

Report of the Governors and

Financial Statements

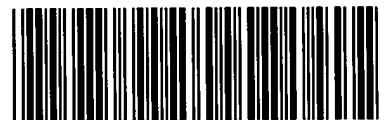
for the Year Ended 31 August 2023

for

St Paul's Church of England Primary
School

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

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28/02/2024

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COMPANIES HOUSE

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for the Year Ended 31 August 2023

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St Paul's Church of England Primary
School

Reference and Administrative Details
for the Year Ended 31 August 2023

MEMBERS:	D o H Educational Trust D o H Educational Trust T Pitcher
GOVERNORS	S J Bagley Deputy Headteacher (appointed 22.3.23) N P Armstrong (Vicar) E Vautier-Thomas (Headteacher and accounting officer) * S Hay (Vice chair of governors) (resigned 31.1.23) C Smith (Parent Governor) (deceased 23.7.23) R Burrow (Foundation governor) * M Henton (Foundation governor) T Pitcher (Chair of Governors) C Hodgkinson (Foundation governor) M Madeley (Parent governor)
* members of the finance and general purpose committee	
SENIOR MANAGEMENT TEAM	Mrs E Vautier-Thomas (Headteacher & Accounting Officer) Mrs S Bagley (Deputy Headteacher) Mrs Croot (Assistant Headteacher) Mrs J Yates (Assistant Headteacher) Mrs S Collins (School Business Manager) Mrs J Millington-Jones (Pastoral & Safeguarding Manager)
ACCOUNTING OFFICER	Mrs E Vautier-Thomas
SCHOOL BUSINESS MANAGER	Mrs S Collins
COMPANY NAME	St Paul's Church of England Primary School
COMPANY SECRETARY	Mrs S Collins
REGISTERED OFFICE	3 Backbury View Dormington Hereford Herefordshire HR1 1UX
REGISTERED COMPANY NUMBER	07994514 (England and Wales)
SENIOR STATUTORY AUDITOR	Mrs Lisa Weaver FCCA

AUDITORS

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

SOLICITORS

Lanyon Bowdler
Broadway House
32 - 35 Broad Street
Hereford
Herefordshire
HR4 9AR

BANKERS

Lloyds Bank
8 High Town
Hereford
HR1 2AE

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

The trust operates as an academy for pupils from Reception to Year 6. It has a pupil capacity of 420 and currently has 425 pupils attending the trust.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the school is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad range of curriculum of pupils of different abilities.

The aims of the school during the period are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop the Academy site so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the school's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards and integrity, probity and openness.

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy continues to maintain and manage a school with a designated Church of England religious character, arranging for religious education and daily acts of worship. Our school is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies & Activities

- To continue our journey as an outstanding school, ensuring we give the very best start possible to every pupil who joins our school.
- To continue to develop our curriculum to meet the needs of our community and achieve the very best for every pupil who attends.
- To ensure high expectations for all, to achieve and progress well in all subjects.
- To continue to introduce new technology to continue in support of children's learning across the curriculum.
- To fully embed the curriculum ensuring all children receive an ambitious and well balanced education.

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.

STRATEGIC REPORT
Achievement and performance
Charitable activities

Year 6 2023 SATs Test Data

English Writing

	Boys	Girls	Total
% Greater than National Standard	24%	31%	28%
% At National Standard	48%	57%	53%
% At and Above National Standard	72%	89%	81%
National			71%

English Reading

	Boys	Girls	Total
% Greater than National Standard	31%	40%	36%
% At National Standard	45%	34%	39%
% At and Above National Standard	76%	74%	75%
National			73%

Maths

	Boys	Girls	Total
% Greater than National Standard	17%	14%	16%
% At National Standard	59%	54%	56%
% At and Above National Standard	76%	69%	72%
National			73%

From entry to end of year 6 our overall 2022-23 achievement was at least good and was outstanding in writing. Writing was moderated externally by the Local Authority in June 2022. A lot of work had been put into writing across the school following the gaps identified following the impact of COVID school closures and absence.

Maths reasoning has been identified as the most common area for improvement again with gaps identified following the impact of closures and absence related to Covid. The school development plan (SDP) for the year 2023-24 will continue to reflect this as a priority. Investment into resourcing and training has meant that the children are performing better at their mid-year tests and KPI assessments. We are hopeful that raising the profile further will help Maths results to continue to improve this year.

The EYFS baseline tests were completed last year with attainment on Entry broadly in line with national. Attainment on exit from year 6 is usually above average. Progress is good in the Foundation Stage. The experienced EYFS teacher, new EYFS teacher and trained EYFS teaching assistants are making good progress with the Reception children ensuring their gaps are quickly identified and addressed before they transition to the Year 1 curriculum. Writing and language and communication are the main areas for children that didn't achieve their GLD. Again writing and language are key areas outlined on the SDP 2023-24.

73% of pupils reaching the end of our foundation stage achieved a good level of development in 2022-23.

78% of our pupils achieved a pass in the year 1 phonics check with a national pass rate in 2022 of 75%.

Key Stage 1

2022-23 KS1 SATS Assessment Data:

RWM	N+68%
Writing	N+75%
Reading	N+80%
Maths	N+82%

OFSTED judged the following as outstanding in their most recent inspection (March 14);

Report of the Governors
for the Year Ended 31 August 2023

- * Pupil Achievement
- * Teaching and learning
- * Behaviour and safety
- * Leadership and management

SIAMS judged our school as excellent (April 2019).

Key financial performance indicators

These are covered throughout the Governors' Report.

Financial review

Financial position

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

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

During the period ended 31 August 2023, total expenditure of £1,729,584 (2022: £1,688,138) was covered by recurrent grant funding from the DfE. The net incoming resources before transfers and revaluations for the period was £65,211 (2022: £88,829 outgoing).

At 31 August 2023, the net book value of fixed assets was £43,349 (2022: £8,704) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Governors are aware of the increase in the deficit in the Local Government Pensions Scheme and the likely future increase in contribution rates. The Governors continue to monitor the situation and its impact on the Academy.

Investment policy and objectives

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

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £95,384 (2022: £88,812), all of which is free reserves. The level of general restricted reserves is £183,212 (2022: £155,880).

The Academy aims to continue to accumulate reserves and cash balance to enable future capital developments. The unrestricted reserves currently held are in excess of the target within the Reserves Policy. The Academy continues to set out to steadily increase reserves each year while ensuring adequate financing of day-to-day operational needs to meet any contingencies as they arise e.g one months salaries.

Going concern

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

There is no material uncertainty that casts doubt on the schools ability to continue as a going concern.

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

STRATEGIC REPORT

Fundraising

The academy trust does not use any external fundraisers, aside from the PTFA. All fundraising during the year was monitored by the Trustees.

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable.
- Maintenance of a comprehensive Risk Register which is reviewed frequently

Estate safety and management: Due to the nature and age of the academy's buildings and surrounding playing fields consideration is given to site security to ensure it is safe and secure for the pupils. The condition of the estate is reviewed frequently, including windows and roofing, to identify any areas which require improvement, and the cost of any rectifications are sought and considered by the Board and within the main budget for the year. Where there is a need for a specific project to improve the facilities, additional funding will be sought wherever possible.

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Future plans

School Development Plan Objectives 2023 - 24

- To raise and consistently maintain attainment in spelling in Early Years, KS1 and KS2.
- To raise and consistently maintain KS1 progress and attainment in writing.
- To raise and consistently maintain attainment in reading comprehension in KS2.
- Enhance our systematic approach to teaching Oracy throughout the school.
- To raise and consistently maintain attainment in Maths across the school.
- To ensure the most disadvantaged pupils receive a three tiered approach to support, responsive to the individual needs of the child.
- To ensure leadership and management is effective at all levels.
- To ensure the schools Christian vision continues to underpin all aspects of school life.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Company was incorporated on the 16 March 2012 and converted from a Local Authority School to an Academy Trust on the 1 April 2012.

The governors act as the trustees for the charitable activities of St Paul's Church of England Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St Paul's Church of England Primary School.

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

Members' liability

Each member of the 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.

Governors' Indemnities

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

The liability insurance is provided by The Department for Education - Risk Protection Arrangement (RPA).

Principal activities

This is defined in the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

This is defined in the Articles of Association as follows:

The number of Governors shall not be less than 3 but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 45-64, the Academy Trust shall have the following Directors (Governors):

- Not less than 6 Foundation Governors, appointed under article 50A;
- Co-opted Governors, where the number does not exceed one third of the total number of directors, under article 58
- 2 Parent Directors appointed under Articles 53-56;
- The Principal; under Article 57

The Members shall appoint a minimum of 6 Foundation Governors comprising:

- The Incumbent as an ex officio Foundation Governor
- A minimum of 4 Foundation Governors nominated by the Diocese of Hereford Educational Trust
- A minimum of 4 Foundation Governors nominated by St Paul's Parochial Church Council and the Incumbent acting jointly;

And of these 9 Foundation Governors 3 shall at the time of their appointment be eligible for appointment as Parent Governors.

The Staff Governors shall be elected by staff members at the Academy.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The above Article details are listed in the Memorandum and Articles of the Academy.

Organisational structure

The Academy has a leadership structure which consists of the governors, The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The Senior Management Team are the Head Teacher (Chief Executive), the Deputy Head, two Assistant Heads, the Finance Director and the Pastoral Lead. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor.

Curriculum Leaders are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

St Paul's Church of England Primary School

Report of the Governors
for the Year Ended 31 August 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The school has a Governor Recruitment and Induction Procedure.

The training and induction provided for new governors includes a tour of the school and a chance to meet staff and pupils. The Governor Support Team at the Local Authority and other professional development provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Arrangements for setting pay and remuneration of key management personnel

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

Annual targets are set based on the key priorities for the year ahead. Monitoring takes place throughout the year and a formal review for every teacher takes place at the end of the cycle.

Teachers are appraised and monitored throughout the year by the assistant headteacher who manages the phase. Assistant head teachers are appraised and monitored by the headteacher and deputy headteacher. The deputy reports to the headteacher for performance management. The headteacher is appraised by governors with the support of an external advisor.

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

Related parties

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting. No companies have been identified as having a Related Party Relationship through common Directors.

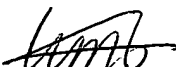
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors 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 governor has taken all the steps that they ought to have taken as a governor 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 Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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


.....
T Pitcher - Governor

Governance Statement
for the Year Ended 31 August 2023

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that St Paul's Church of England Primary School 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 of loss.

As governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of governors has delegated the day-to-day responsibility to the Principal, 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 St Paul's Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

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

Governance

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

Governor		Meetings Attended	Out of a possible
N Armstrong	Foundation Governor	3	4
E Vautier-Thomas	Head Teacher & Accounting Officer	4	4
S Bagley	Staff Governor/Deputy Head	3	4
C Smith	Parent Governor	3	4
R Burrow	Foundation Governor	3	4
M Henton	Foundation Governor	2	4
T Pitcher	Foundation Governor	3	4
M Madeley	Parent Governor	3	4
C Hodgkinson	Parent Governor	3	4

The Trustee Members met once during the year and was attended by 3 out of 3 members.

There have been no significant changes in the composition of the Board or the coverage of its work during the year.

Conflicts of Interest

The academy maintain an up-to-date and complete register of interests, which is also included as a standing agenda item at each Board and Committee meeting. Any conflicts identified are reviewed as soon as possible and appropriate action is taken.

The **Resources Committee** is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy.

Attendance at meetings in the year was as follows:

Governor		Meetings Attended	Out of a possible
E Vautier-Thomas	Head Teacher & Accounting Officer	5	6
C Hodgkinson	Parent Governor	6	6
M Madeley	Parent Governor	6	6
S Collins	School Business & Finance Manager	6	6
R Burrow	Foundation Governor	4	6

St Paul's Church of England Primary
School

Governance Statement
for the Year Ended 31 August 2023

The Curriculum and Achievement Committee is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's curriculum and staffing, including statutory requirements and the school's curriculum policy.

Attendance at meetings in the year was as follows:

Governor		Meetings Attended	Out of a possible
E Vautier-Thomas	Acting Head Teacher & Accounting Officer	3	3
S Bagley	Staff Governor/Acting Deputy Head Teacher	3	3
C Smith	Parent Governor	3	3
T Pitcher	Foundation Governor	3	3
M Henton	Foundation Governor	3	3
R Burrow	Foundation Governor	2	3

The Safeguarding Committee is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's safeguarding, including statutory requirements and the school's safeguarding policy.

Attendance at meetings in the year was as follows:

Governor		Meetings Attended	Out of a possible
C Smith	Foundation Governor	3	3
S Bagley	Staff Governor/Acting Deputy Head Teacher	3	3
T Pitcher	Foundation Governor	3	3
R Burrow	Foundation Governor	1	3

Church School Ethos Committee, meeting attendance was as follows in the year:

Governor		Meetings Attended	Out of a possible
N Armstrong	Ex Officio	3	3
R Burrow	Foundation Governor	2	3
T Pitcher	Foundation Governor	2	3

Governance Review

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented on a periodic basis. We intend to conduct another skills audit during the academic year 23/24.

Governance Statement
for the Year Ended 31 August 2023

Review of Value for Money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, 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 board of trustees 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;

The school's monitoring of teaching and learning is rigorous and accurate. Areas for improvement are precise and clearly focused on improving learning. Performance management procedures ensure that all staff meet the teacher standards and that weaker teaching is tackled and strong teaching rewarded. Priorities for development are firmly rooted in the analysis of performance data and the subsequent actions result in rapid improvement. Governors are well informed and provide a level of challenge in order to hold senior managers to account for the school's performance.

Examples of reviews of value for money include:

- " Cleaning contract ensured best value and quality of work
- " H&S requirements e.g best value PAT testing, engineering insurance, Hall safety flooring, Swipe card application upgrade.
- " Trees cut overhanging electricity cables.
- " Experienced IT providers continually responding to governance requirements e.g Cyber Crime
- " We follow our delegations policy and acquire 3 tenders to demonstrate value for money on large projects and also acquire transport quotes to provide best value for parents.

St Paul's was judged as Outstanding by OfSTED in the most recent inspection (2014) and in the subsequent church school inspection (2019).

The curriculum at St Paul's aims to be creative yet challenging and provides ample opportunities for children to become reflective learners. There is also a range of extra clubs and activities and opportunities for pupils to excel where they have particular talent.

Parents are highly supportive and work in partnership at all levels throughout the school. The school employs a range of communication outlets to ensure parents are kept up to date with all aspects of school life.

Our website page is continually changing and evolving to meet the needs of our families. We aim to celebrate all of our class topics and planning with parents through the website, Twitter, email and termly class letters and the weekly newsletter emailed to parents directly. We have also created a St Pauls reading channel where parents and children can access the staff reading stories and to aid home learning. Our community champions' webpage and the St Paul's volunteer programme both aim to celebrate the reflective, generous and caring children, we have carefully nurtured.

Estate safety and management: We regularly work with Safety Matters and Education Property Partnership to identify areas of site safety and maintenance; this schedule of works is prioritised according to the health and safety need. Tenders are obtained in accordance with our financial procedures to ensure the best value for money is achieved although there might be occasions where an urgent need might not allow this.

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 St Paul's Church of England Primary School for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Governance Statement
for the Year Ended 31 August 2023

Capacity to Handle Risk

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

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 Board of Trustees;
- regular reviews by the Finance 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 Governing Body has decided to not to appoint an internal auditor for this purpose. However, the trustees have appointed Mathew Madeley, a parent governor and qualified accountant who has audit experience, to carry out a programme of internal checks.

The internal reviewers 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 petty cash systems

On an annual basis, the reviewer reports to the board of trustees, through the resource committee on the operation of the systems of control and on the discharge of the board of trustees' 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.

Governance Statement
for the Year Ended 31 August 2023

Review of Effectiveness

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

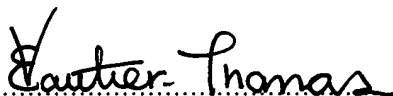
- the work of the Internal Reviewer;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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



.....
T Pitcher - Governor



.....
Mrs E Vautier-Thomas - Accounting Officer

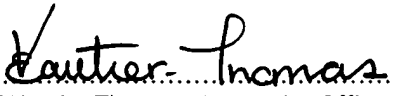
St Paul's Church of England Primary
School

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

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

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

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


.....
Mrs E Vautier-Thomas - Accounting Officer

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

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

The governors (who act as trustees of St Paul's Church of England Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

In 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 governors 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 on12/12/23..... and signed on its behalf by:



.....
T Pitcher - Governor

Report of the Independent Auditors to the Members of
St Paul's Church of England Primary
School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions Relating to Going Concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Report of the Independent Auditors to the Members of
St Paul's Church of England Primary
School

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.

L Weaver

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:20/12/23.....

Note:

The maintenance and integrity of the St Paul's Church of England Primary School website is the responsibility of the governors; 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
St Paul's Church of England Primary
School
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 St Paul's Church of England Primary School 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 St Paul's Church of England Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Paul's Church of England Primary School 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 St Paul's Church of England Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Paul's Church of England Primary School's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

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

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

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.

Independent Reporting Accountant's Assurance Report on Regularity to
St Paul's Church of England Primary
School
and the Education and Skills Funding Agency

Thorne Widgery Accountancy Ltd

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

Date: ...20/12/23.....

St Paul's Church of England Primary
School

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 Funds £	Restricted Fixed Asset Funds £	Restricted General Funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	-	27,235	51,950	79,185
Charitable activities					
Funding for the academy's educational operations	3	-	-	2,104,931	2,104,931
Other trading activities	4	6,534	-	22,413	28,947
Investment income	5	38	-	-	38
Total		6,572	27,235	2,179,294	2,213,101
EXPENDITURE ON					
Charitable activities					
Academy's educational operations	7	-	22,575	2,125,315	2,147,890
Total		-	22,575	2,125,315	2,147,890
NET INCOME/(EXPENDITURE)		6,572	4,660	53,979	65,211
Transfers between funds	17	-	38,647	(38,647)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		-	-	258,000	258,000
Net movement in funds		6,572	43,307	273,332	323,211
RECONCILIATION OF FUNDS					
Total funds brought forward		88,812	8,705	(197,120)	(99,603)
TOTAL FUNDS CARRIED FORWARD		95,384	52,012	76,212	(99,603)

The notes form part of these financial statements

St Paul's Church of England Primary
School (Registered number: 07994514)

Balance Sheet
31 August 2023

	Notes	31.8.23 £	31.8.22 £
FIXED ASSETS			
Tangible assets	12	43,349	8,704
CURRENT ASSETS			
Debtors	13	119,378	233,116
Cash at bank and in hand		400,286	308,065
		<u>519,664</u>	<u>541,181</u>
CREDITORS			
Amounts falling due within one year	14	(232,405)	(296,488)
		<u>287,259</u>	<u>244,693</u>
NET CURRENT ASSETS			
		<u>330,608</u>	<u>253,397</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	18	(107,000)	(353,000)
		<u>223,608</u>	<u>(99,603)</u>
NET ASSETS/(LIABILITIES)			
FUNDS	17		
Restricted funds:			
General Annual Grant		183,212	155,880
Restricted Pension Reserve		(107,000)	(353,000)
DfE/ESFA Capital Grants		8,869	2,573
Fixed Assets funded by GAG		43,143	6,132
		<u>128,224</u>	<u>(188,415)</u>
Unrestricted funds:			
General fund		95,384	88,812
TOTAL FUNDS		<u>223,608</u>	<u>(99,603)</u>

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



 T Pitcher - Governor

The notes form part of these financial statements

St Paul's Church of England Primary
School

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	103,595	(163,231)
Net cash provided by/(used in) operating activities		103,595	(163,231)
Cash flows from investing activities			
Purchase of tangible fixed assets		(38,647)	(5,800)
Capital grants from DfE/EFA		27,235	160,801
Interest received		38	39
Net cash (used in)/provided by investing activities		(11,374)	155,040
Change in cash and cash equivalents in the reporting period		92,221	(8,191)
Cash and cash equivalents at the beginning of the reporting period		308,065	316,256
Cash and cash equivalents at the end of the reporting period		400,286	308,065

The notes form part of these financial statements

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

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

	31.8.23 £	31.8.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	65,211	(88,829)
Adjustments for:		
Depreciation charges	4,004	6,393
Capital grants from DfE/ESFA	(27,235)	(160,801)
Interest received	(38)	(39)
Decrease/(increase) in debtors	113,738	(124,490)
(Decrease)/increase in creditors	(64,085)	126,535
Difference between pension charge and cash contributions	12,000	78,000
Net cash provided by/(used in) operations	<u>103,595</u>	<u>(163,231)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	308,065	92,221	400,286
	<u>308,065</u>	<u>92,221</u>	<u>400,286</u>
Total	<u>308,065</u>	<u>92,221</u>	<u>400,286</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

St Paul's Church of England Primary School meets the definition of a public benefit entity under FRS 102.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements 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.

A surplus has been made in the year (excluding LGPS and depreciation adjustments) and the Academy continues to have a positive GAG carry forward. There is no material uncertainty that casts doubt on the schools ability to continue as a going concern.

The academy have considered the effects of the current economic inflationary pressures on their financial future and are confident there will be no significant effect on them continuing as a going concern.

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.

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

1. ACCOUNTING POLICIES - continued

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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 lives, as follows:

Fixtures, fittings and equipment	15% - 20%	per annum
ICT equipment	33.3%	per annum
Motor Vehicles	20%	per annum

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Due to revised guidance issued by the Education Skills Funding Agency (ESFA) and the Church of England Dioceses, the academy decided, that it is no longer appropriate to recognise the land and buildings on the balance sheet, so this was removed in the year ended 31 August 2017. The academy occupies the school site under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site. Alternative accounting treatment would be to include a notional donation for a rolling two year period, however this has not been included in the financial statements as the academy do not believe it is financial viable to derive this value.

Investments

Any surplus funds will be invested to ensure maximum deposit.

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial instruments

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

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

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

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

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

1. ACCOUNTING POLICIES - continued

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 Education funding Agency where the asset acquired or created is held for a specific purpose.

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the note to the accounts, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

Critical accounting estimates and areas of judgement

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

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

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	31.8.23 Total funds	31.8.22 Total funds
	£	£	£	£
Grants and donations	-	19,426	19,426	12,934
Capital Grants	-	27,235	27,235	160,801
School trips etc	-	32,524	32,524	28,495
	<u>-</u>	<u>79,185</u>	<u>79,185</u>	<u>202,230</u>

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

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

	31.8.23	31.8.22
	£	£
Capital Grants	<u>27,235</u>	<u>160,801</u>

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

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)	-	1,795,565	1,795,565	1,768,140
Other DfE/EFSA grants				
Others	-	30,384	30,384	8,627
Universal infant free school meals	-	56,551	56,551	50,867
Pupil premium	-	73,416	73,416	64,745
PE and sports	-	19,660	19,660	19,620
Supplementary Grant	-	47,492	47,492	19,788
	-	2,023,068	2,023,068	1,931,787
Other Government grant				
Local authority	-	72,922	72,922	37,216
Covid-19 additional funding (DfE/ESFA)				
Catch-up premium	-	8,941	8,941	9,400
	-	2,104,931	2,104,931	1,978,403

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

The academy received £8,941 of funding for recovery premium and costs incurred in respect of this funding totalled £9,400, with £Nil to be spent in 2023/24.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Hire of facilities	6,534	-	6,534	6,451
Catering income	-	22,413	22,413	29,234
	6,534	22,413	28,947	35,685

The comparatives included unrestricted funds of £6,451 and restricted funds of £29,234 giving a total of £35,685.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Short term deposits	38	-	38	39

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

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

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	941,103	-	178,611	1,119,714	1,142,615
Allocated support costs	668,124	141,549	218,503	1,028,176	1,162,571
	<u>1,609,227</u>	<u>141,549</u>	<u>397,114</u>	<u>2,147,890</u>	<u>2,305,186</u>

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

	31.8.23	31.8.22
	£	£
Auditors' remuneration	9,800	9,315
Other non-audit services	2,218	3,596
Depreciation - owned assets	4,002	6,393
Operating Leases	<u>18,542</u>	<u>19,112</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Direct costs	-	1,119,714	1,119,714	1,142,615
Support costs	-	1,028,176	1,028,176	1,162,571
	<u>-</u>	<u>2,147,890</u>	<u>2,147,890</u>	<u>2,305,186</u>

	31.8.23 Total £	31.8.22 Total £
Analysis of support costs		
Support staff costs	668,124	529,924
Depreciation	4,004	6,393
Administrative supplies	43,559	65,024
Premises costs	141,549	387,327
Other support costs	158,922	160,992
Governance costs	12,018	12,911
Total support costs	<u>1,028,176</u>	<u>1,162,571</u>

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

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

8. STAFF COSTS

	31.8.23	31.8.22
	£	£
Wages and salaries	1,198,435	1,088,005
Social security costs	97,246	84,841
Operating costs of defined benefit pension schemes	286,681	269,521
	<hr/>	<hr/>
	1,582,362	1,442,367
Supply teacher costs	26,865	5,863
	<hr/>	<hr/>
	1,609,227	1,448,230
	<hr/>	<hr/>

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	15	16
Administration and support	32	29
Management	6	6
	<hr/>	<hr/>
	53	51
	<hr/>	<hr/>

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	-
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £396,433 (2022: £368,226).

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

			2023	2022
S Bagley	Staff Governor	Remuneration	£55,000 - £60,000	£50,000 - £55,000
		Eer Pension		
		Contributions	£10,000 - £15,000	£10,000 - £15,000
E Vautier-Thomas	Headteacher	Remuneration	£70,000 - £75,000	£65,000 - £70,000
		Eer Pension		
		Contributions	£15,000 - £20,000	£15,000 - £20,000

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

10. GOVERNORS' AND OFFICERS' INSURANCE

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.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Fixed Asset Funds £	Restricted General Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	160,802	41,428	202,230
Charitable activities				
Funding for the academy's educational operations	-	-	1,978,403	1,978,403
Other trading activities	6,451	-	29,234	35,685
Investment income	39	-	-	39
Total	6,490	160,802	2,049,065	2,216,357
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	236,800	2,068,386	2,305,186
Total	-	236,800	2,068,386	2,305,186
NET INCOME/(EXPENDITURE)	6,490	(75,998)	(19,321)	(88,829)
Transfers between funds	-	75,406	(75,406)	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	630,000	630,000
Net movement in funds	6,490	(592)	535,273	541,171
RECONCILIATION OF FUNDS				
Total funds brought forward	82,322	9,297	(732,393)	(640,774)
TOTAL FUNDS CARRIED FORWARD	88,812	8,705	(197,120)	(99,603)

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

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2022	30,828	3,755	132,808	167,391
Additions	38,647	-	-	38,647
Disposals	-	-	(15,192)	(15,192)
At 31 August 2023	69,475	3,755	117,616	190,846
DEPRECIATION				
At 1 September 2022	25,257	3,755	129,675	158,687
Charge for year	870	-	3,132	4,002
Eliminated on disposal	-	-	(15,192)	(15,192)
At 31 August 2023	26,127	3,755	117,615	147,497
NET BOOK VALUE				
At 31 August 2023	43,348	-	1	43,349
At 31 August 2022	5,571	-	3,133	8,704

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23 £	31.8.22 £
Trade debtors	10,888	65,270
Other debtors	49,556	48,927
VAT	3,386	45,055
Prepayments and accrued income	55,548	73,864
	119,378	233,116

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23 £	31.8.22 £
Trade creditors	95,309	136,180
Social security and other taxes	49,806	49,177
Deferred income	37,812	33,764
Accrued expenses	49,478	77,367
	232,405	296,488
	31.8.23 £	31.8.22 £
Deferred Income at 1 September	33,764	35,531
Resources deferred in the year	37,812	33,764
Amounts released from previous years	(33,764)	(35,531)
Deferred Income at 31 August	37,812	33,764

At the balance sheet date the Academy Trust was holding funds received in advance in relation to Free School meals income received from the ESFA, school trip income and hire of facilities relating to the 23/24 academic year.

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

15. 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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

		Restricted		31.8.23
	Unrestricted	Fixed	Restricted	
	Funds	Asset	General	Total
	£	Funds	Funds	funds
	£	£	£	£
Fixed assets	-	43,349	-	43,349
Current assets	95,384	29,572	394,708	519,664
Current liabilities	-	(20,909)	(211,496)	(232,405)
Pension liability	-	-	(107,000)	(107,000)
	<u>95,384</u>	<u>52,012</u>	<u>76,212</u>	<u>223,608</u>

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

		Restricted		31.8.22
	Unrestricted	Fixed	Restricted	
	Funds	Asset	General	Total
	£	Funds	Funds	funds
	£	£	£	£
Fixed assets	-	8,704	-	8,704
Current assets	88,992	1	452,188	541,181
Current liabilities	(180)	-	(296,308)	(296,488)
Pension liability	-	-	(353,000)	(353,000)
	<u>88,812</u>	<u>8,705</u>	<u>(197,120)</u>	<u>(99,603)</u>

17. MOVEMENT IN FUNDS

	At 1.9.22	Net movement in funds	Transfers between funds	At 31.8.23
	£	£	£	£
Restricted general funds				
General Annual Grant	155,880	65,979	(38,647)	183,212
Restricted Pension Reserve	(353,000)	246,000	-	(107,000)
DfE/ESFA Capital Grants	2,573	6,296	-	8,869
Fixed Assets funded by GAG	6,132	(1,636)	38,647	43,143
	<u>(188,415)</u>	<u>316,639</u>	<u>-</u>	<u>128,224</u>
Unrestricted fund				
General fund	88,812	6,572	-	95,384
	<u>(99,603)</u>	<u>323,211</u>	<u>-</u>	<u>223,608</u>
TOTAL FUNDS				

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

17. 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				
General Annual Grant	1,795,563	(1,729,584)	-	65,979
Restricted Pension Reserve	-	(12,000)	258,000	246,000
Other Restricted	147,288	(147,288)	-	-
Other DfE/ESFA Grants	30,384	(30,384)	-	-
DfE/ESFA Capital Grants	27,235	(20,939)	-	6,296
Fixed Assets funded by GAG	-	(1,636)	-	(1,636)
Other DfE/ESFA - Universal infant free school meals	56,551	(56,551)	-	-
Other DfE/ESFA - Pupil premium	73,415	(73,415)	-	-
Other DfE/ESFA - PE and sports	19,660	(19,660)	-	-
Other DfE/ESFA - Catch-up premium	8,941	(8,941)	-	-
Other DfE/ESFA - Supplementary	47,492	(47,492)	-	-
	<u>2,206,529</u>	<u>(2,147,890)</u>	<u>258,000</u>	<u>316,639</u>
Unrestricted fund				
General fund	6,572	-	-	6,572
	<u>2,213,101</u>	<u>(2,147,890)</u>	<u>258,000</u>	<u>323,211</u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Restricted general funds				
General Annual Grant	151,286	80,000	(75,406)	155,880
Restricted Pension Reserve	(905,000)	552,000	-	(353,000)
DfE/ESFA Capital Grants	5,090	(72,123)	69,606	2,573
Fixed Assets funded by GAG	4,207	(3,875)	5,800	6,132
Other DfE/ESFA - Universal infant free school meals	21,321	(21,321)	-	-
	<u>(723,096)</u>	<u>534,681</u>	<u>-</u>	<u>(188,415)</u>
Unrestricted fund				
General fund	82,322	6,490	-	88,812
	<u>(640,774)</u>	<u>541,171</u>	<u>-</u>	<u>(99,603)</u>

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

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	1,768,138	(1,688,138)	-	80,000
Restricted Pension Reserve	-	(78,000)	630,000	552,000
Other Restricted	107,880	(107,880)	-	-
Other DfE/ESFA Grants	8,627	(8,627)	-	-
DfE/ESFA Capital Grants	160,801	(232,924)	-	(72,123)
Fixed Assets funded by GAG	1	(3,876)	-	(3,875)
Other DfE/ESFA - Universal infant free school meals	50,867	(72,188)	-	(21,321)
Other DfE/ESFA - Pupil premium	64,745	(64,745)	-	-
Other DfE/ESFA - PE and sports	19,620	(19,620)	-	-
Other DfE/ESFA - Catch-up premium	9,400	(9,400)	-	-
Other DfE/ESFA - Supplementary	19,788	(19,788)	-	-
	<u>2,209,867</u>	<u>(2,305,186)</u>	<u>630,000</u>	<u>534,681</u>
Unrestricted fund				
General fund	6,490	-	-	6,490
TOTAL FUNDS	<u>2,216,357</u>	<u>(2,305,186)</u>	<u>630,000</u>	<u>541,171</u>

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

- * General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the period.
- * 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.

Transfers between funds

Transfers between funds have occurred during the year where GAG funds have been used to purchase fixed assets.

18. 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 £28,832 were payable to the schemes at 31 August 2023 (2022 - £26,763) 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 £162,517 (2022 - £161,705).

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

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

18. PENSION AND SIMILAR OBLIGATIONS - continued

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 £123,008 (2022 - £93,384), of which employer's contributions totalled £96,397 (2022 - £72,533). and employees' contributions totalled £26,611 (2022 - £20,851). The agreed contribution rates for future years are 10.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

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

The contributions payable will be starting at £15,700 for the year 2023/24, increasing for the years 2024/25 and 2025/26.

The estimated current recovery period is 20 years.

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

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	120,000	170,000
Net interest from net defined benefit asset/liability	13,000	15,000
Past service cost	-	-
	<u>133,000</u>	<u>185,000</u>
Actual return on plan assets	<u>(24,000)</u>	<u>(21,000)</u>

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

18. 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	1,293,000	1,748,000
Current service cost	120,000	170,000
Contributions by scheme participants	26,000	21,000
Interest cost	56,000	30,000
Actuarial losses/(gains)	(11,000)	133,000
Benefits paid	(10,000)	(10,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(37,000)	(12,000)
Actuarial (gains)/losses from changes in financial assumptions	(277,000)	(787,000)
	<u>1,160,000</u>	<u>1,293,000</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	940,000	843,000
Contributions by employer	123,000	108,000
Contributions by scheme participants	26,000	21,000
Expected return	43,000	15,000
Remeasurements	(67,000)	(36,000)
Benefits paid	(10,000)	(10,000)
Administration costs	(2,000)	(1,000)
	<u>1,053,000</u>	<u>940,000</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 from changes in demographic assumptions	37,000	12,000
Actuarial (gains)/losses from changes in financial assumptions	277,000	787,000
Actuarial gains/(losses)	<u>258,000</u>	<u>630,000</u>
	<u>572,000</u>	<u>1,429,000</u>

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

18. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
Equities	73.20%	73.40%
Bonds - Other	2.30%	2.70%
Property	8.20%	8.30%
Cash/liquidity	0.90%	1.80%
Other	15.40%	13.80%
	<u>100.00%</u>	<u>100.00%</u>

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

	31.8.23	31.8.22
Discount rate	5.40%	4.30%
Future salary increases	4.30%	4.40%
Future pension increases	2.90%	3.00%
Inflation assumption (CPI)	2.80%	2.90%

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%	(19,000)	(26,000)
Discount rate -0.1%	19,000	27,000
Mortality assumption - 1 year increase	23,000	26,000
Mortality assumption - 1 year decrease	(23,000)	(25,000)
CPI rate +0.1%	19,000	25,000
CPI rate -0.1%	(19,000)	(25,000)

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

19. CAPITAL COMMITMENTS

	31.8.23	31.8.22
	£	£
Contracted but not provided for in the financial statements	-	-

20. 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	17,805	16,859
Between one and five years	18,280	19,270
	<u>36,085</u>	<u>36,129</u>

21. RELATED PARTY DISCLOSURES

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

Border Property services run by the husband of S Bagley (Deputy Headteacher and member of the senior leadership team) was paid £6,414 (2022: £8,916) for repair work in the year. Amounts owed at year end were £3,775 (2022: £5,289).

BeSecure Protection Systems Ltd, who are related to Governor R Burrow were paid £905 (2022: £472) for maintenance work in the year. Amounts owed at year end were £Nil (2022: £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.