

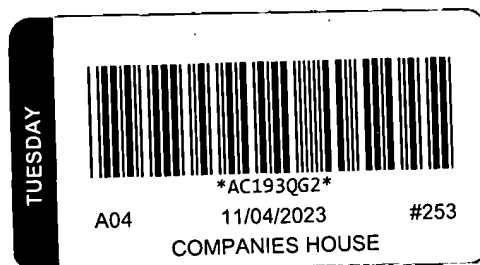
Company Registration Number: 09172115 (England & Wales)

TORFIELD AND SAXON MOUNT ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

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TORFIELD AND SAXON MOUNT ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jennifer Sutherland Sue Taylor Michael Clarke (resigned 31 July 2022) Jean Haigh (appointed 22 July 2022)
Trustees	Jennifer Sutherland, Chair of the Board of Trustees Ian Kingham, Lead Trustee for Finance (appointed 1 August 2022) Sue Taylor, Lead Trustee for Teaching and Learning ¹ Jean Haigh, Lead Trustee for School Developments and Projects Sarah Fitzjohn-Scott, Lead Trustee for Safeguarding Jeremy Moss, Trustee (appointed 1 August 2022) Michael Clarke, Lead Trustee for Finance (resigned 31 July 2022) Richard Preece, CEO and Accounting Officer ¹ Chair of the Academy Advisory Board
Company registered number	09172115
Company name	Torfield and Saxon Mount Academy Trust
Principal and registered office	Saxon Mount School Edinburgh Road St Leonards-on-Sea East Sussex TN38 8HH
Company secretary	Marion Booth, Chief Finance Officer
Senior management team	Richard Preece, CEO and Accounting Officer Marion Booth, Director of Finance, Operations and Resources Amanda Jagot, Headteacher of Saxon Mount School John Anderson, Headteacher of Torfield School
Independent auditors	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	NatWest Bank Plc Havelock Road Hastings East Sussex TN34 1GW
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust operates 1 primary Academy and 1 secondary Academy for pupils aged 4 to 16 serving a catchment area predominantly in Hastings and the eastern areas of East Sussex but including any other area within the LA due to the specialist nature of the provision, with a pupil capacity of 103 and 149 pupils, total 252 enrolled based on the May 2021 Census. The Trust also provides support, through a formal partnership agreement, to St Mary's School and College in Bexhill, a nearby Non-Maintained, residential special school.

Structure, governance and management

a. Constitution

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

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company operates as the Torfield and Saxon Mount Academy Trust.

Details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Local Governing Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- up to 5 Trustees who are appointed by the Members;
- the Executive Headteacher who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

A Trustee will be appointed to mentor new Trustees; this will be facilitated by the Clerk.

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the Schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only a low number of new trustee appointments each year, induction will be tailored specifically to the individual(s) and will reflect existing skills and knowledge. Advantage is taken of specific relevant courses offered by various external organisations as appropriate. Three trustee training events are organised each year which includes training sessions to keep the trustees updated on relevant developments impacting upon their roles and responsibilities. New Trustees also have the opportunity to undertake appropriate training provided by external parties and all governors receive regular information and updates.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

f. Organisational structure

At 31 August 2021, the Academy Trust comprised the following individual academies:

- Saxon Mount School
- Torfield School

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

The Board of Trustees normally meet 3 times each year on a pattern of once per term and excluding interim training and development events. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

Although the Board of Trustees formally met less than six times during the year, they have maintained effective financial oversight and governance through the formal work and management account reporting from the Director of Finance, Operations and Resources (CFO) and the meetings undertaken by the Lead Director for Finance on 3 further occasions and prior to each full Board meeting.

There is one separate Committee of the Board of Trustees as follows:

- The Executive Headteachers Performance Management Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it. The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the CEO / Executive Headteacher.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the CEO. The SLT comprises the CEO, Headteachers, Assistant Headteachers and the Director of Finance, Resources and Operational Strategy. The CEO is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

The Board of Trustees delegates a number of functions to the Academy Advisory Board ('AAB') for both schools in the Trust. The AAB reviews and monitors performance within each academy, including curriculum and pupil outcomes, safeguarding and Health and Safety and school improvement activities. Trustee members of the AAB include the CEO, the Trustee with Responsibility for Teaching and Learning and the Trustee with Responsibility for Child Protection and safeguarding and Health and Safety. These Trustees report directly to the Board in relation to the AAB's activities.

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 13 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Board of Trustees in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff. The pay of the CEO is reviewed annually by the Executive Headteacher Pay Committee, and recommendations made to the Trustees.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees	
0%	1	
1%-50%	-	
51%-99%	-	
100%	-	
Percentage of pay bill spent on facility time	£	
Total cost of facility time	-	
Total pay bill	3,500,000	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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TORFIELD AND SAXON MOUNT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Torfield and Saxon Mount Academy Trust have continued to provide significant support to a local Non-Maintained Special School, St Mary's School and College, during this year, providing leadership, management and Educational improvement support. A formal Business Support contractual agreement is in place.

Two of the TaSMAT Trustees also sit on the Board of St Mary's School and another Trustee is Chair of the School Effectiveness Board, which has recently replaced the Interim Executive Board that had been established by Torfield and Saxon Mount Academy Trust in 2019 to lead and manage school improvement following poor Ofsted categorisations in October 2018 and early 2019. This support was brokered by the RSC, ESFA and East Sussex County Council. It is intended that this support will continue in future years.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Hastings and St Leonards and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The key aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

- To improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time.
- To continually strive to improve standards in every aspect of Trust provision.
- By providing consistently high-quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people, enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.
- To strive to support the educational provision and life chances of pupils with high needs in other schools within the local areas and in other geographical areas if requested, by sharing the Academy Trusts knowledge, expertise and strategies to assist schools to be able to provide appropriate and outstanding provision for pupils with SEN in whatever setting they are placed.
- To strive to provide outstanding careers advice and guidance opportunities for all pupils. This is to enable them to make informed and relevant choices in preparation for leaving school recognising and developing the skills needed to undertake further education, apprenticeships or work. The trust is committed to working with local and national employers, training providers, supporting and recruiting bodies to develop opportunities available to pupils and young adults with SEN.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

- To continue to provide high quality and accessible education and support provision for all pupils in the continued recovery from the Corona Virus pandemic, either in school or at home. This includes retaining and improving the confidence of parents to enable their children to attend school as safely as possible and offering support and IT hardware and software to enable learning to continue should physical attendance at school not be possible. This also includes effective use of additional Covid recovery funds to support all eligible pupils and implementing strategies to assist including support for pupils where appropriate.

b. Objectives, strategies and activities

The key priorities for the year are contained in the Academy Trust's Development Plan which is available from the Executive Headteacher.

The key activities of the Academy Trust for the year ended 31 August 2022 were focused as follows:

- Ensuring the provision made by each school in the Trust leads to excellent academic and personal outcomes for pupils, evidenced using a range of key performance indicators.
- Managing succession planning effectively at senior leadership and governance level, to ensure continuity of provision and the retention of high quality senior personnel. Secondment of 1 Finance team member continues this year to provide that staff member with additional experience in leadership and management roles and retain their experience within the Trust.
- To continue to develop systems, processes and expertise to share within our schools and the wider school community, to help raise awareness and develop opportunities for all children with SEN and their families.
- Continuing to manage the impact of a significant increase in pupil numbers at both schools. Torfield had 88 commissioned places but up to 103 pupils were actually placed in the school during 2021/22. Saxon Mount experienced a similar increase, by the end of the year there were 149 pupils placed in the school, where 135 places have been commissioned. Over the last 2 years, both schools have had to undertake unexpected internal remodelling, resourcing and decoration as well as appoint additional staffing and arrange organisational changes in order to make accommodation and provision suitable for these additional pupils. The schools are anticipated to be at this high level of occupation for some time to come. And are implementing plans to continue remodelling resources to accommodate a higher level of pupil population than intended. Further developing the KS4 curriculum and work related learning for each new cohort as changes to the exam courses continue, to ensure all pupils are able to access appropriate courses or programmes with the opportunity to achieve successful and meaningful outcomes. Saxon Mount is a lead school in the East Sussex Careers Hub, providing information, guidance and support to other schools.
- To continue to develop the EYFS and the Croft Road environment and opportunities for our pupils to ensure they have the best start to their school and learning experience. In addition, Torfield School continued to take a leading role in a Communication and Literacy project, initially funded by the Hastings Opportunity Area, to support special and mainstream schools in planning for pupils who are assessed at below age related expectations. This software was introduced at both schools in Autumn 2021 and has been very successful in improving and enhancing existing assessment and monitoring processes and outcomes. Development continues as use highlights potential improvements and requirements to ensure information and assessment data is as accurate and relevant as possible for each different setting.
- Both schools provided advice, guidance, support and resources to support school improvement activities at St Mary's School, Bexhill, as part of the formal partnership agreement that is in place. St Mary's school staff also support the Trust schools in areas where their experiences and knowledge will enhance the operation of the Trust schools and staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

- Provision of home to school transport to pupils where attendance is an issue for families and local authority transport provision is not an option either due to proximity to the school or the pupils individual circumstances. The schools provide vehicles and staff to enable identified pupils to be able to attend where attendance would otherwise be poor, irregular or timekeeping an issue. This provision is monitored for success and impact on outcomes for pupils and data to date indicates that this provision is likely to expand further due to local circumstances and needs of the pupils and families.
- Both schools have continued to respond quickly and pro-actively to the changing circumstances of living with Covid 19 as recovery from the pandemic continued and absences decreased but still impacted on both staff and pupil attendance. The schools continue to provide laptops and tablets for home use.
- Covid recovery and NTP funds were received at both schools within the Trust and used to provide additional catch-up opportunities and strategies in compliance with recommended strategies for use. At Saxon Mount a Pupil learning mentor was appointed and specialist catch up teaching provided by an external provider. At Torfield School NTP funds were used to purchase external specialist support in reading and Covid recovery funding supported in house additional staffing capacity for literacy, reading and language development support.
- The schools have been proactive in identifying learning from their experiences during the pandemic and from the need to make changes to usual operation and practice during the periods of lockdown or additional safety measures being in place. This has allowed the schools to develop and improve some aspects of operation where necessary changes showed an opportunity to improve upon existing practice.
- Maintaining the health and safety of the site and buildings at Torfield and Saxon Mount Schools by:
 - a. Replacement of the patio area outside of the school entrance at Torfield School to address water ingress into the lower floor teaching areas.
 - b. Erection of a canopy over this external area to provide a covered outdoor learning area, with the surface to be astro-turfed as an additional safety measure and enhanced learning area.
 - c. Continuing to address electrical safety at Saxon Mount school where historical infrastructure is no longer compliant with current standards.
 - d. Commence investigation and feasibility of the provision of a dedicated sports hall on the raised and currently undesignated area at the top of the playing field. If successful, this will improve facilities and provision of the school and enable the existing school hall and changing areas to be used more effectively in providing non-PE related use where the school has increased need for flexibility due to high pupil numbers. This includes addressing the impact of requiring the dining hall for PE so reducing the risks of food on floors and hygiene safety with a multi-use room.
 - e. Continuing to review and address all items identified in statutory term servicing inspections and risk assessments at all sites to ascertain and document all actions and improvements required to maintain high standards in Fire safety and Health and Safety.
 - f. Investigate the feasibility of remodelling and landscaping of the Torfield school playing field to provide enhanced and improved outdoor learning activities including classroom, gardening and exercise trail facilities and adventure playground. This is a very steep sloped area currently offering limited organised play and learning opportunities and unusable in the winter months. The development of the area will provide increased flexibility within the delivery of the curriculum and relieve some pressure on reliance on indoor learning spaces.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Success is measured through regular review of school and federation development objectives identified within the school development plans and Trust development plan. The Trust appointed External Advisor assists the Board in evaluating success against key areas of school performance including pupil outcome data, pupil achievement, strength of leadership and management, quality of teaching and learning, pupil engagement and behaviour and overall effectiveness. The Board of Trustees also meet regularly with representatives from the commissioned auditors to receive information, advice and guidance in relation to the Trust's financial performance.

- Coronavirus activities were managed successfully including:

Administration of the government funded school meal voucher scheme for all eligible pupils during the pandemic lockdown periods and continues in all subsequent holidays since. Some remote learning and administrative practices are now embedded in school life as a more effective mechanism to deliver and achieve the same outcomes.

These key objectives and strategies, contribute to the successful achievement of the wider stated aims above.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Hastings, St Leonards and East Sussex and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. A range of after-school activities and clubs are available for all pupils with transport home provided where attendance would otherwise not be possible for families.

A range of holiday clubs are also offered to all pupils throughout the main holiday periods, supporting pupils and families over those periods.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

Due to the continued disruption and change caused by the Coronavirus pandemic the national outcomes in 2022 were the first based on examinations and assessments since 2019. Therefore the Trust cannot easily compare the performance of its schools with other settings as it has historically been able to. Instead, national data and locally produced data is used to inform Trust analysis. The schools continue to perform well against all key measures using this analysis.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

The Academy Trust External Advisor supports Trustees in evaluating leadership information and holding school leaders to account for the performance of the schools. The External Advisor summarised their view following their activity in the academic year 2021-2022 in an annual report to Trustees in October 2022. Key points are detailed below in extracts from this report:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

For Saxon Mount School:

'To continue to develop high quality teaching and learning the school has maintained a clear focus on, adapting the curriculum through 1:1 academic and social interventions and supporting social interactions, providing small group work embracing holiday work days, support with technology, investment in high quality digital resources, developing skills for further possible remote education.

When the fulltime return to the classroom began, the impact of those pupils being out of school and isolated at home became a specific focus for the school. This will be a journey rather than a quick fix, but a clear programme was developed focussing on: 1:1 academic and social interventions, small group work, holiday work days, support with technology, mental health first aid continuing investment in high quality digital resources'.

Behaviour and attitudes - External Advisor commentary and conclusion:

There was an overwhelming sense of praise for the school. Taking the academic and social agenda forward whilst securing very high levels of attendance has been excellently managed and secured the atmosphere in the school, that can only continue to seek out ways to be even better. An excellent meeting where governors were able to congratulate the staff and students on their achievements.

Key to all of this was the support for all staff, teaching or nonteaching as well as senior staff who have done such outstanding work. At any time, this would be outstanding but in the present climate of COVID it has reached an even higher level.

Personal Development - External Advisor commentary and conclusion:

As detailed above the school staff and pupils have worked together through some of the most difficult times in recent history. The provision, advice, guidance, and support has been integrated into the everyday experience for all pupils.

Congratulations must go to all staff and school leaders, across all areas, for driving and delivering the school agenda forward so effectively and to the pupils who demonstrated their appreciation of that, through high levels of attendance and their positive work ethic. Simply put: Outstanding'.

For Torfield School:

'The schools' response to the pandemic clearly demonstrated the vision and ethos of the school. Every appropriate measure to keep staff safe was taken alongside ensuring the all Torfield's vulnerable pupils were able to benefit from attending school. Leadership at every level in the school was proactive in ensuring that, where children did not attend, their families were supported to deliver remote learning and promote the welfare of their children.

Funding from the Hastings Opportunity Area allowed additional resources and additional staffing to be put in place promptly to support the recovery programmes'.

Behaviour and attitudes - External Advisor commentary and conclusion:

The provision of development and opportunities to support the pupils is outstanding. Learned behaviours from pre-school experience can be hard to change. The school is a calm learning environment. The school is tireless in providing opportunities and support for pupils and families to enable pupils to be the best that they can be.

Torfield is, from observation and evidence, an outstanding school that draws on its capacity and vision to support, help and educate pupils to be the best they can be both individually but equally as a part of the school community. It is an outstanding school, always seeking ways to improve the provision for pupils' staff and the community it serves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Personal Development - External Advisor commentary and conclusion:

This report presents an excellent sequence of developments and skills that will give pupils the best opportunity to be participants in the school, and, as time passes, in the wider community. Torfield pupils will be prepared to understand the changes and differences and, hopefully, participate positively and effectively to gain from them and contribute to them.

I'm confident that as time passes, the school will no doubt nudge and adjust the personal development programme. As it stands it has the potential to prepare pupils for now and, the future they begin to create for themselves.

The school have built in well thought through and effective structures, opportunities, and development programmes for this to be highly effective and reflects the "outstanding" capacity and provision at Torfield.

For both schools in the Trust:

'Throughout the recent 18 months or more of Covid, leadership capacity ... has been stretched towards what many would consider the limit. However there seems no limit in capacity to support and develop the creation of an environment where the teams in each school work exceptionally well together.

The reviews, and assessment of performance this year have continued to deliver opportunities to "observe, explore and discuss" with the executive headteacher and the headteachers.

As mentioned every year and worth restating that, shaped by the executive headteacher, there is a well-developed underpinning set of core values at both schools.

These values frame the interactions between all staff and pupils. There is a clear acknowledgement of an outstanding culture and the manifestation of this is clear to all visitors. Pupils have an excellent experience within the TASMAT Academy structure.

All staff are keen to develop and share, becoming more skilled and more able to be formative within the ever developing and improving provision. This persistence of both pupils and staff to be the best that they can be is the DNA of the TASMAT Academy.

Outcomes data for both schools is rigorously examined and reviewed. Over the years curriculum changes make it potentially easier to marginalise year on year changes and growth. However, the culture in the schools is predicated on the need to review outcomes in depth, securing comparisons with other similar schools and pupils. It provides the opportunity for the external advisor to categorically state the outcomes of progression and attainment at both schools are excellent. The curriculum offered is flexible enough to be personal and rigid enough to ensure that the core studies in numeracy and literacy continue to underpin progress in a wide range of subjects. At 16+ pupils are confident to take on further study and/or employment and only a small minority can be identified as NEET.

During the years of COVID I was able to report on the extensive efforts made by the schools across the Trust to continue their engagement with pupils; their provision of resources and support was outstanding, and the previous "End of Year" report detailed this. This year I conducted more detailed lesson observations and learning walks at both schools. These observations were completed in conjunction with the individual headteachers. This provided the opportunity to standardise judgements.

The reviews of teaching and learning provided clear evidence of the efforts made across the schools to ensure that the learning environment and the quality of teaching and learning are outstanding. In all schools, observations will, from time to time, identify the need for improvement. Torfield and Saxon Mount are no different in this. What makes the school provision so excellent is the shared mind-set of all staff to be the best they can be. A mind set shared by pupils and clearly a defining cultural ambition across the schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Senior staff have a duty to review provision and make judgements about where improvement and development is needed. In the Academy Trust, this information is used effectively to provide support and training when required. What was noticeable was that this is shared and valued by all staff. Everyone was "professionally tuned" to that agenda. Consequently, pupils were happy and exceptionally well supported in their learning.

Looking back at the provision through COVID the cultural and professional values across the Trust are shared and embedded into the "How we do it here".

Governors have every reason to be proud of the provision across the Trust.'

Craig Pamphilon, External Advisor, October 2022.

Key Performance Indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £3,186,095 (2021: £2,987,539), which is after transfers of £254,065 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The total number of pupils during the year ended 31 August 2022 were 252, which is an increase of 3 from the previous year. However, combined school commissioned places are 223 so there continues to be an increasing significant difference between actual occupation place numbers and commissioned places.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 77.0% (2021: 76.4%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 80.3% (2021: 84.5%).

b. Going concern

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

There is continued uncertainty on funding for High Needs places nationally and locally, including plans to open a number of additional special Free schools/special academies in the Local authority area which may impact upon future placements at Torfield and Saxon Mount in the short and medium term. Contingencies are held and planned for, in line with Trust policy, to enable such turbulence to be managed for a significant period to avoid negative impacts on pupils and staff and to support effective planning strategies to be put in place.

Cost increases due to the Covid pandemic, political and economic turbulence worldwide, increasing value pay awards and associated NI and pension reviews will also impact more heavily in all such Trusts as ours over time and with no certainty on increased central or local government funding for high needs settings. Trust contingencies are held to provide protection and sustainability of the service in future years and to enable continued spending on improving and maintaining the learning and activity environments.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

The potential impact of pay awards to be agreed from 1 April 2022 and 1 September 2022 is significant and with no guarantee of additional government funding, will have a very significant impact on sustainability of pay costs within a very short term. The Trust will review current and future spending plans and developments over the next 3 to 5 years alongside the requirement to maintain prudent contingencies.

Financial review

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants and other capital income) was £5,008,184 (2021: £5,008,056) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £4,555,563 (2021: £4,255,028), resulting in a net operating surplus for the year of £452,621 (2021: £753,300).

After transfers from reserves to fund capital expenditure in the year, the balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £3,186,095.

The Trust has received National Tutoring Programme funding and Covid recovery funding in the academic year 21/22, and has been used in accordance with the published guidelines for supporting the most vulnerable pupils in both schools. This has enabled the schools to offer funded targeted and specific support with both internal and external staff members to compliment the schools' own priority support as detailed within the School development plans. Funding for both grants is being continued in to the 22/23 academic year and initiatives and strategies will continue to develop and embed within school practices and learning opportunities.

The net book value of fixed assets at 31 August 2022 were £15,166,453. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme asset of £637,000 (2021: liability of £2,223,000), which arises from the surplus of assets over defined benefit obligations of the Local Government Pension Scheme ("LGPS") that is attributable to the academies within the Trust. Further details regarding the asset in the LGPS at 31 August 2022 and the basis on which this has been recognised in the financial statements are set out in note 26 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Headteachers, Executive Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management, Staff Financial handbook and Insurance.

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of operating reserves should be approximately a minimum of 5% of guaranteed income streams ie GAG, Place funding and Pupil Premium. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. It is understood that this contingency sum may be held either within the individual schools or within the Trust. This also provides for adequate timescales to undertake any staffing reviews and potential restructures should any income stream significantly reduce due to local or national funding reviews or strategy changes.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Reserves policy (continued)

Structural maintenance funds received from the Local Authority, specifically to maintain land and buildings, with unspent balances from each year contributing to a total reserve value for any major work required and not subject to a successful CIF bid, or to contribute to future CIF bids. This reserve may be held in revenue or capital funds.

Long term teacher absence/support staff self-insurance fund to the maximum of one full time teacher. This reserve is held as a working, diminishing budget as the year progresses and long term cover is required.

The Trust continues to hold additional surplus funds in as a Trust development working capital fund to support future MAT projects to enhance and improve knowledge and expertise in curriculum and operational development within the wider special school and mainstream community as required; and to enable effective succession planning and building leadership and management capacity in line with the longer term priorities and future needs of the Trust.

The Academy Trust's current level of operating reserves at 31 August 2022 is £3,186,095 (2021: £2,987,539) which is made up of restricted income reserves of £2,312,512 (2021: £2,114,633) and unrestricted funds of £873,583 (2021: £872,906).

The Trustees recognise that the total value of reserves at the year end exceeds the combined value of the individual items above. This is due to the future planning, development and protection during the current and future period of uncertainty regarding schools funding streams, and specifically funding for special schools via a High Needs funding formula and the Local Authority's specific high needs deficit funding issues and the impact of the planned opening of a number of proposed Free schools within the next 1 to 3 years in the Local Authority area. In addition the level of pay award % increases for all staff are significantly in excess of what has been planned as reasonable and affordable increases based on the recent historical trends. The anticipated awards place a significant risk on affordability in both next and all future years budget planning so unless additional government funding is received, this will seriously impact upon reserve levels whilst other actions to address in year shortfalls can be implemented.

The Trustees wish to maintain some protection to the Trust schools in the light of this uncertainty in income and in conjunction with increasing staff costs over the next 3 years, in order to provide stability of provision as necessary strategies are implemented. In addition to this, there are a number of extracurricular and attendance strategies taking place across the Trust schools, previously subject to funding support from the Hastings Opportunity area and fixed term Local Authority grants which was short term grants.

To date these initiatives are demonstrating significant social and academic benefits to pupils so are planned to be continued and developed further from the usual and guaranteed school income funding streams when not subject to additional grant funding. There are also a number of planned development and improvement building and transport projects at both schools carried forward from 2021/22 that will be funded from reserves carried forward from previous years. Delays in works were initially due to pandemic related delays in supplier material chains and appointment and visits of contractors and suppliers. Major projects are now moving into feasibility and planning stages with some expenditure in 21/22 but the majority in the year to 31.08.2023.

The value of the restricted fixed asset fund at 31 August 2022 is £15,166,453 (2021: £15,307,999), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has an asset balance at 31 August 2022 of £637,000, which represents the surplus in the LGPS at the balance sheet date. The effect of the LGPS asset is that Academy Trust is required to make reduced pension contributions over the next 3 year funding period with the effect being that the surplus is ultimately repaid over the next 20 year period. These reduced pension contributions will continue to be funded from the Trust's annual recurring income. In the event that the LGPS moves in an overall deficit position in the future, the Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

b. Investment policy

To ensure that investment risk is properly and prudently managed, Trustees will ensure that they:

- Act within their charity powers to invest;
- Consider the level of liquid cash required to be held either overnight or within current accounts;
- Approve the type of products that the Trust will invest in and seek external guidance if required; and
- Monitor and review investments and cash held on a regular basis.

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £1,000,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA and East Sussex County Council. In the year, approximately 99% of the Academy Trust's operating income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing cost pressures facing the sector.

Continuing increases in employment costs, including unfunded pay increases and pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs, including the significant impact of energy cost increases, will also continue to place significant pressure on the Academy Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every month, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Recruitment of suitably qualified staff has been a particular challenge this year with vacancies unfilled for prolonged periods and agency staff employed as interim measures. Whilst agency staff have been of excellent quality, the costs are high and the Trust schools have continued to undertake permanent recruitment to all vacant posts.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged CK Chartered Accountants and Business Auditors as to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

Cyber security

The RPA now include Cyber security cover as part of the insurance cover in the per pupil cost, provided Academy Trusts are compliant with the stated criteria in the Academies Handbook and the RPA cover policy. Cyber attacks are an increasing threat to all organisations and avoiding, mitigating and reducing risks and impact are required by Academies to fulfil the insurance cover criteria. The schools within the Trust are committed to undertaking an audit of their practice, process and use of electronic hardware and software for all staff and stakeholders, increasing awareness and communication to reduce both the threat and the impact of any attack.

Covid 19 continuing impact

The Trust schools maintained excellent pupil attendance throughout the period of Covid lockdowns and high infections and implemented effective strategies to continue pupils learning and experience in and out of school. This implementation included increasing the Trusts IT assets both with government provided hardware such as laptops and iPads and the school purchasing additional items. As learning and use of IT equipment has increased reliance on effective use of software and hardware both in school and remotely, there is an increased on going need to have a realistic replacement programme in place to ensure all hardware and networks ensure access for all.

Recruitment since the return from Covid has been difficult and advertising and recruitment costs have significantly increased in this year with vacancies requiring multiple advertising campaigns, use of agency staff and recruitment consultants.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2022.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The Academy Trust's plans for future periods are:

- To further develop and improve on the facilities and environments at both Trust schools to enhance pupils learning experiences and opportunities to achieve the best that they can. Particular focus is on development of external learning areas and additional buildings and spaces to provide high-quality and fit-for-purpose environments.
- To improve the life chances of all pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time.
- To continually strive to improve standards in every aspect of Trust provision including providing a curriculum giving every pupil the best chance of achieving qualifications and skills to them forward into the next phase of their life.
- To improve on future career opportunities by working with local, regional and national careers organisations, the local community and employers, and by providing work experience and information for pupils to assist them in making informed and effective choices for the next stage in their education or employment options.
- To ensure that our staff structure, recruitment and training programmes attract, retain and develop the highest quality staff and expertise to benefit the Trust schools and support Trust developments in the future.
- To implement and operate a wider range of extra- curricular after school and holiday clubs available for all pupils.
- To encourage all pupils to attend at least one extra curricular after school activity by offering transport home.
- To support and improve attendance of pupils not entitled to free home to school transport provided by the LA by offering a morning collection service and afternoon drop off service, where possible.
- To continue to follow government guidance to ensure the impact of past and any future lock downs due to Covid 19, have as minimal impact as possible on our pupils, either by continued attendance in school or home learning and support and to build on the success and infrastructure enabling effective home and remote learning.
- To continue to improve and invest in the IT infrastructure across the Trust schools to ensure access to appropriate and identified learning platforms are accessible and available to all pupils either by remote access or in school.

Funds held as custodian on behalf of others

The Academy Trust managed and held the funds for the Special Schools Education Improvement Partnership, on behalf of the Special Schools Alliance. Management of the funds sits with the Chair of the Partnership who is currently the Chief Executive Officer/Executive Headteacher of the Torfield and Saxon Mount Academy Trust. Funds are spent in accordance with the agreed strategies and activities of the partnership forum and reported to this group. Funds are held in a separate bank account from Trust funds.

The Academy Trust and its Trustees do not act as custodian Trustees for any other charity.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditors

In so far as the Trustees are aware:

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

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2022 and signed on its behalf by:


Jennifer Sutherland
Chair of Trustees

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls confirm 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 Torfield and Saxon Mount Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 3 times during the year ended 31 August 2022.

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

Trustee	Meetings attended	Out of a possible
Jennifer Sutherland	3	3
Ian Kingham (appointed 01 August 2022)	0	0
Sue Taylor	2	3
Jean Haigh	3	3
Sarah Fitzjohn-Scott	2	3
Jeremy Moss (appointed 01 August 2022)	0	0
Michael Clarke (resigned 31 July 2022)	3	3
Richard Preece	3	3

During the year ended 31 August 2022, the Board of Trustees reviewed the Academy Trust's governance structure in order to evaluate its impact and effectiveness, and this included undertaking a skills audit. While the Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust, one Trustee resigned at the end of the academic year which would have resulted in a gap in a specific lead governance role. A new Trustee has been appointed as the new Lead Trustee for that identified responsibility. A further Trustee has been appointed as a development and succession planning action and brings a range of skills across many aspects of governance to further add to the effective governance of the Academy Trust.

Although the Board of Trustees formally met less than six times during the year, they have maintained effective financial oversight and governance through the formal work and management account reporting from the CFO and the meetings undertaken by the Lead Director for Finance on 3 further occasions and prior to each full Board meeting. The notes of these meetings are provided to the full Board of Trustees along with the management accounts and notes at each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

The Board of Trustees also undertook a review of governance during the year, following the full external review undertaken the previous year. The review was underpinned by the Competency Framework for Governance published by the Department for Education and specifically considered strategic governance, leadership and direction as well as the impact and effectiveness of governance. The review in this year included full consideration of the action plan, identifying where actions have been completed, where progress has been achieved and where further action is required or partial success achieved. In addition to this the review this year focused particularly on succession planning and appointment of new Trustees.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

In addition, the full Board of Trustees also meet on 3 other occasions each year for training and for review purposes. Lead Trustees for the respective areas of Finance, Health and Safety and Safeguarding, and Development also meet with relevant senior leaders of the Trust prior to each Academy Advisory Board meeting or full Board of Trustees meeting as determined for each Lead Board member role within the Trust Governance handbook. The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness.

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees, and governors and employees of the Academy Trust and all Members, Trustees and senior leadership team employees are required to confirm they have read the Conflicts of Interest policy on annual basis.

In line with the policy, all Members, Trustees, governors and all employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Academy Trust's Governance Clerk, which is reviewed at the start of each Board of Trustee meeting and also provided to Academy Trust's finance team for monitoring in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

The Finance Oversight Board is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance and resources, of the Academy Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Michael Clark	3	3
Richard Preece	3	3
Jennifer Sutherland	3	3

The key issue(s) dealt with by the Finance Committee during the year are:

- The review of the Academy Trust's 3-year financial forecasts and the actions required to address the impact of increased cost pressures expected over this forecast period.
- Consideration of the individual academies surplus balances to fund large improvement and development projects. At Saxon Mount this is the building of a dedicated Sports Hall on an area of playing field not used as pitches. At Torfield this is a redevelopment of the school playing field areas to provide additional and improved accessible outdoor learning and physical activity opportunities.

Review of value for money

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

The Accounting Officer considers how the Academy 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.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Monitoring and reporting processes for ad hoc and locally generated income have been embedded and improved, including regular reporting to Headteachers to inform future requests for contributions to fund curriculum support activities. Mechanisms for collecting and monitoring parental contributions and pupil premium contributions to support initiatives have also resulted in a higher % of contributions being collected as payment by parents has been made simpler and more efficient. Improving use of the staff and parents payment software has also reduced cash handling particularly critical since the beginning of the Covid 19 management. Further developments in the use of bespoke cash-management software are being considered.
- The Trust has actively sought and implemented achieving economies of scale and shared use of resources through joint purchasing, contract management and human resource management, to enable optimum use of funds to deliver and improve the learning opportunities for the pupils in both schools. This also includes working in partnership with other schools and external organisations to support and achieve enhanced provision through sharing knowledge and expertise within the schools staff. This is particularly pertinent in including St Marys School in Trust contract negotiations and achieving better prices from all 3 schools under combined contract arrangements.
- The continued recruitment of a bank of school vehicle drivers to enhance transport provision for collecting and dropping off pupils not entitled to LA transport provision, to improve attendance and engagement with pupils and families. This provision has also been extended to pupils entitled to LA transport but for various reasons are unable to access this so the local authority pay the schools to undertake the transport for a small number of children. The schools within the Trust actively pursue the local authority where suitable transport arrangements are difficult and inclusion in existing school routes is both cost effective and beneficial to the families involved.
- The Trust has benefited from bidding for all available grants from the ESFA and local bodies to support Covid initiatives and other local initiatives, and been successful in obtaining the funds to deliver curriculum improvements, careers education resources and opportunities and holiday club provision.
- Where major projects are identified for all schools across both The Torfield and Saxon Mount Academy Trust (TaSMAT) and St Mary's School and College, supported by TaSMAT, shared use of a project management consultant and a larger project for tender, have resulted in improved pricing for works.
- The Covid pandemic and Brexit have seriously impacted on works and services by extending lead times on materials and purchase of equipment, particularly IT hardware and building materials, increasing prices and delaying the implementation of building works, maintenance repairs and curriculum developments. Wherever possible, purchase orders have been placed in good time to guarantee pricing and allow for delayed lead times.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Torfield and Saxon Mount Academy Trust for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees at termly meetings and regular discussions with the Chair of the Board or Trustees, Executive Headteacher and Lead Director for Finance.

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 regular monthly and termly financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Lead Director for Finance and Chair of the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from CK Chartered Accountants and Business Advisors. This option has been chosen as, given the current structure of the Academy Trust, the Board of Trustees believe this provides a robust and best value approach to providing assurance that the Academy Trust's financial and non-financial controls and risk management procedures are operating effectively.

The internal auditor's role includes offering advice and insight to the Board of Trustees on how to address weaknesses in financial and non-financial controls as well as evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed. The internal auditors have undertaken a focused review during the year and the scope of work included examining all aspects of payroll and HR recruitment and appointment processes and practices, to ascertain if any weaknesses or change of process could improve security and mitigate risks of errors in payroll and monitoring payments could be improved.

On an annual basis, the internal auditor reports to the Board of Trustees, 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.

The internal auditor has delivered their program of work during the year ended 31 August 2022 as planned and no significant internal control weaknesses were identified from the work completed. One low risk item was identified and a change in process immediately implemented.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

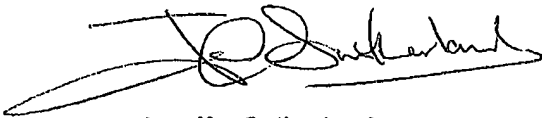
Review of effectiveness

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

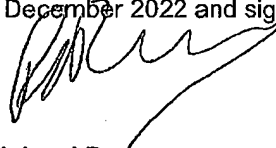
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool; and
- the work of the executive managers within the Academy Trust who have responsibility for the 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 Principle Finance Officer, Chair of the Board of Trustees and Lead Director for Finance and a plan to ensure continuous development and improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on their behalf by:



Jennifer Sutherland
Chair of Trustees



Richard Preece
Accounting Officer

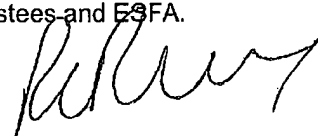
TORFIELD AND SAXON MOUNT ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Torfield and Saxon Mount Academy Trust I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Academy Trust, under the funding agreement in place 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 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 Academies Financial Handbook 2021.

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



Richard Preece
Accounting Officer

Date: 8 December 2022

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

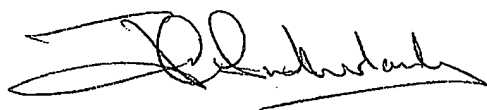
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on its behalf by:



Jennifer Sutherland
Chair of Trustees

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST**

Opinion

We have audited the financial statements of Torfield and Saxon Mount Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Our assessment focused on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

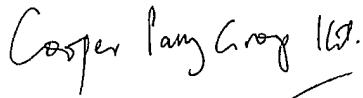
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORFIELD AND SAXON MOUNT ACADEMY TRUST (CONTINUED)**

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

14 December 2022

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TORFIELD
AND SAXON MOUNT ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Torfield and Saxon Mount Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions confirm to the authorities which govern them.

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

**Respective responsibilities of Torfield and Saxon Mount Academy Trust's accounting officer
and the reporting accountant**

The accounting officer is responsible, under the requirements of Torfield and Saxon Mount Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2014 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions confirm 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not confirm to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TORFIELD
AND SAXON MOUNT ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

relation to their Statement on Regularity, Propriety and Compliance; and

- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not confirm to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 14 December 2022

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	31,628	31,628	42,302
Other trading activities	5	5,820	-	-	5,820	10,711
Investments	6	3,409	-	-	3,409	1,670
Charitable activities		30,271	4,968,684	-	4,998,955	4,995,947
Total income		39,500	4,968,684	31,628	5,039,812	5,050,630
Expenditure on:						
Charitable activities	8	38,823	4,904,740	427,239	5,370,802	5,070,731
Total expenditure		38,823	4,904,740	427,239	5,370,802	5,070,731
Net income/(expenditure)		677	63,944	(395,611)	(330,990)	(20,101)
Transfers between funds	19	-	(254,065)	254,065	-	-
Net movement in funds before other recognised gains/(losses)		677	(190,121)	(141,546)	(330,990)	(20,101)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	3,248,000	-	3,248,000	(305,000)
Net movement in funds		677	3,057,879	(141,546)	2,917,010	(325,101)
Reconciliation of funds:						
Total funds brought forward	19	872,906	(108,367)	15,307,999	16,072,538	16,397,639
Total funds carried forward	19	873,583	2,949,512	15,166,453	18,989,548	16,072,538

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 58 form part of these financial statements.

TORFIELD AND SAXON MOUNT ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 09172115

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	15,166,453	15,307,999
		<u>15,166,453</u>	<u>15,307,999</u>
Current assets			
Debtors	16	156,947	250,038
Cash at bank and in hand		3,504,860	3,203,958
		<u>3,661,807</u>	<u>3,453,996</u>
Creditors: amounts falling due within one year	17	(475,712)	(466,457)
Net current assets		<u>3,186,095</u>	<u>2,987,539</u>
Total assets less current liabilities		<u>18,352,548</u>	<u>18,295,538</u>
Net assets excluding pension asset / liability		<u>18,352,548</u>	<u>18,295,538</u>
Defined benefit pension scheme asset / liability	26	637,000	(2,223,000)
Total net assets		<u><u>18,989,548</u></u>	<u><u>16,072,538</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	15,166,453	15,307,999
Restricted income funds	19	2,312,512	2,114,633
Pension reserve	19	637,000	(2,223,000)
Total restricted funds	19	<u>18,115,965</u>	<u>15,199,632</u>
Unrestricted income funds	19	873,583	872,906
Total funds		<u><u>18,989,548</u></u>	<u><u>16,072,538</u></u>

The financial statements on pages 31 to 58 were approved by the Trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:



Jennifer Sutherland
Chair of Trustees

The notes on pages 34 to 58 form part of these financial statements.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	552,011	683,766
Cash flows from investing activities	22	(251,109)	(308,059)
Change in cash and cash equivalents in the year		300,902	375,707
Cash and cash equivalents at the beginning of the year		3,203,958	2,828,251
Cash and cash equivalents at the end of the year	23, 24	<u>3,504,860</u>	<u>3,203,958</u>

The notes on pages 34 to 58 form part of these financial statements

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

1.3 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 Part 11, chapter 3 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.

1.4 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 Trustees.

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

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

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.5 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' 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.

1.6 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Tangible fixed assets

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

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

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

The estimated useful lives are as follows:

Leasehold land	- 125 years straight line
Long-term leasehold property	- 50 years straight line
Fixtures and fittings	- 10 years straight line
Plant and machinery	- 10 years straight line
Computer equipment	- 5 years straight line
Motor vehicles	- 10 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.9 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Debtors

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

1.11 Cash at bank and in hand

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

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.12 Liabilities and provisions

Liabilities and provisions 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 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.

1.13 Pensions

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Agency arrangements

The Academy Trust holds and manages the funds for the Special School Education Improvement Partnership, on behalf of the Special Schools Alliance. Payments received and subsequent disbursements to schools are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid during the year and balances held at the end of the year are disclosed in note 28.

TORFIELD AND SAXON MOUNT ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.15 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 bases are as follows:

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

The present value of the Local Government Pension Scheme defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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3. Income from donations and capital grants

	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	11,300	11,300	22,000
Capital Grants	20,328	20,328	20,302
Total 2022	<u>31,628</u>	<u>31,628</u>	<u>42,302</u>
Total 2021	<u>42,302</u>	<u>42,302</u>	

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4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational activities				
DfE/ESFA grants				
General Annual Grant	-	2,230,000	2,230,000	2,140,000
Other DfE/ESFA grants				
Pupil Premium	-	151,259	151,259	146,647
Other DfE/ESFA grants	-	54,762	54,762	34,680
	-	2,436,021	2,436,021	2,321,327
Other Government grants				
Local Authority SEN funding	-	1,893,490	1,893,490	1,962,953
Other Local Authority funding	-	348,670	348,670	339,806
	-	2,242,160	2,242,160	2,302,759
Other income from the Academy Trust's educational activities	30,271	216,954	247,225	288,731
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	58,080
COVID Recovery Premium	-	38,280	38,280	-
School Led Tutoring funding	-	35,269	35,269	-
	-	73,549	73,549	58,080
COVID-19 additional funding (non-DfE/ESFA)				
COVID Mass Testing grants	-	-	-	25,050
	-	-	-	25,050
Total Educational activities	30,271	4,968,684	4,998,955	4,995,947
Total 2022	30,271	4,968,684	4,998,955	4,995,947
Total 2021	16,059	4,979,888	4,995,947	

The Academy Trust received £38,280 of COVID recovery premium funding in the year and costs incurred in respect of this funding totalled £38,280.

The Academy Trust also received £50,760 of School Led Tutoring funding in the year and costs incurred in respect of this funding totalled £35,269. An amount of £15,491 is included in creditors as this is subject to clawback by the ESFA.

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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other Income	5,820	5,820	10,711
	<u>5,820</u>	<u>5,820</u>	
Total 2021	<u>10,711</u>	<u>10,711</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	3,409	3,409	1,670
	<u>3,409</u>	<u>3,409</u>	
Total 2021	<u>1,670</u>	<u>1,670</u>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational activities:					
Direct costs	2,159,862	-	63,142	2,223,004	2,642,203
Allocated support costs	1,851,800	348,747	947,251	3,147,798	2,428,528
	<u>4,011,662</u>	<u>348,747</u>	<u>1,010,393</u>	<u>5,370,802</u>	<u>5,070,731</u>
Total 2022	<u>4,011,662</u>	<u>348,747</u>	<u>1,010,393</u>	<u>5,370,802</u>	<u>5,070,731</u>
	<u>3,855,259</u>	<u>283,707</u>	<u>931,765</u>	<u>5,070,731</u>	
Total 2021	<u>3,855,259</u>	<u>283,707</u>	<u>931,765</u>	<u>5,070,731</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Educational activities	38,823	5,331,979	5,370,802	5,070,731
Total 2021	1,614	5,069,117	5,070,731	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	2,223,004	3,147,798	5,370,802	5,070,731
Total 2021	2,642,203	2,428,528	5,070,731	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
LGPS FRS102 net interest cost	35,000	26,000
Staff costs	1,851,800	1,255,145
Depreciation	426,382	530,703
Technology costs	89,316	72,528
Property costs	348,747	283,707
Other support costs	372,894	238,489
Governance costs	20,659	18,956
LGPS FRS102 administration cost	3,000	3,000
	3,147,798	2,428,528

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9. Analysis of expenditure by activities (continued)

Included in other support costs and governance costs are legal costs of £Nil (2021 - £2,363) relating to the transfer of existing schools into the Academy Trust and £1,225 (2021 - £825) relating to other matters.

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	4,044	4,341
Depreciation of tangible fixed assets	426,834	530,703
Loss on disposal of fixed assets	858	-
Fees paid to auditors for:		
- audit	10,700	8,500
- other services	6,550	7,460
	<u>10,700</u>	<u>8,500</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,653,270	2,695,340
Social security costs	255,288	248,481
Pension costs	910,990	820,457
	<u>3,819,548</u>	<u>3,764,278</u>
Agency staff costs	192,114	90,981
	<u>4,011,662</u>	<u>3,855,259</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	31	31
Administration and support	67	69
Management	8	8
	<u>106</u>	<u>108</u>

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	3	2
In the band £100,001 - £110,000	-	1
In the band £120,001 - £130,000	1	-

d. 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £470,783 (2021 - £451,220).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Central services

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

- Leadership support
- Finance support
- Information & technology support
- Site team support

The Academy Trust charges for these services on the following basis:

- central budgeted costs are allocated over the two Academies using pupil ratio.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Torfield School	263,310	216,640
Saxon Mount School	321,824	264,788
Total	<u>585,134</u>	<u>481,428</u>

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
Richard Preece	Remuneration	120,000 - 125,000	115,000 - 120,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year, no Trustees received any benefits in kind (2021 - £Nil). The Executive Headteacher received benefits in kind amounting to £1,616 in the current year (2021 - £1,354).

During the year ended 31 August 2021, expenses totaling £Nil (2021 - £27) were reimbursed to the Executive Headteacher for travel expenses incurred in operating the Academy Trust's activities.

During the year no Trustee's were reimbursed for travel expenses (2021 - £Nil).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance 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.

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FOR THE YEAR ENDED 31 AUGUST 2022**

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	16,619,103	1,129,933	384,087	245,342	18,378,465
Additions	83,473	136,420	66,252	-	286,145
Disposals	-	(3,989)	(22,550)	-	(26,539)
At 31 August 2022	16,702,576	1,262,364	427,789	245,342	18,638,071
Depreciation					
At 1 September 2021	2,099,331	527,264	347,784	96,087	3,070,466
Charge for the year	331,778	110,904	(37,295)	21,447	426,834
On disposals	-	(3,140)	(22,542)	-	(25,682)
At 31 August 2022	2,431,109	635,028	287,947	117,534	3,471,618
Net book value					
At 31 August 2022	14,271,467	627,336	139,842	127,808	15,166,453
At 31 August 2021	14,519,772	602,669	36,303	149,255	15,307,999

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	52,280	5,961
Other debtors	175	175
Prepayments and accrued income	79,641	204,472
Tax recoverable	24,851	39,430
	156,947	250,038

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17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	115,576	139,975
Other creditors	131,999	149,952
Accruals and deferred income	228,137	176,530
	<u>475,712</u>	<u>466,457</u>
	2022 £	2021 £
Deferred income at 1 September 2021	99,069	5,058
Resources deferred during the year	124,122	99,069
Amounts released from previous periods	(99,069)	(5,058)
	<u>124,122</u>	<u>99,069</u>

Deferred income relates to funding received in advance for Universal Infant Free School Meals, Teachers pay and Teacher pension grants, School trips and clubs that will be utilised during the year ending 31 August 2023.

18. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>3,504,860</u>	<u>3,203,958</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	872,906	39,500	(38,823)	-	-	873,583
Restricted general funds						
General Annual Grant (GAG)	2,104,133	2,230,000	(1,771,959)	(254,065)	-	2,308,109
Pupil Premium	-	151,259	(151,259)	-	-	-
Other DfE/ESFA grants	10,500	54,762	(65,262)	-	-	-
Local Authority SEN funding	-	1,893,490	(1,893,490)	-	-	-
Other Local Authority funding	-	348,670	(344,267)	-	-	4,403
COVID Recovery Premium	-	38,280	(38,280)	-	-	-
School Led Tutoring funding	-	35,269	(35,269)	-	-	-
Other income	-	216,954	(216,954)	-	-	-
Pension reserve	(2,223,000)	-	(388,000)	-	3,248,000	637,000
	(108,367)	4,968,684	(4,904,740)	(254,065)	3,248,000	2,949,512
Restricted fixed asset funds						
Tangible fixed assets	15,307,999	-	(427,239)	285,693	-	15,166,453
Capital grants and donations	-	31,628	-	(31,628)	-	-
	15,307,999	31,628	(427,239)	254,065	-	15,166,453
Total Restricted funds	15,199,632	5,000,312	(5,331,979)	-	3,248,000	18,115,965
Total funds	16,072,538	5,039,812	(5,370,802)	-	3,248,000	18,989,548

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with its Funding Agreement.

All ESFA / DfE grants, which include Pupil Premium grants, Universal Infant Free School Meal grants, PE sports grants, COVID catch-up premium, COVID recovery premium, School Led Tutoring funding and other ESFA/DfE grants are all used in accordance with the specific restrictions of the individual grants.

Other grants, which include Local Authority funding, other Government grants and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant was awarded.

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

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19. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	976,970	28,440	(1,614)	(130,890)	-	872,906
Restricted general funds						
General Annual Grant (GAG)	1,544,997	2,140,000	(1,424,026)	(156,838)	-	2,104,133
Pupil Premium	-	146,647	(146,647)	-	-	-
Other DfE/ESFA grants	-	34,680	(24,180)	-	-	10,500
Local Authority SEN funding	-	1,962,953	(1,962,953)	-	-	-
Other Local Authority funding	-	339,806	(339,806)	-	-	-
COVID Catch-up Premium	-	58,080	(58,080)	-	-	-
Other COVID funding	-	25,050	(25,050)	-	-	-
Other income	-	272,672	(272,672)	-	-	-
Pension reserve	(1,633,000)	-	(285,000)	-	(305,000)	(2,223,000)
	(88,003)	4,979,888	(4,538,414)	(156,838)	(305,000)	(108,367)
Restricted fixed asset funds						
Tangible fixed assets	15,508,672	-	(530,703)	330,030	-	15,307,999
Capital grants	-	42,302	-	(42,302)	-	-
	15,508,672	42,302	(530,703)	287,728	-	15,307,999
Total Restricted funds	15,420,669	5,022,190	(5,069,117)	130,890	(305,000)	15,199,632
Total funds	16,397,639	5,050,630	(5,070,731)	-	(305,000)	16,072,538

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Torfield School	1,138,945	1,192,490
Saxon Mount School	1,874,608	1,579,864
Central Services	172,542	215,185
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,186,095	2,987,539
Restricted fixed asset fund	15,166,453	15,307,999
Pension reserve	637,000	(2,223,000)
	<hr/>	<hr/>
Total	18,989,548	16,072,538
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Torfield School	805,406	557,519	16,934	307,649	1,687,508	1,628,592
Saxon Mount School	1,167,161	513,851	43,556	336,881	2,061,449	1,860,998
Central Services	187,295	430,430	2,652	187,086	807,463	765,258
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	2,159,862	1,501,800	63,142	831,616	4,556,420	4,254,848
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	15,166,453	15,166,453
Current assets	873,583	2,788,224	-	3,661,807
Creditors due within one year	-	(475,712)	-	(475,712)
Provisions for liabilities and charges	-	637,000	-	637,000
Total	<u>873,583</u>	<u>2,949,512</u>	<u>15,166,453</u>	<u>18,989,548</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	15,307,999	15,307,999
Current assets	872,906	2,581,090	-	3,453,996
Creditors due within one year	-	(466,457)	-	(466,457)
Provisions for liabilities and charges	-	(2,223,000)	-	(2,223,000)
Total	<u>872,906</u>	<u>(108,367)</u>	<u>15,307,999</u>	<u>16,072,538</u>

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21. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per statement of financial activities)	(330,990)	(20,101)
Adjustments for:		
Depreciation	426,834	530,703
Capital grants from DfE and other capital income	(31,628)	(20,302)
Interest receivable	(3,409)	(1,670)
Defined benefit pension scheme administration costs	3,000	3,000
Defined benefit pension scheme cost less contributions payable	350,000	256,000
Defined benefit pension scheme finance cost	35,000	26,000
Decrease in debtors	93,091	10,843
Decrease in creditors	9,255	(100,707)
(Gain)/Loss on sale of tangible fixed asset	858	-
Net cash provided by operating activities	552,011	683,766

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	3,409	1,670
Purchase of tangible fixed assets	(286,146)	(330,031)
Capital grants from DfE Group	20,328	20,302
Capital funding received from sponsors and others	11,300	-
Net cash used in investing activities	(251,109)	(308,059)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	3,504,860	3,203,958
Total cash and cash equivalents	3,504,860	3,203,958

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	3,203,958	300,902	3,504,860
	<u>3,203,958</u>	<u>300,902</u>	<u>3,504,860</u>

25. Members' liability

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

26. Pension commitments

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 East Sussex 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 31 March 2019.

Contributions amounting to £66,488 were payable to the schemes at 31 August 2022 (2021 - £40,088) 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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £344,537 (2021 - £333,584).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £286,000 (2021 - £308,000), of which employer's contributions totalled £213,000 (2021 - £233,000) and employees' contributions totalled £ 73,000 (2021 - £75,000). The agreed contribution rates for future years are 22.1 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	2.95	2.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65

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

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26. Pension commitments (continued)

	2022 Years	2021 Years
Retiring today		
Males	21.2	21.2
Females	23.8	23.7
Retiring in 20 years		
Males	22.1	22.0
Females	25.1	25.1

Sensitivity analysis

Change in the reported value of defined benefit obligations:

	2022 £000	2021 £000
Discount rate +0.1%	(100)	(163)
Discount rate -0.1%	100	167
Mortality assumption - 1 year increase	139	311
Mortality assumption - 1 year decrease	(135)	(298)
CPI rate +0.1%	95	150
CPI rate -0.1%	(93)	(147)
Salary increase rate +0.1%	8	14
Salary increase rate - 0.1%	(8)	(14)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	3,701,000	3,545,000
Corporate bonds	756,000	772,000
Property	439,000	343,000
Cash and other liquid assets	123,000	85,000
Total market value of assets	5,019,000	4,745,000

The actual return on scheme assets was £69,000 (2021 - £579,000).

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26. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(563,000)	(489,000)
Interest income	80,000	69,000
Interest cost	(115,000)	(95,000)
Total amount recognised in the Statement of financial activities	(598,000)	(515,000)

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

	2022 £	2021 £
At 1 September	6,968,000	5,575,000
Current service cost	563,000	489,000
Interest cost	115,000	95,000
Actuarial (gains)/losses	(3,259,000)	815,000
Benefits paid	(78,000)	(81,000)
Participants' contributions	73,000	75,000
At 31 August	4,382,000	6,968,000

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

	2022 £	2021 £
At 1 September	4,745,000	3,942,000
Interest income	80,000	69,000
Actuarial (losses)/gains	(11,000)	510,000
Employer contributions	213,000	233,000
Benefits paid	(78,000)	(81,000)
Employee contributions	73,000	75,000
Administration expenses	(3,000)	(3,000)
At 31 August	5,019,000	4,745,000

The LGPS has an asset balance at 31 August 2022 of £637,000, which represents the surplus in the LGPS at the balance sheet date. The effect of the LGPS asset is that Academy Trust is required to make reduced pension contributions over the next 3 year funding period with the effect being that the surplus is ultimately repaid over the next 20 year period. In line with the requirements of FRS 102, the Charities SORP (FRS 102)) and the Academies Accounts Direction 2021 to 2022 issued by ESFA, on the basis of these reduced contribution rates over the next 3 year period, the LGPS asset has been recognised in the financial statements.

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27. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	4,044	3,736
Later than 1 year and not later than 5 years	-	3,424
	<u>4,044</u>	<u>7,160</u>

28. Agency arrangements

The Academy Trust distributes Education Improvement Partnership funds to local schools as an agent for East Sussex County Council. In the year ended 31 August 2022, the Trust received £2,520 (2021 - £Nil) and disbursed £23,699 (2021 - £317) from the fund. An amount of £764 (2021 - £21,943) is included in other creditors relating to undistributed funds that will be carried forward and utilised on ongoing and new projects in the 2022/23 year.

29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the current and previous year:

Jean Haigh and Michael Clarke, who are Trustees of the Academy Trust, were also Trustees of The Talking Trust, which operates as St Mary's School and College, during the year. During the year ended 31 August 2022, the Academy Trust charged St Mary's School and College £143,305 (2021 - £136,523) for teaching and administrative support staff services provided to the School and £28,411 (2021 - £88,777) for other administrative costs and services. The Academy Trust also paid St Mary's School and College £2,835 (2021 - £210) for plant training services. At 31 August 2022, there was an amount of £17,990 (2021 - £5,675) owing to the Academy Trust by St Mary's School and College. In entering into this transaction, the Academy Trust has complied with the requirements of the Academy Trust Handbook 2021.

Richard Preece, the Chief Executive Officer, and Marion Booth, the Director of Finance, Resources and Strategy, are the Chair and Treasurer respectively of the Education Improvement Partnership (EIP), a collaboration of special schools in the East Sussex area. During year ended 31 August 2022, the Academy Trust received a payment of £4,159 (2021 - £Nil) from the EIP in relation to administration costs and management of the EIP. No balance was outstanding at the year end (2021 - £Nil).