
D Berry (resigned 21.9.23)
M Stubbs
J Alexander (appointed 10.7.23)

* members of the finance and general purpose committee

SENIOR MANAGEMENT TEAM

TCAT Executive Team	M J Farmer	Executive Headteacher and Accounting Officer
	D Wiles	Chief Finance Officer
	K Lane	Executive Leader for Safeguarding and Inclusion
Queen Elizabeth High School	S Seneque	Head of School
	S Day	Assistant Headteacher
	T Lloyd	Assistant Headteacher
	M Watkiss	Assistant Headteacher (seconded)
	D Racic	Assistant Headteacher (seconded)
	E Davies	SENCO
St Peter's Primary School	S McAtear	Head of School
	C Jones	Deputy Headteacher (Acting)
	H Yarnold	Key Stage 2 Phase Leader
	S Nash	Key Stage 1 Phase Leader
Bredenbury Primary School	S McAtear	Head of School
	R Turner	Assistant Headteacher

COMPANY NAME

Three Counties Academy Trust

REGISTERED OFFICE

Ashfields
Bromyard
Hereford
Herefordshire
HR7 4QS

REGISTERED COMPANY NUMBER

07840838 (England and Wales)

Three Counties Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2023

SENIOR STATUTORY AUDITOR

Mrs Lisa Weaver FCCA

AUDITORS

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

SOLICITORS

Harrison Clarke Rickerbys Limited
Overross House
Ross Park
Ross-on-Wye
HR9 7US

BANKERS

Lloyds Bank Plc
9 Corn Square
Leominster
HR6 8LT

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2023

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

Three Counties Academy Trust exists to serve its pupils and community through the provision of excellent education in an open and safe environment. The Academy Trust adopted MAT articles in May 2022 during the previous accounting period and rebranded from QEHC Academy Trust to Three Counties Academy Trust.

Catering for pupils between 3 and 16 across member schools, it provides a balanced and challenging curriculum to develop academic, social and life skills, including a range of sporting and cultural activities.

Being a small Academy Trust in a small town in a rural location it is at the centre of its community and this situation develops social responsibility in the pupils.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing, and developing a school offering a broad and balanced curriculum.

It is intended that the curriculum and ethos of the Academy Trust will place an emphasis on, and include a commitment to pupils learning about, co-operative values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others with the aim of encouraging all pupils to become better citizen, not only while they are pupils but during the rest of their lives.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2023

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

The main objectives for the year and strategies for achieving them are contained in the Academy Trust's Trust Improvement Plan 2022-2023 which is available from the Academy Trust, a summary of which is as follows:

Three Counties Academy Trust: Stronger Together

- To reduce the carbon footprint across the Academy Trust estate
- To ensure financial probity, strong systems of control and financial security for the Academy Trust
- To develop and improve the Academy Trust estate
- To develop effective governance at all levels
- To move forward as an Academy Trust through structured growth
- To develop Central Team capacity so that it can meet growing requirements
- To ensure effective succession planning at all levels

Excellent Teaching For All

- To audit, monitor and deliver CPD at the point of need
- Enhancing the understanding and application of pedagogy across the Academy Trust
- Delivering a successful reading strategy at all levels
- Developing Academy Trust leaders
- Delivering effective play
- Working successfully to meet the EYFS

Our People First: High Standards and Strong Relationships

- Our pupils first, healthy minds
- Our staff first, healthy minds
- Delivering strong Conduct for Learning across the Academy Trust
- Ensuring appropriate and successful Reward Systems and procedures across the Academy Trust
- Maintaining and improving attendance to school across the Academy Trust
- Delivering safeguarding excellence across the Academy Trust

An Inclusive Education for Every Child

- To aim high in all we seek to achieve
- To level up so that no pupil or pupil group is left behind
- Developing excellence in SEND
- To develop our curriculum offer across the Academy Trust so that it is fully inclusive and maximises outcomes
- To place inclusion at the heart of all we do
- To promote an ethos of exercise for all

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Three Counties Academy Trust

Report of the Trustees

for the Year Ended 31 August 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

The summer 2023 results attained by the Academy Trust through examination were in line with expectation and projections. Key academic data includes:

Queen Elizabeth High School

- Attainment 8 score 41.32 (increase of 3.42)
- Percentage of students achieving grade 5+ in English and mathematics 30% (increase of 6%)
- Percentage of students achieving grade 4+ in English 68.67% (decrease of 2.63%)
- Percentage of students achieving grade 4+ in mathematics 70.70% (increase of 13.87%)
- Percentage of students achieving grade 5+ in English 47.17% (increase of 6.21%)
- Percentage of students achieving grade 5+ in mathematics 39.62% (increase of 9.50%)
- Percentage of students achieving the EBacc suite of GCSE's at grade 5 or higher 8.00% (decrease of 1.52%)
- EBacc average point score (APS) of 3.49 (increase of 0.25) with 35.8% of students (increase of 3.8%) entering the EBACC suite of qualifications

St. Peter's Primary School

- No validated data available

Bredenbury Primary School

- No validated data available

The Academy Trust has maintained the requirement to provide online work for pupils not at school due to Covid-19.

Queen Elizabeth High School was judged to continue to be a Good school at Ofsted inspection January 2023.

Recruitment was strong at secondary level and at primary for St. Peter's Primary School. This was mainly due to a significant marketing campaign and continued community engagement by the Academy Trust. The total current NOR across the Academy Trust is 632. The initial number indication for September 2024 entry at secondary level is 103, 23 pupils above PAN for the intake year.

The cost of supply staffing has been extensive throughout this accounting period where we could source supply over and above that we could provide in house.

Fundraising activities

The Academy Trust put forward a range of CIF bids for asbestos removal and associated works, curtain walling replacement, window replacement and upgraded security across Academy Trust estate. Only the curtain wall replacement CIF bid was approved.

Key financial performance indicators

These are covered throughout the Trustee's Report.

Donations

During the year, Three Counties Academy Trust kindly received £4,287 in donations which were spent as follows:

- £4,287 subject materials funded by Bromyard Grammar School Foundation Trustees

STRATEGIC REPORT

Financial review

Financial position

The majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2023, total expenditure of £3,543,423 (2022: £1,915,515) was covered by recurrent grant funding from the DfE. The net income before transfers and revaluations for the year was £4,981,923 (2022: £40,327 net income).

At 31 August 2023, the net book value of fixed assets was £7,861,982 (2022: £3,001,713) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Investment policy

The Academy Trust retains any interest earned on investments and bears any charges made by the bank. Investment of temporary cash surpluses is made directly in current or deposit accounts of the nominated bank. The Executive Headteacher/CEO and Chief Finance Officer monitor cash balances to determine the most appropriate interest-bearing account.

Loans are never made to any organisation or individual from Academy Trust funds. The Academy Trust does not offer any security to the bank.

Any re-profiling of income flow must be agreed by the Executive Headteacher/CEO and Chief Finance Officer. The Academy Trust has not made arrangements for overdrafts, loans or any other forms of credit or deferred purchases.

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy Trust's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £210,587 (2022: 201,040), all of which is free reserves. The level of general restricted reserves excluding fixed assets and pension fund is £163,982 surplus (2022: £17,912 surplus).

The Academy Trust operates a Reserves Policy which sets the level of reserves deemed prudent to hold at a minimum level (subject to available funds) of £100,000 or approximately 5% of GAG with a maximum holding in reserves of £200,000 or approximately 10% of GAG. The Academy Trust aims to have at any one time the equivalent of 1 month of average salary commitments on hand as reserves in the form of cash. These reserves will ensure the ability of the Academy Trust to meet its obligations to stakeholders without placing additional strain and burden on day-to-day finances.

Reserves held in excess of the set limits will be used to enrich the educational offer of the Academy Trust in the manner best suited to doing so.

The Academy Trust will adjust the minimum and maximum holdings authorised within the Reserves Policy at any such time that new entrants to the Academy Trust are accepted with the general principle of a 5% to 10% GAG floor and ceiling being applied.

STRATEGIC REPORT

Financial review

Going concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Principal risks and uncertainties

Currently, the Trust Board consider that the critical risks and uncertainties facing the Academy Trust are:

- Variation of pupil intake numbers at primary level. Numbers on role are strong and increasing, especially at secondary level. The threat of an adverse effect on overall numbers and finance has been mitigated by 3 strong years of above PAN recruitment at Queen Elizabeth High School, with another significant increase forecast for the academic year 2024-2025 which will see the school achieve numbers nearly 10% above PAN. However, lack of recovery in numbers in particular at Bredenbury Primary School remain a cause for concern for the Academy trust and an action plan to address this is in effect. It remains the case that the Academy Trust will best benefit from consistent high numbers
- A lack of material investment in Academy Trust academies, in particular Queen Elizabeth High School (potential remedial works for HAC, capacity issues for hygiene facilities with increasing NOR and increasing teaching space requirements as a result of increased NOR) and a new entrant to the Academy Trust covered in the next accounting period where poor maintenance by the Local Authority will lead to a need for remedial works, especially in heating and plumbing. CIF bids and other funding streams will be pursued to help alleviate the exposure of the Academy trust to increased costs
- Complications with the provision of upgraded sporting facilities, in particular the planned 3G pitch at Queen Elizabeth High School with over-regulation at planning from official bodies and a shortfall in funding due to inflationary pressures whilst these planning issues are resolved Continued upward cost pressures continue to significantly impact the Academy Trust with rising staff costs and associated costs bringing the biggest pressure to bear from partially pay settlements, most notably the increased pressure on our increasing SEND provision with insufficient funding allocated to allow an appropriate staffing response other than impacting main academy budgets
- A continued lack of suitable candidates prepared to travel to rural locations, especially newly qualified teaching staff, the Academy Trust remains fully staffed at this time
- Further restructuring of leadership as required to move the Academy Trust forward as a MAT
- Inflationary pressures on goods and services including fuel and power
- Increased staffing costs as NoR increases and the discussion around increasing PAN at Queen Elizabeth High School and the associated capacity issues to meet that increasing NOR
- Security provisions at our Primary sites are good, there will be a requirement to upgrade security to the front of our new entrant school which will be reflected in the current accounting period. There has been some progress on upgrading security at our Secondary site, however, further work is required over the course of a phased plan to continue to upgrade security in line with expectations, including but not limited to additional CCTV coverage, further door entry systems and fencing at potentially weak points of the perimeter

STRATEGIC REPORT

Financial and risk management objectives and policies

The trust has adopted a protocol based on that of its insurer, the RPA scheme:

Stage 1: Risk identification / Compiling the Risk Register

The Risk Register is reviewed proactively on an ongoing basis e.g., at regular management/trust board meetings and, reactively when key staff leave, when control systems change or when new evidence about risk exposure emerges, e.g., if a loss were incurred, errors made, or an accident suffered. It is, therefore, a key tool for Executive Leadership and Trustees to use continuously to check that the Academy Trust's level of risk exposure is acceptable.

Stage 2. Prioritisation - Assessing the Probability and the Impact of Each Risk

The Risk Register uses a matrix offering a straightforward means of plotting the probability of the risk occurring and its likely impact. This shows in quite stark terms those risks that should cause most concern - high chance of occurrence and high impact. It is now relatively easy for staff and trustees to complete as it is based on the knowledge of several people without the need for detailed analysis. Now that all risks are plotted on the matrix, those that fall in the Red or Amber squares are being looked at and will usually require some degree of management action.

Stage 3: Control Definition and Controls Assessment

The first step is to consider the existing controls. Examples of controls used to date include: project plans, effective resource management, verification processes, management information and actions, physical safeguards, supervision, monitoring. This has helped in the assessment of the "real" risks by briefly considering and evaluating the level of existing controls in place.

Stage 4: Priority/Timescales/Review Date

Description of further action required is entered into the risk register and reviewed periodically. The priority of the risk determines the time frame and review date as follows: Low Long-Term Date - 12 months from now; Medium Term Date - 6 months from now; High Short Term Date - 3 months from now. A risk owner is identified who can be accountable for taking the action.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2023

STRATEGIC REPORT

Future plans

The Academy Trust has adopted MAT articles and formed a MAT (Three Counties Academy Trust) with 2 of our partner primary schools, designed to ensure continued strong provision across the phases in the locality. The Academy Trust will then seek to grow at a manageable pace locally to continue to promote its vision and ethos.

New entrants to the Academy Trust over the next accounting period will see the transfer of reserves to the Academy Trust to be reflected in the next accounting period and reports.

The Academy Trust intends to continue the growth of pupil numbers in line with previous projections so that the provision currently in place can be maintained financially through increased revenue. This growth has been better than projected and indications for September 2024 reflect a position where global PAN will be achieved with 790 pupils on roll against a budgeted number of 760. Over the period of 9 years, the lead school, Queen Elizabeth High School, will have moved from 302 NoR to 430 NoR and exceeded PAN.

The Academy Trust has continued to develop an already robust curriculum designed in the best interests of pupils and fitting the vision for such currently being explored by Ofsted. Our Vocational Centre is seen as an extremely positive step for current secondary pupils and for the potential to increase pupil numbers further as such a provision is seen as desirable by the local and wider community where no such provision currently exists. There is clear and consistent evidence from parental visits that aspects of vocational provision are a major determining factor in seeking a school place with the academy and have almost certainly been responsible in part for the significant upturn in global NOR.

The Academy Trust has bid again into the next round of CIF bids across the Academy Trust academies with 6 bids being tabled following a successful bid last year for curtain wall replacement at Queen Elizabeth High School and associated works.

The Academy Trust intends to lodge a further bid for TCAF funding to facilitate increasing capacity of the Academy Trust Central Team.

The Academy Trust has lodged a bid with the Clive Richards Charity to meet the shortfall in the proposed 3G pitch installation and associated works.

The Academy Trust will complete further ongoing estate upgrade work to meet rising capacity issues at Queen Elizabeth High School and to provide an Academy Trust base for the work of the Central Team. Remedial works will be required on the heating system of a new entrant academy over the next accounting period and further security upgrades will be delivered as required.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Three Counties Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Charitable Company was Incorporated on the 9th of November 2011 and converted from a Local Authority School to an Academy Trust on the 1st of December 2011.

QEHC Academy Trust adopted MAT articles during the accounting period 2021-2022, and rebranded to the Three Counties Academy Trust following approval from the RSC and Advisory Board. Queen Elizabeth High School was given Sponsor School status.

The Trustees act for the charitable activities of Three Counties Academy Trust and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is now known as Three Counties Academy Trust.

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

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Members' liability

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

Trustees' Indemnities

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

The liability insurance is provided by the RPA and provides unlimited cover (2022: £1,000,000) on any one claim.

Principal activities

This is defined in the Articles of Association which were updated during this accounting period to the latest model.

Method of Recruitment and Appointment or Election of Governors

The Academy Trust has updated the Articles and Memorandum of Association to the latest model versions which have been sealed and lodged with Companies House.

The Members have agreed not to have Staff Trustees except the Executive Headteacher/CEO (ex-officio). A serving Staff Trustee has resigned the position as Trustee at the end of the period covered in this report, but will take up the position of Staff Local Governor on the commencement of the next accounting period.

Parent Local Governors are elected by parents of registered pupils at an Academy Trust school. A Parent Local Governor must be a parent of a pupil at an Academy Trust school at the time when they are elected. The Trust Board makes all necessary arrangements for, and determines all other matters relating to, an election of Parent Local Governors, including any question of whether a person is a parent of a registered pupil at the Academy Trust. Any election of a Parent Local Governor which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Local Governor provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil of the Academy Trust.

Where a vacancy for a Parent Local Governor is required to be filled by election, the Trust Board, in collaboration with the appropriate Local Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil of the Academy Trust is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Local Governors required is made up by Parent Local Governors appointed by the Trust Board if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Local Governor, the Trust Board appoints a person who is the parent of a registered pupil of the Academy Trust; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. The Executive Headteacher/CEO is treated for all purposes as being an ex-officio Trustee.

Local Governing Bodies will have separate arrangements for the recruitment and deployment of Governors other than Parent Local Governors in line with their Terms of Reference.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Academy Trust has a leadership structure which consists of Trustees, Executive Leadership, Local Governing Body's, and Senior Leadership. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Headteacher/CEO is the Accounting Officer. During the forthcoming accounting period, the Trust Board will form a new committee to act as a Local Governing Body for Queen Elizabeth High School, for the period of this report, that role was undertaken by the Trust Board.

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

The Senior Leadership Team for the accounting period for Queen Elizabeth High School was the Executive Headteacher, Head of School 4 Assistant Headteachers (2 seconded) and the school SENCO. Both St. Peter's Primary and Bredenbury Primary share a Head of School as well as an SLT of 1 Deputy Headteacher and 2 Phase Leaders at St. Peter's Primary and an Assistant Headteacher at Bredenbury. The Executive Leadership Team, comprising Executive Headteacher/CEO, Chief Finance Officer and Executive Leader for Safeguarding and Inclusion direct the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The executive leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Senior Leadership Team and for many other roles always contain a Trustee. Some spending control is devolved to members of academy Senior Leadership Teams, with limits above which the Chair of Finance or Chair of the Trust Board must agree.

Subject and class leaders are responsible for the day-to-day operation of curriculum subject areas and accordingly organise their staff, capitation resources and pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Policies and Procedures Adopted for the Induction and Training of Governors

The Trust Board believes that in order to fulfil its responsibilities effectively, it is essential that each member is committed to a shared vision for the Academy Trust and that the Trustees, in collaboration with the Local Governing Body's, are working well as a team to achieve this.

To help new Trustees and Local Governors feel able to take an active part within the governance of the Academy Trust, and be valued as an equal member of the team, the Academy Trust recognises the need for new Trustees and Local Governors to have an induction - a period of planned support to introduce them to their new role. The aims of the induction are to:

- welcome new Trustees and Local Governors to the team
- help them to get to know the Academy Trust or the individual academy in the case of a Local Governor
- assist them to understand their role and responsibilities
- enable them to contribute fully to the work of the Trust Board, either as a Trustee or as a Local Governor

In order to achieve its aims, the Trust Board ensures that the following steps are taken.

- The Chair of the Trust Board sends a letter welcoming the new Trustee to the team and offering them the opportunity to meet before the first formal Trust Board meeting, in the instance of a new Local Governor this would be devolved to the Chair of the relevant Local Governing Body
- The Executive Headteacher/CEO invites the new Trustee to visit the Academy Trust, and in the instance of a new Local Governor, the Headteacher or Head of School will make a similar invitation to the specific academy
- When a new Trustee attends his/her first meeting, the Chair of the Trust Board welcomes and introduces them to the other trustees. Trustees are asked to introduce themselves and describe any particular interests/experience they have, and the new Trustee is given the opportunity to say something about themselves. Equally, in the instance of a new Local Governor the same procedure is followed at the appropriate level of governance
- The new Trustee is invited to join a relevant committee or committees. They can also be given the opportunity to attend and observe committee meetings before deciding about which committees they might like to join
- A Trustee is appointed to take responsibility for inducting every new Trustee. This will be an experienced Trustee who acts as a mentor. Equally this procedure will be replicated for a new Local Governor at the appropriate level of governance
- All trustees are encouraged to attend any relevant LA, regional or national training events that become available along with in-house training sessions and access to the NGA Learning Link platform
- New trustees are shown how to access policy documents and other relevant information for trustees
- They will be informed who to contact for advice and support.

Arrangements for setting pay and remuneration of key management personnel

Senior Leaders at the Academy Trust are placed within an appropriate range on the national leadership spine payment range relative the size of the academy in terms of pupil numbers at their time of appointment. The starting salary within that range is determined in conjunction with Trustees and the Executive Headteacher/CEO for all roles except the Executive Headteacher/CEO and the Chief Finance Officer, and in the case of the Executive Headteacher/CEO and the Chief Finance Officer is set by Trustees. The decision will assess prior leadership experience, previous pay awards and responsibilities.

The Academy Trust adopts a locally agreed Performance Related Pay Policy and appraisal procedures. For all members of senior leadership other than the Executive Headteacher/CEO, a recommendation is made by the Executive Headteacher/CEO as to whether pay progression should be awarded based on successful completion of annual targets.

Trustees will be presented with evidence to support such decisions and ratify those decisions or seek further clarification as required. For the Executive Headteacher/CEO and the Chief Finance Officer, this decision is taken by Trustees working in conjunction with an independent adviser in relation to the Executive Headteacher/CEO or . Again, such a decision to enable pay progression for the Executive Headteacher/CEO or in the case of the Chief finance Officer the Executive Headteacher/CEO, and will be dependent upon their performance against agreed targets. No member of senior leadership can progress beyond the highest point of the range on which they are appointed.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties and other connected charities and organisations

Owing to the nature of the Academy Trust and the composition of the Trust Board being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees or Local Governors have an interest.

If any transactions with related parties have taken place during the accounting period covered by this report, these are disclosed in the notes to the accounts.

Risk management

The Trust Board have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, the provision of facilities and other operational issues, and its finances. The Trust Board have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Risk Register is maintained by the Trust Executive Leadership Team (with reference to the Academy Trust's Committees where appropriate), reported to the Trust Board for approval and supported by training from an external risk management specialist where appropriate.

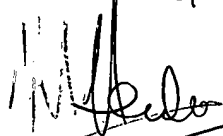
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Thorne Widgey Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees on18/12/23..... and signed on its behalf by:



.....
M Henderson - Trustee

Three Counties Academy Trust

Governance Statement for the Year Ended 31 August 2023

Scope of Responsibility

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

The Trust Board has delegated the day-to-day responsibility to the Executive Headteacher/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 Three Counties Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

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

Three Counties Academy Trust

Governance Statement

for the Year Ended 31 August 2023

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Trust Board		
M J Farmer	4	4
M Henderson (Chair)	4	4
N D Ferguson (Vice Chair)	4	4
S L Reeves-Walters	2	4
D Berry (Mr) (resigned 18.9.23)	1	4
M Franklin	2	4
D Berry (Mrs) (resigned 21.9.23)	1	4
K Ewing (resigned 18.9.23)	2	4
M Stubbs	4	4
J Alexander (appointed 10.07.23)	1	1
A Taylor (resigned 05.10.22)	0	1

Local Governing Body	Meetings Attended	Out of a possible
M J Farmer	3	3
D Racic	3	3
M Henderson (Chair)	2	3
N D Ferguson (Vice Chair)	2	3
S L Reeves-Walters	0	3
D Berry (Mr)	3	3
M Franklin	2	3
D Berry (Mrs)	0	3
K Ewing	3	3
M Stubbs	3	3

The Finance and Audit Committee is a sub-committee of the main Trust Board. Its purpose is to set a strategic direction for the academy finances and to monitor their use. Only 2 formal meetings were possible for the accounting period with Finance also discussed at all Trust Board meetings. Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
M J Farmer	2	2
M Henderson	1	2
M Franklin (Vice Chair)	2	2
N D Ferguson	1	2
D Berry (Mrs) (Chair)	2	2

Governance Review

The Trust Board audit the skills held by Trustees annually and use the NGA Skills Audit tool in doing so. Any gaps in expertise are then used in formulating recruitment plans to the Trust Board.

The Trust Board will commission a Governance Review which will report on the work of the Trust Board and Local Governing Body's, and opportunities to improve upon that work. This will affirm work of the Trust Board and Local Governing Body's over the course of the year in assessing internally their own effectiveness and provide the Trust Board with priorities for future development through the improvement planning process.

The Trust Board has worked extensively with the offices of the Regions Group West Midlands over the previous reporting period to analyse and strengthen governance from the Trust Board and continues to do so further.

Three Counties Academy Trust

Governance Statement
for the Year Ended 31 August 2023

Conflicts of Interest

The Academy Trust has in place a current Conflicts of Interest Policy to which it adheres rigidly. Declarations at all levels of governance are recorded via a central platform and maintained by the Governance Professional with checks on validity at every meeting of the Trust Board, copies of which are published on the Academy Trust website.

Three Counties Academy Trust

Governance Statement for the Year Ended 31 August 2023

Review of Value for Money

As accounting officer, the Executive Headteacher has responsibility for ensuring 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

Over the last financial period, Three Counties Academy Trust has further significantly strengthened their financial position and moved to an even stronger surplus position across the Academy Trust. This has been achieved in part by adhering to the requirement to ensure value for money in procurement.

Some of the ways we have used our resources this year to ensure good value are:

- Strengthening further the leadership capacity within the Academy Trust by utilising secondments to the leadership of our secondary academy to allow the Head of School capacity to deliver school improvement strategies
- Continuing to engage with local partners to place the academy at the heart of the community, including the work surrounding a further school joining the Academy Trust (November 2023)
- Increasing significantly the professional development of teachers so that the quality of lessons taught at the Academy Trust continues to improve
- Increasing pupil numbers on roll in the face of adverse conditions through a pro-active marketing strategy, with strategy focussed on exceeding global PAN further in subsequent admission windows
- Further investment in our middle leadership structure to develop capacity throughout the Academy Trust
- Targeted annual spend on inappropriate alternative provision for pupils and on unnecessary examination fees
- Continued development of the curriculum so that is broad and gives pupils access to a wide range of choice, meeting the Ofsted framework and seen as a model of good practice locally, with an emphasis on vocational skills-based education at secondary level
- Improved hygiene facilities at all Academy Trust sites
- The installation of a purpose-built library and sensory room at St. Peter's Primary School
- Significant ongoing review of all SLA spend with renegotiation of contracts reflecting extensive saving
- Achieving CIF funding by investing Academy Trust funds to assist with the bidding process
- Supporting colleagues to access appropriate NPQ's or ECT programmes by providing generous time to do so
- Funding to deliver a secure front of house provision at all schools with upgraded visitor logging facilities, installation of additional secure entry points, moving entry control points to more secure locations, the addition of some elements of fencing in current weak points and the addition of further CCTV as required

Key validated performance information that supports our appropriate use of resources includes:

- Attainment 8 score 41.32 (increase of 3.42)
- Percentage of students achieving grade 5+ in English and mathematics 30% (increase of 6%)
- Percentage of students achieving grade 4+ in English 68.67% (decrease of 2.63%)
- Percentage of students achieving grade 4+ in mathematics 70.70% (increase of 13.87%)
- Percentage of students achieving grade 5+ in English 47.17% (increase of 6.21%)
- Percentage of students achieving grade 5+ in mathematics 39.62% (increase of 9.50%)
- Percentage of students achieving the EBacc suite of GCSE's at grade 5 or higher 8.00% (decrease of 1.52%)
- EBacc average point score (APS) of 3.49 (increase of 0.25) with 35.8% of students (increase of 3.8%) entering the EBACC suite of qualifications
- Ofsted grading of Good maintained for Queen Elizabeth High School

The Academy Trust continues to review spending, especially on support services and SLA's, however increasing budget pressures, driven by inflationary pressures and fuel/power costs allied to partially funded pay settlements continue to hit extremely hard and we continue to work with the ESFA to ensure we minimise the impact of the challenges we are currently facing. The Academy Trust is looking forward to a strong period of financial stability following significant upturns in GAG funding and global pupil numbers allied with cost cutting measures undertaken over previous years which have seen the Academy Trust return to a position of cumulative surplus and relative security.

Three Counties Academy Trust

Governance Statement for the Year Ended 31 August 2023

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Trust Board continues to employ School Business Leadership Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- personnel checks.

On a termly basis, the reviewer reports to the Trust Board, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Three Counties Academy Trust

Governance Statement
for the Year Ended 31 August 2023

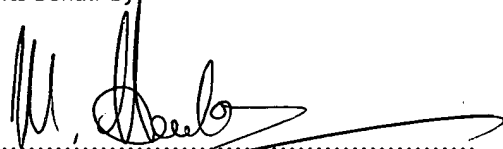
Review of Effectiveness

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

- the work of the externally appointed internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- correspondence from ESFA e.g. financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

The accounting officer has been advised of the implications of the result of their review of the systems of internal control by the finance committee and a plan to address weakness and ensure continuous improvements of the system is in place.

Approved by order of the members of the board of governors on 18/12/23..... and signed on its behalf by


.....
M Henderson - Trustee


.....
M J Farmer - Trustee

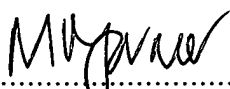
Three Counties Academy Trust

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

As accounting officer of Three Counties Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



.....
Mr M Farmer - Accounting Officer

Date:18/12/23.....

Three Counties Academy Trust

Statement of Trustees' Responsibilities for the Year Ended 31 August 2023

The trustees (who act as governors of Three Counties Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

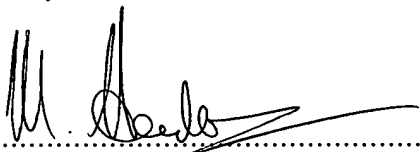
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

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

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

Approved by order of the members of the board of trustees on 18/12/23 and signed on its behalf by:


.....
M Henderson - Trustee

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Trust Handbook 2021, the Academies Accounts Direction 2022 to 2023, Companies Act legislation and Charities Act and FRS102 SORP legislation.

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

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

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

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

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Use of our report

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



Mrs Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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

Note:

The maintenance and integrity of the Three Counties Academy Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Three Counties Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Three Counties Academy Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Thorne Widgey Accountancy Ltd

Thorne Widgey Accountancy Ltd

Chartered Accountants

Reporting Accountant

2 Wyevale Business Park

Kings Acre

Hereford

Herefordshire

HR4 7BS

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

Three Counties Academy Trust

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

					31.8.23	31.8.22
	Notes	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS						
FROM						
Donations and capital grants	2	539	481,746	21,288	503,573	53,661
Transfer from Local Authority on conversion		354,475	4,860,000	-	5,214,475	-
Charitable activities						
Funding for the academy's educational operations	3	-	-	4,262,179	4,262,179	2,519,396
Other trading activities	4	6,755	-	86,748	93,503	87,226
Investment income	5	3,152	-	-	3,152	52
Total		364,921	5,341,746	4,370,215	10,076,882	2,660,335
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	7	899	500,981	4,547,079	5,048,959	2,620,008
Transfer from Local Authority on conversion		-	-	46,000	46,000	-
Total		899	500,981	4,593,079	5,094,959	2,620,008
NET INCOME/(EXPENDITURE)						
Transfers between funds	18	364,022 (354,475)	4,840,765 40,541	(222,864) 313,934	4,981,923 -	40,327 -
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	-	157,000	157,000	587,000
Net movement in funds		9,547	4,881,306	248,070	5,138,923	627,327
RECONCILIATION OF FUNDS						
Total funds brought forward		201,040	3,001,713	(84,088)	3,118,665	2,491,338
TOTAL FUNDS CARRIED FORWARD		210,587	7,883,019	163,982	8,257,588	3,118,665

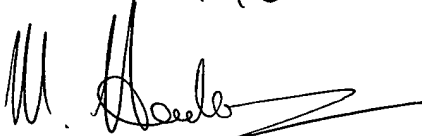
The notes form part of these financial statements

Three Counties Academy Trust (Registered number: 07840838)

Balance Sheet
31 August 2023

	Notes	31.8.23 £	31.8.22 £
FIXED ASSETS			
Tangible assets	13	7,861,982	3,001,713
CURRENT ASSETS			
Debtors	14	348,134	70,750
Cash at bank and in hand		737,153	419,227
		<u>1,085,287</u>	<u>489,977</u>
CREDITORS			
Amounts falling due within one year	15	(689,681)	(271,025)
		<u>395,606</u>	<u>218,952</u>
NET CURRENT ASSETS			
		8,257,588	3,220,665
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	19	-	(102,000)
		<u>8,257,588</u>	<u>3,118,665</u>
NET ASSETS			
FUNDS	18		
Restricted funds:			
Restricted General Fund		154,182	(3,591)
Other DfE/ESFA grants - Pupil premium		9,800	9,800
Other DfE/ESFA grants		-	11,703
Restricted Pension Fund		-	(102,000)
Conversion and depreciation		7,062,554	2,302,540
DfE/YPLA Capital Grants		507,587	488,382
Capital expenditure from GAG		68,737	70,452
Capital expenditure from other donations		244,141	140,339
		<u>8,047,001</u>	<u>2,917,625</u>
Unrestricted funds:			
Unrestricted General fund		210,587	201,040
TOTAL FUNDS		<u>8,257,588</u>	<u>3,118,665</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 18/12/23 and were signed on its behalf by:


.....
M Henderson - Trustee

Three Counties Academy Trust

Cash Flow Statement

for the Year Ended 31 August 2023

	Notes	31.8.23 £	31.8.22 £
Cash flows from operating activities			
Cash generated from operations	1	(400,711)	242,462
Net cash (used in)/provided by operating activities		<u>(400,711)</u>	<u>242,462</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(120,736)	-
Capital grants from DfE/EFA		481,747	9,745
Interest received		3,152	52
Net cash provided by investing activities		<u>364,163</u>	<u>9,797</u>
Cash transferred on conversion to an academy		<u>354,474</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		317,926	252,259
Cash and cash equivalents at the beginning of the reporting period		<u>419,227</u>	<u>166,968</u>
Cash and cash equivalents at the end of the reporting period		<u><u>737,153</u></u>	<u><u>419,227</u></u>

The notes form part of these financial statements

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

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.23 £	31.8.22 £
Net income for the reporting period (as per the Statement of Financial Activities)	4,981,923	40,327
Adjustments for:		
Depreciation charges	120,468	64,873
Capital grants from DfE/ESFA	(481,747)	(9,745)
Transfer from Local Authority on conversion	(5,168,475)	-
Interest received	(3,152)	(52)
Increase in debtors	(277,384)	(10,177)
Increase in creditors	418,656	115,236
Difference between pension charge and cash contributions	9,000	42,000
Net cash (used in)/provided by operations	(400,711)	242,462

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	419,227	317,926	737,153
	419,227	317,926	737,153
Total	419,227	317,926	737,153

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Three Counties Academy Trust meets the definition of a public benefit entity under FRS 102.

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

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

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

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

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

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

Freehold land and buildings	2%
Freehold property improvements	2%
Furniture and fittings	15%
ICT equipment	33.3%
Plant and equipment	20%

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

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

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:

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the financial statements. Prepayments are not financial instruments.

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

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

Taxation

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

Fund accounting

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

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

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Liabilities

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

Provisions

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

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

Leased Assets

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

Pension costs and other post-retirement benefits

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

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the financial statements, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

Three Counties Academy Trust

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Donations	539	21,287	21,826	43,916
Grants	-	481,747	481,747	9,745
	<u>539</u>	<u>503,034</u>	<u>503,573</u>	<u>53,661</u>

The comparatives include restricted fixed asset funds of £9,745 and restricted funds of £43,916 giving a total of £53,661.

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

	31.8.23 £	31.8.22 £
Capital Grant	<u>481,747</u>	<u>9,745</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	3,387,264	3,387,264	2,062,948
Other DfE/EFSA grants				
Pupil premium	-	170,770	170,770	79,705
Teachers' pay	-	1,783	1,783	-
Teachers' pension	-	631	631	-
MAT Conversion	-	-	-	95,000
Universal infant free school meal	-	2,080	2,080	-
PE and Sports	-	34,050	34,050	-
Schools supplementary grant	-	98,696	98,696	26,730
Mainstream schools additional grant	-	51,613	51,613	-
Trust capacity grant	-	87,049	87,049	-
Others	-	29,147	29,147	43,418
	<u>-</u>	<u>3,863,083</u>	<u>3,863,083</u>	<u>2,307,801</u>
Other Government grants				
Local Authority Grants - SEN	-	88,472	88,472	34,671
Local Authority Grants - NEF	-	103,943	103,943	-
Local Authority Grants - Other	-	66,166	66,166	32,811
	<u>-</u>	<u>258,581</u>	<u>258,581</u>	<u>67,482</u>
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	28,652	28,652	28,077
Other income from the academy trust's educational operations				
	<u>-</u>	<u>111,863</u>	<u>111,863</u>	<u>116,036</u>
	<u>-</u>	<u>4,262,179</u>	<u>4,262,179</u>	<u>2,519,396</u>

All comparative amounts relate to the restricted general fund.

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Room and building hire	6,315	90	6,405	10,370
Other income from facilities	223	16,871	17,094	76,856
Other	217	69,787	70,004	-
	<u>6,755</u>	<u>86,748</u>	<u>93,503</u>	<u>87,226</u>

The comparatives include unrestricted funds of £10,370 and restricted general funds of £76,856 giving a total of £87,226.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Deposit account interest	<u>3,152</u>	<u>-</u>	<u>3,152</u>	<u>52</u>

All comparative amounts relate to the unrestricted fund.

6. EXPENDITURE

	Non-pay expenditure			31.8.23	31.8.22
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	2,301,403	213,002	340,389	2,854,794	1,767,112
Allocated support costs	<u>1,277,665</u>	<u>655,347</u>	<u>261,153</u>	<u>2,194,165</u>	<u>852,896</u>
	3,579,068	868,349	601,542	5,048,959	2,620,008
Transfer from Local Authority on conversion	<u>-</u>	<u>-</u>	<u>46,000</u>	<u>46,000</u>	<u>-</u>
	<u>3,579,068</u>	<u>868,349</u>	<u>647,542</u>	<u>5,094,959</u>	<u>2,620,008</u>

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

	31.8.23 £	31.8.22 £
Auditors' remuneration	14,525	12,250
Other non-audit services	3,675	900
Depreciation - owned assets	120,467	64,874
Other operating leases	9,989	16,388
Operating leases	<u>27,174</u>	<u>25,576</u>

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

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Direct costs	449	2,854,345	2,854,794	1,767,112
Support costs	450	2,193,715	2,194,165	852,896
	<u>899</u>	<u>5,048,060</u>	<u>5,048,959</u>	<u>2,620,008</u>
			31.8.23 Total £	31.8.22 Total £
Analysis of support costs				
Support staff costs			1,277,665	478,762
Depreciation			6,925	16,688
Technology costs			20,409	26,237
Premises costs			655,347	179,700
Legal costs - other			75,599	57,212
Other support costs			140,020	81,147
Governance costs			18,200	13,150
Total support costs			<u>2,194,165</u>	<u>852,896</u>

The comparatives include unrestricted funds of £28, restricted fixed asset funds of £74,619 and restricted funds of £2,545,361 giving a total of £2,620,008.

8. STAFF COSTS

	31.8.23 £	31.8.22 £
Wages and salaries	2,674,906	1,348,733
Social security costs	244,753	136,218
Operating costs of defined benefit pension schemes	602,994	338,969
	<u>3,522,653</u>	<u>1,823,920</u>
Supply teacher costs	56,415	11,915
	<u>3,579,068</u>	<u>1,835,835</u>

No non-statutory/non-contractual amounts are included in other staff costs.

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

	31.8.23	31.8.22
Teachers	32	21
Administration and support	58	22
Management	12	4
	<u>102</u>	<u>47</u>

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

8. STAFF COSTS - continued

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

	31.8.23	31.8.22
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

The key management personnel of the academy trust comprise the trustees and members of the senior management team as follows the Executive Headteacher, Heads of School, Chief Financial Officer and Executive Leader for Safeguarding and Inclusion. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £448,001 (2022: £344,509).

9. CENTRAL SERVICES

No central services were provided by the academy trust to its academies during the period and no central charges arose.

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

			2023	2022
D Racic	Staff Gov	Remuneration	£50,000 - £55,000	£45,000 - £50,000
(resigned 31.8.23)		Employers Pension Contributions	£10,000 - £15,000	£10,000 - £15,000
M Farmer	Headteacher	Remuneration	£90,000 - £95,000	£90,000 - £95,000
		Employers Pension Contributions	£20,000 - £25,000	£20,000 - £25,000

Trustees' expenses

During the period ended 31 August 2023, reimbursed expenses totalling £832 (2022: £nil) were reimbursed to 1 trustees (2022: 0)

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2022 is included in the total insurance cost.

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

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	9,745	43,916	53,661
Charitable activities				
Funding for the academy's educational operations	-	-	2,519,396	2,519,396
Other trading activities	10,370	-	76,856	87,226
Investment income	52	-	-	52
Total	10,422	9,745	2,640,168	2,660,335
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	28	74,619	2,545,361	2,620,008
Total	28	74,619	2,545,361	2,620,008
NET INCOME/(EXPENDITURE)	10,394	(64,874)	94,807	40,327
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	587,000	587,000
Net movement in funds	10,394	(64,874)	681,807	627,327
RECONCILIATION OF FUNDS				
Total funds brought forward	190,645	3,066,587	(765,894)	2,491,338
TOTAL FUNDS CARRIED FORWARD	201,039	3,001,713	(84,087)	3,118,665

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2022	2,820,531	827,201	4,711
Additions	-	107,866	-
Transfer on conversion	4,860,000	-	-
	<hr/>	<hr/>	<hr/>
At 31 August 2023	7,680,531	935,067	4,711
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 September 2022	517,992	128,028	4,711
Charge for year	99,985	17,622	-
	<hr/>	<hr/>	<hr/>
At 31 August 2023	617,977	145,650	4,711
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 August 2023	7,062,554	789,417	-
	<hr/>	<hr/>	<hr/>
At 31 August 2022	2,302,539	699,173	-
	<hr/>	<hr/>	<hr/>
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2022	128,381	67,760	3,848,584
Additions	-	12,870	120,736
Transfer on conversion	-	-	4,860,000
	<hr/>	<hr/>	<hr/>
At 31 August 2023	128,381	80,630	8,829,320
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 September 2022	128,381	67,759	846,871
Charge for year	-	2,860	120,467
	<hr/>	<hr/>	<hr/>
At 31 August 2023	128,381	70,619	967,338
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 August 2023	-	10,011	7,861,982
	<hr/>	<hr/>	<hr/>
At 31 August 2022	-	1	3,001,713
	<hr/>	<hr/>	<hr/>

Freehold property includes non depreciating land costing £2,681,269 (2022: £411,269).

A formal valuation of all the Trust's land and buildings was carried out in October 2022 for the purpose for inclusion of St Peters' and Bredenbury's land and building valuation with in the financial statements. The land and building at QEHS was valued at £8.55m, however it's has been deemed appropriate that the value in the financial statement remains at the "on conversion" valuation.

Three Counties Academy Trust

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

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade debtors	15,927	9,939
VAT	48,603	11,503
Prepayments and accrued income	283,604	49,308
	<u>348,134</u>	<u>70,750</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade creditors	238,828	97,223
Social security and other taxes	122,879	72,197
Deferred income	95,364	18,400
Accrued expenses	232,610	83,205
	<u>689,681</u>	<u>271,025</u>

Deferred Income

	31.8.23	31.8.22
	£	£
Deferred income at 1 September	18,400	63,361
Resources deferred in the year	95,365	18,400
Amounts released from previous years	(18,400)	(63,361)
Deferred income at 31 August	<u>95,365</u>	<u>18,400</u>

Deferred income relates to monies collected in advance for trips taking place after the year end, UIFSM grant for 2023/24 and pre opening grant.

16. MEMBERS' LIABILITY

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Restricted	31.8.23
	General	Fixed	General	Total
	fund	Asset	Fund	funds
	£	£	£	£
Fixed assets	-	7,861,982	-	7,861,982
Current assets	210,554	369,549	505,184	1,085,287
Current liabilities	33	(348,512)	(341,202)	(689,681)
Pension liability	-	-	-	-
	<u>210,587</u>	<u>7,883,019</u>	<u>163,982</u>	<u>8,257,588</u>

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

				31.8.22
	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	3,001,713	-	3,001,713
Current assets	201,040	-	288,937	489,977
Current liabilities	-	-	(271,025)	(271,025)
Pension liability	-	-	(102,000)	(102,000)
	<u>201,040</u>	<u>3,001,713</u>	<u>(84,088)</u>	<u>3,118,665</u>

18. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Restricted general funds				
Restricted General Fund	(3,591)	(156,161)	313,934	154,182
Other DfE/ESFA grants - Pupil premium	9,800	-	-	9,800
Other DfE/ESFA grants	11,703	(11,703)	-	-
Restricted Pension Fund	(102,000)	102,000	-	-
Conversion and depreciation	2,302,540	4,760,014	-	7,062,554
DfE/YPLA Capital Grants	488,382	(21,336)	40,541	507,587
Capital expenditure from GAG	70,452	(1,715)	-	68,737
Capital expenditure from other donations	140,339	103,802	-	244,141
	<u>2,917,625</u>	<u>4,774,901</u>	<u>354,475</u>	<u>8,047,001</u>
Unrestricted fund				
Unrestricted General fund	201,040	364,022	(354,475)	210,587
TOTAL FUNDS	<u>3,118,665</u>	<u>5,138,923</u>	<u>-</u>	<u>8,257,588</u>

Three Counties Academy Trust

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

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted General Fund	3,387,262	(3,543,423)	-	(156,161)
Other DfE/ESFA grants - Pupil premium	170,769	(170,769)	-	-
Other DfE/ESFA grants - Teachers' pay	631	(631)	-	-
Other DfE/ESFA grants - Teachers' pension	1,783	(1,783)	-	-
Other DfE/ESFA grants - Catch-up premium	28,652	(28,652)	-	-
Other DfE/ESFA grants - Universal infant free school meals	2,080	(2,080)	-	-
Other DfE/ESFA grants	201,858	(213,561)	-	(11,703)
Other Restricted	478,484	(478,484)	-	-
Restricted Pension Fund	-	(55,000)	157,000	102,000
Conversion and depreciation	4,859,999	(99,985)	-	4,760,014
DfE/YPLA Capital Grants	368,327	(389,663)	-	(21,336)
Capital expenditure from GAG	(2)	(1,713)	-	(1,715)
Capital expenditure from other donations	113,422	(9,620)	-	103,802
Other DfE/ESFA grants - School supplimentary grant	98,696	(98,696)	-	-
	<u>9,711,961</u>	<u>(5,094,060)</u>	<u>157,000</u>	<u>4,774,901</u>
Unrestricted fund				
Unrestricted General fund	364,921	(899)	-	364,022
TOTAL FUNDS	<u><u>10,076,882</u></u>	<u><u>(5,094,959)</u></u>	<u><u>157,000</u></u>	<u><u>5,138,923</u></u>

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

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Restricted general funds			
Restricted General Fund	(151,026)	147,435	(3,591)
Other DfE/ESFA grants - Pupil premium	20,621	(10,821)	9,800
Other DfE/ESFA grants - Covid-19 funding	8,200	(8,200)	-
Other DfE/ESFA grants - Catch-up premium	3,311	(3,311)	-
Other DfE/ESFA grants	-	11,703	11,703
Restricted Pension Fund	(647,000)	545,000	(102,000)
Conversion and depreciation	2,350,725	(48,185)	2,302,540
DfE/YPLA Capital Grants	500,355	(11,973)	488,382
Capital expenditure from GAG	72,182	(1,730)	70,452
Capital expenditure from other donations	143,325	(2,986)	140,339
	<u>2,300,693</u>	<u>616,932</u>	<u>2,917,625</u>
Unrestricted fund			
Unrestricted General fund	190,645	10,395	201,040
TOTAL FUNDS	<u>2,491,338</u>	<u>627,327</u>	<u>3,118,665</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted General Fund	2,062,951	(1,915,516)	-	147,435
Other DfE/ESFA grants - Pupil premium	79,705	(90,526)	-	(10,821)
Other DfE/ESFA grants - Covid-19 funding	17,383	(25,583)	-	(8,200)
Other DfE/ESFA grants - Catch-up premium	-	(3,311)	-	(3,311)
Other DfE/ESFA grants	175,842	(164,139)	-	11,703
Other Restricted	304,287	(304,287)	-	-
Restricted Pension Fund	-	(42,000)	587,000	545,000
Conversion and depreciation	-	(48,185)	-	(48,185)
DfE/YPLA Capital Grants	9,745	(21,718)	-	(11,973)
Capital expenditure from GAG	-	(1,730)	-	(1,730)
Capital expenditure from other donations	-	(2,986)	-	(2,986)
	<u>2,649,913</u>	<u>(2,619,981)</u>	<u>587,000</u>	<u>616,932</u>
Unrestricted fund				
Unrestricted General fund	10,422	(27)	-	10,395
TOTAL FUNDS	<u>2,660,335</u>	<u>(2,620,008)</u>	<u>587,000</u>	<u>627,327</u>

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

Three Counties Academy Trust

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

18. MOVEMENT IN FUNDS - continued

- Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023. General Annual Grant (GAG): must be used for the normal running costs of the Academy.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Total fund analysis by academy

Fund balances at 31 August 2023 were as allocated:

	Total 2023 £	Total 2022 £
Queen Elizabeth High School	9,600	218,952
St Peter's Primary School	-	-
Bredenbury Primary School	-	-
Three Counties Multi Academy Trust	364,969	-
Total before fixed assets and pension reserve	374,569	218,952
Restricted fixed asset funds	7,883,019	3,001,713
Pension reserve	-	(102,000)
	<u>8,257,588</u>	<u>3,118,665</u>

The multi academy trust operates a GAG pooling system, therefore all non specific funding is held in central reserves.

Total cost analysis by academy

Expenditure (excluding depreciation and pension interest) incurred by each academy during the year was as follows:

	Teaching staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding) depreciation and pension £	2022/23 £	2021/22 £
Queen Elizabeth High School	1,544,915	633,149	191,810	946,727	3,316,601	2,513,133
St Peter's Primary School	536,722	457,868	50,048	112,119	1,156,757	-
Bredenbury Primary School	163,352	148,649	45,476	50,662	408,139	-
	<u>2,244,989</u>	<u>1,239,666</u>	<u>287,334</u>	<u>1,109,508</u>	<u>4,881,497</u>	<u>2,513,133</u>
2022	<u>1,345,157</u>	<u>478,762</u>	<u>157,030</u>	<u>532,184</u>	<u>2,513,133</u>	

Transfers between funds

Transfer between restricted general funds and restricted fixed assets fund represents the transfer of capital expenditure from non capital source of income.

19. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £64,292 were payable to the schemes at 31 August 2023 (2022 - £37,872) and are included within creditors.

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £395,347 (2022 - £237,192).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £260,129 (2022: £118,067), of which employer's contributions totalled £208,831 (2022: £100,298) and employees' contributions totalled £51,298 (2022: £17,769). The agreed contribution rates for future years are 20.1% for employers and between 5.5% and 12.5% for employees.

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

The rates payable over a three year period will be the Future Service Rate of 20.1% of payroll.

The estimated current recovery period is 15 years.

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Present value of funded obligations	(1,952,000)	(1,270,000)
Fair value of plan assets	1,952,000	1,168,000
	-	(102,000)
Present value of unfunded obligations	-	-
Deficit	-	(102,000)
Net liability	-	(102,000)

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Current service cost	201,000	133,000
Net interest from net defined benefit asset/liability	3,000	10,000
Past service cost	-	-
Admin expense	3,000	1,000
	207,000	144,000
Actual return on plan assets	30,000	(26,000)

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening defined benefit obligation	1,270,000	1,739,000
Current service cost	201,000	133,000
Contributions by scheme participants	51,000	18,000
Interest cost	81,000	29,000
Actuarial losses/(gains)	(205,000)	(632,000)
Benefits paid	(24,000)	(17,000)
Business combinations	578,000	-
	<u>1,952,000</u>	<u>1,270,000</u>

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening fair value of scheme assets	1,168,000	1,092,000
Contributions by employer	209,000	102,000
Contributions by scheme participants	51,000	18,000
Expected return	78,000	19,000
Actuarial gains/(losses)	(48,000)	(45,000)
Benefits paid	(24,000)	(17,000)
Business combinations	521,000	-
Administration expenses	(3,000)	(1,000)
	<u>1,952,000</u>	<u>1,168,000</u>

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Actuarial gains/(losses)	<u>157,000</u>	<u>587,000</u>
	<u>157,000</u>	<u>587,000</u>

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Equities	1,428,000	857,000
Bonds - Other	45,000	32,000
Property	160,000	97,000
Cash/Liquidity	18,000	21,000
Other	301,000	161,000
	<u>1,952,000</u>	<u>1,168,000</u>

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

	31.8.23	31.8.22
Discount rate for scheme liabilities	5.40%	4.30%
Rate of increase in salaries	4.30%	4.40%
Inflation assumption (CPI)	2.80%	2.90%
Rate of increase in pensions	2.90%	3.00%

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

Retiring today		
Males	21.5	22.6
Females	23.8	25
Retiring in 20 years		
Males	22.8	24.1
Females	25.6	27

Sensitivity analysis

	31.8.23	31.8.22
	£	£
Discount rate +0.1%	(29,000)	(24,000)
Discount rate -0.1%	29,000	24,000
Mortality assumption - 1 year increase	36,000	27,000
Mortality assumption - 1 year decrease	(35,000)	(26,000)
CPI rate +0.1%	29,000	25,000
CPI rate -0.1%	(29,000)	(25,000)

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

20. CONTINGENT LIABILITIES

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

21. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

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

	31.8.23	31.8.22
	£	£
Within one year	32,658	23,408
Between one and five years	72,178	68,031
	<u>104,836</u>	<u>91,439</u>

22. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Income Related Party Transactions

Bromyard Grammar School Foundation - a charity which C Martin and M Farmer (governors of QEHC Academy Trust) are trustees:

- During the year donations of £4,287 (2022: £3,500) were received

Bredenbury Primary School - a school which M Farmer (accounting officer and governor of QEHC Academy Trust) is executive head and sits on the board of governors and C Edwards (trustee of QEHC Academy Trust) is chair of governors:

- During the year income of £Nil (2022: £20,000) was received in relation to the executive headship SLA, and £Nil (2022: £2,389) in respect of other services.

St Peter's Primary School - a school which M Farmer (accounting officer and governor of QEHC Academy Trust) is executive head and sits on the board of governors:

- During the year income of £Nil (2022: £35,000) was received in relation to the executive headship SLA, and £Nil (2022: £25,461) in respect of other services.

23. CONVERSION TO AN ACADEMY TRUST

On 1st September 2022 the St Peter's Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Three Counties Multi Academy Trust from the Herefordshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Charitable activities, transfer from local authority on conversion.

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Freehold land and buildings	-	-	3,675,000	3,675,000
Current assets				

Three Counties Academy Trust

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

23. CONVERSION TO AN ACADEMY TRUST - continued

Cash - representing budget surplus on LA funds	309,535	-	-	309,535
Current liabilities	-	-	-	-
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(35,000)	-	(35,000)
Net assets	309,535	(35,000)	3,675,000	3,949,535

On 1st September 2022 the Bredenbury Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Three Counties Multi Academy Trust from the Herefordshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of Financial Activities as Charitable activities, transfer from local authority on conversion.

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Freehold land and buildings	-	-	1,185,000	1,185,000
Current assets				
Cash - representing budget surplus on LA funds	44,939	-	-	44,939
Current liabilities	-	-	-	-
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(11,000)	-	(11,000)
Net assets	44,939	(11,000)	1,185,000	1,218,939