

Company Registration Number: 11031096 (England & Wales)

THE CIRCLE TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023



THE CIRCLE TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Geoffrey Beedham
Jonathan Davis
Paul Jeffery
Aileen Feeney
Yun Tay

Trustees

Andrew Beckett, Chair of Trustees
Kevin Addington
Katherine Baker**
Julian Bushell*
Peter Collins*
David Day
Anne Haycocks
Kevin Magee***
Paul Miller*
Stuart Riley**
Lee Smith*
David Walker
Barbara Wojna**

- * Peter Collins stepped down as a Trustee on 6th March 2023, Paul Miller on 29th June 2023 and both Julian Bushell and Lee Smith on 31st July 2023
- ** Members appointed as additional Trustees Katherine Baker on 2nd February 2023, Stuart Riley on 18th April 2023 and Barbara Wojna on 1st August 2023
- *** Trustees co-opted Kevin Magee as an additional Trustee on 5th July 2023

Company registered number

11031096

Company name

The Circle Trust

Principal and registered office

St Crispin's School, London Road, Wokingham, Berkshire, RG40 1SS

Company secretary and governance professional

Rebecca Clarke

Senior leadership team

Ginny Rhodes, Chief Executive Officer
Alison Brown, Director of School Improvement
Debra Briault, Chief Operating Officer

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditor

James Cowper Kreston Audit, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Solicitors

Harrison Clark Rickerbys, Overcross House, Ross Park, Ross-on-Wye, HR9 7US

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trust, which was incorporated on 25th October 2017 and opened as a Trust on 1st February 2018, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The charitable company is known as The Circle Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

The Circle Trust operates 6 primary academies and 2 secondary academies in Wokingham, Berkshire and have a combined roll of 4,234 in the school census in October 2023.

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 Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Trust business and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the Department of Education's Risk Protection Arrangements (RPA) scheme.

d. Principle activities

The principle objective of the charitable company is to advance, for the public benefit, education. The vision statement of the Trust encapsulates this objective:

The Circle Trust believes that all children and young people deserve to have an excellent well-rounded education and to flourish in first-rate schools with the best teaching, the best facilities and the most up to date resources made available to them.

Our core values drive the Trust's behaviour, decision-making and ambitions:

- The highest educational outcomes for every learner is paramount;
- Preserving the unique identity and ethos of all partner schools is essential;
- To be anything but utterly inclusive is non-negotiable;
- Being self-reflective is essential in encouraging innovation, our Trust is always driven to improve further;
- We value strong clear moral purposed leadership;
- What we say is what we do, we recognise talent, foster expertise, believe well-being for all is fundamental;
- Our Trust promotes collaborating with others and being outward looking.

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FOR THE YEAR ENDED 31 AUGUST 2023

e. Method of Recruitment and Appointment or Election of Trustees

On 1st February 2018, the Members appointed the first Trustees.

The Trustees co-opted as additional Trustees David Walker (on 23rd October 2019) and Peter Collins (on 6th March 2020). Both their appointments were confirmed by Members at the Trust's Annual General Meeting on 26th March 2020.

At the Trust's Annual General Meeting on 25th March 2021, Members re-appointed Andrew Beckett, Paul Miller, Anne Haycocks and Kevin Addington for a further four years.

At the Trust's Annual General Meeting on 28th March 2022, Members confirmed the re-appointment of Julian Bushell, David Day and Lee Smith for a further four years.

During the financial year ended 31st August 2023, Members appointed as additional Trustees Katherine Baker (on 2nd February), Stuart Riley (on 17th April) and Barbara Wojna (on 1st August) and the Trustees co-opted as an additional Trustee Kevin Magee (on 5th July), so filling the vacancies arising from the resignations during the period of Julian Bushell, Lee Smith, Paul Miller and Peter Collins.

As at 31st August 2023, The Circle Trust had in accordance with its Articles of Association and Funding Agreement:

- 5 Members
- 9 Trustees

The Trust has a Local Advisory Board for each school in the Trust, including two parent elected Local Advisors, and so there are no parent Trustees.

The Trust Board has established a Nomination Committee to lead the process for the appointment of co-opted Trustees, support Members in identifying potential candidates to appoint as Trustees and ensure plans are in place for orderly succession to the Trust Board. The Committee is composed of a Member, three Trustees and a member from the Local Advisory Board of one of the schools in the Trust.

Trustees are recruited dependent upon their expertise, experience and skill and are appointed by Members or co-opted by the Trust Board for a four-year term and thereafter may be reappointed or co-opted for a further four-year term.

The make-up of the Trust Board includes experienced professionals, many of whom have a critical understanding of the operational and legal requirements of running a large business and the moral imperative to improve educational outcomes. Trustees have the highest level of expertise and experience in managing public money and directing to achieve the most sustainable, efficient and cost-effective provision and act with the utmost standards of integrity and stewardship.

f. Policies and Procedures Adopted for the Induction and Training of Trustees

An induction programme is in place for any new Trustee, which enables them to gain an understanding of the ethos, values and strategic direction of the Trust, as well as, setting out the responsibilities required of charity Trusteeship.

The training and induction provided for new Members or Trustees depends upon their existing experience. All Members and Trustees have access to policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their governance role.

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FOR THE YEAR ENDED 31 AUGUST 2023

There is an annual governance event organised each year by the Trust named "Squaring the Circle" which includes an update from the Chief Executive Officer to keep governance at all levels updated on relevant developments within the Trust impacting on their roles and responsibilities. All involved in governance are encouraged to undertake ongoing training and are members of the National Governance Association (NGA), receiving regular NGA updates, and have access to National College training and NGA Learning Link as well as other governance development opportunities via the Trust or external providers.

g. Organisational Structure

The Trustees are responsible for the strategic direction of the Trust, holding Executive Leaders to account and oversight of finance. To assist with this work and in respect to each school in the Trust, the Trustees meet in sub-committees (Core Offer & Growth, Human Resources, Educational Outcomes, Finance and Audit & Risk) which meet at least once each term with the Finance Committee meeting six times during the year. Each sub-committee has its own terms of reference detailing the responsibilities delegated to it. The full Trust Board generally meets once an academic term.

A Board of Local Advisors has been established in each individual school which is another sub-committee of the Trustees and has specific delegated responsibilities as set out in the Scheme of Delegation and the terms of reference set by Trustees. However, the Trustees retain the legal accountability for the operation and performance of all schools in the Trust and for any decisions taken under delegated authority. This governance structure seeks to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that each school nurtures the talents of its entire staff to support continual improvement and excellence.

Certain decisions are reserved to the full Trust Board, including the following:

- to consider any proposals for changes to the status or constitution of the Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair of the Trust Board; and
- to appoint the Chief Executive Officer
- to appoint the Company Secretary.

The Trustees have devolved the day-to-day management of the Trust to the Chief Executive Officer.

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

Arrangements for setting pay are in accordance with The Circle Trust's Pay Policy which is itself aligned to requirements as set out in the Academy Trust Handbook. The Trustees have established a separate Pay and Performance Committee with an independent external advisor for the purposes of setting and reviewing performance management objectives and performance related pay for the Chief Executive Officer.

i. Engagement with employees (including disabled persons)

Engagement with employees is chiefly via regular staff briefings and weekly bulletins highlighting current activities and any matters of concern. Employees are always consulted on any changes that will affect their interests and employment at The Circle Trust. Employees at all levels are encouraged to review the Trust annual report and the Annual report which are available on the Trust website.

The Circle Trust's Selection and Recruitment Policy and Health & Safety Policy provide information regarding applications for employment from disabled persons and induction of all staff including those who are disabled or become disabled. There is a specific induction process for Early Career Teachers (ECTs).

The overarching policy of the Trust is to develop staff to their maximum potential.

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FOR THE YEAR ENDED 31 AUGUST 2023

j. Engagement with suppliers, customers and others in a business relationship with the Academy

The Circle Trust aims to build and maintain positive, productive relationships with all stakeholders. Relationships with both suppliers and customers are in most cases longstanding.

There are many positive aspects to customer relationships where organisations using halls, gyms etc. also provide curriculum links and work with teaching colleagues with the aim of improving outcomes for all pupils. Supplier relationships are equally positive and support value for money purchasing across the Trust.

k. Trade union facility time

No employees were relevant union officials during the year.

l. Related Parties & other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust.

There are disclosed related party relationships in that the Chief Executive Officer is a Governor of Wellington College and the two secondary academies pay to participate in the State and Independent School Partnership programme a £500 contribution per school. One other Trustee was during the financial year a Deputy Headteacher at Wellington College. The Chief Executive Officer works periodically (but has not done so during this financial year) as a leadership consultant with the Partners in Excellence (PIXL) organisation. This organisation's membership is part of the school improvement core offer for schools in The Circle Trust.

There are formal Parent Teacher Associations associated with individual schools in The Circle Trust.

m. Risk management

The Trustees have implemented a robust system to assess risks that The Circle Trust faces, especially in the operational areas (such as health & safety) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees have a comprehensive risk management process to identify and monitor the risks faced by the Trust as set out in The Circle Trust's Risk Management Policy. The principle risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR, ICT and estates. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

An analysis of potential risk has been completed and strategies identified to control and manage risks to the Trust on a risk register.

The majority of risks identified on the risk register are low risks, as a result of:

- Policies and procedures put in place by Trustees to minimise risks, including budget management and forecasting procedures
- Procurement of adequate insurance cover
- Investing in staff training and continuing professional development

Principal risks identified in the risk review were:

Management and Delivery of Special Educational Needs is inadequate

- Risk of High Needs Income not matching special educational needs spend. Failure to meet the special educational needs for children and young people will negatively impact on their individual educational outcomes

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Failure to recruit and retain employees

- The deceptive calm during the pandemic has hidden the paucity of high quality and well qualified staff. There have not been enough teachers trained to satisfy the need especially as Secondary and Support Staff roles are increasingly hard to fill since the changing pattern of the work place means many roles can now be fulfilled from home which means child care duties are more easily managed. Where term time only contracts and school hours were very attractive this is no longer the case.

Safeguarding and health and safety compliance across all schools - As a Trust serving in excess of 4,000 children and young people our first priority is to ensure that they are safe from harm. All safeguarding activity is set out in The Circle Trust Safeguarding Policy as well as The Circle Trust Health and Safety Policy. Expert practitioners are employed to set common good practice and to audit compliance.

Objectives and activities

a. Objects and aims

The principal objects of The Circle 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 schools, offering a broad and balanced curriculum

b. Objectives, strategies and activities

The key priorities for this accounting period are contained in the annual Trust Improvement Plan. The main activities of the Trust for the period ended 31st August 2023 were as follows:

- Emmbrook Infant School and Emmbrook Junior School joined the Trust on 1st July 2023
- Launch of "The Full Circle" a whole Trust INSET day
- Deepening the school improvement and self-review work of "The Learning Curve".
- Launching the CPD strategy "The Virtuous Circle" creating the conditions and culture to implement evidence-informed professional development for staff
- Consolidating resource and capital planning processes and refining the reserves strategy to develop, support and deliver a strategic plan for long sustainability
- Launch of "The Full Circle" a whole Trust INSET day

c. Public benefit

The Trustees confirm that they have complied with the requirement 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 Circle Trust's aims and objectives and in planning its future activities.

The Circle Trust aims to advance for the public benefit education in the Wokingham and the surrounding area, offering a broad and balanced curriculum.

The Circle Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

Strategic report

Achievements and performance

The total number of pupils in the period ended 31 August 2023 was 4,123.

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FOR THE YEAR ENDED 31 AUGUST 2023

On 1st July 2023 Emmbrook Infant School and Emmbrook Junior School joined the Trust following a successful due diligence earlier in the period. The Circle Trust continues with its due diligence activities in line with the strategic plan.

The Circle 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.

Emmbrook Infant School	OFSTED rating:	Outstanding
Emmbrook Junior School	OFSTED rating:	Good
Nine Mile Ride Primary School	OFSTED rating:	Good
Shinfield Nursery and Infant School	OFSTED rating:	Good
St Crispin's School	OFSTED rating:	Good
The Emmbrook School	OFSTED rating:	Good
Wescott Infant School	OFSTED rating:	Outstanding
Westende Junior School	OFSTED rating:	Good

a. Key performance indicators

The Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, one of the main financial performance indicators is the level of reserves held at the balance sheet date and, in particular, the amount of restricted funding carried forward at the balance sheet date. At 31 August 2023, the balance of the Restricted Funds was £1,731,263 (2022: £1,025,254).

As the majority of the Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 4,123 which is an increase of 678 from the previous census. The average GAG funding per pupil was £4,459 for the period (2022: £4,833).

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs (excluding pension fund valuation adjustments) to GAG funding for the period was 99.3% (2022: 94.7%), while the percentage of staff costs to total costs was 75.0% (2022: 77.2%).

Income and Expenditure figures (excluding pension fund valuation adjustments and depreciation) for the Trust's educational operations:

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FOR THE YEAR ENDED 31 AUGUST 2023

2022/23	Trust	St Crispins	Emmbrook School
Income			
General Annual Grant (GAG)	-	(7,223,811)	(6,300,767)
Other DfE/ESFA Grants	(50,000)	(1,756,399)	(782,545)
Income towards Educational trips	-	(285,537)	(196,608)
Donations	-	(435)	(460)
Lettings, Catering and Other	(23,662)	(116,237)	(95,469)
	(73,662)	(9,382,419)	(7,375,848)
Expenditure			
Teaching and Educational support	263,919	5,668,940	5,061,750
Other Support Staff	268,479	776,124	656,589
Educational Supplies			
Educational Trip Expenditure	-	521,879	430,098
Other Expenditure	473,320	1,355,320	1,035,297
Central service	(915,708)	385,719	320,794
	90,010	8,707,982	7,504,528
Suplus/Deficit	16,349	(674,437)	128,680

2022/23	Nine Mile Ride	Shinfield	Wescott	Westende	Emmbrook Infant	Emmbrook Junior
Income						
General Annual Grant (GAG)	(1,557,298)	(1,169,225)	(777,356)	(1,110,576)	(156,585)	(195,112)
Other DfE/ESFA Grants	(247,633)	(481,170)	(550,332)	(520,491)	(66,815)	(9,222)
Income towards Educational trips	(92,645)	(12,627)	(1,358)	(114,323)	(1,104)	(777)
Donations	(11,866)	(18,865)	(5,910)	(16,514)	(105,052)	(197,889)
Lettings, Catering and Other	(32,238)	(36,114)	(7,533)	(17,965)	(1,689)	(175)
	(1,941,680)	(1,718,000)	(1,342,489)	(1,779,869)	(331,245)	(403,175)
Expenditure						
Teaching and Educational support	1,382,918	1,310,521	763,745	1,170,485	183,490	181,793
Other Support Staff	139,411	127,895	76,620	174,563	22,875	20,280
Educational Supplies						
Educational Trip Expenditure	29,271	11,625	42,486	54,697	1,246	20,304
Other Expenditure	311,094	249,071	159,019	219,094	27,427	65,600
Central service	65,979	56,736	28,506	43,700	6,174	8,100
	1,928,674	1,755,848	1,070,375	1,662,539	241,213	296,078
Suplus/Deficit	(13,006)	37,848	(272,113)	(117,330)	(90,031)	(107,097)

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FOR THE YEAR ENDED 31 AUGUST 2023

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 Accounting Policies note of the financial statements.

c. Promoting the success of the company

In this financial year the Trust has redesigned its Annual report to be in an accessible format for a range of stakeholders. The report highlights the successes of the year as well as signposting the future strategic direction of the Trust.

d. Strategic review

The Trust has continued to work on the priorities set out in the strategic plan approved by the Board of Trustees. The Trust faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section. The Trust uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the Trust to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Trust seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

Financial review

The majority of the Trust's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2023 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2023 incoming recurrent grant funding from the DfE, together with other resources (excluding asset revaluations post conversion from the Local Authority) were £31,743,532 (2022: £21,087,324). The total Trust expenditure for the year was £24,326,784 (2022: £22,164,684). The expenditure total included £1,069,525 (2022: £1,957,171) of non-cash items (depreciation and pension valuation).

The net book value of fixed assets at 31 August 2023 were £43,423,354 (2022: £36,659,471), which includes depreciation charges for the period of £725,525 (2022: £628,172).

As with all Trusts, The Circle Trust has a pension liability arising from obligations to the Local Government Pension scheme.

The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

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TRUSTEES' REPORT (CONTINUED)
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The balance of total funds held at 31 August 2023 were £45,604,905 (2022: £37,273,157) which comprised of the following:

Restricted Funds	£1,731,263
Restricted Fixed Asset Fund	£44,184,501
Unrestricted Funds	£1,500,141
Total	£47,415,905
Pension Liability	£1,811,000

The key financial policies reviewed and adopted during the period included the Finance Policy, which lays out the framework for the Trust's financial management, including financial responsibilities of the Board of Trustees, Executive Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and approved during the period included Risk Management, Bank Reconciliation, Investment, Gifts, Governance Allowances, Anti-Fraud, Charging and Remissions, Lettings, and Whistleblowing.

a. Reserves policy

The Trustees review the reserve levels of the 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 Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees regularly review the level of free cash reserves. Reserves are necessary 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.

The Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £3,231,404.

The current level of reserves is in line with our target level of free cash reserves. Appropriate steps are being taken to continue to increase the level of free cash reserves.

b. Investment policy

The Trust's investment policy details how any funds surplus to immediate requirements should be invested to optimal effect with the objective of ensuring maximum return on assets invested but with minimal risk.

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

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 93% of the Trust's incoming resources (excluding the revaluation of Land and Buildings) was ultimately Government funded and 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.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the 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.

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Reputational

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

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.

Staffing

The success of the Trust is reliant on the talent 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.

Fraud and mismanagement of funds

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

The Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Estates Management

The Trust continues to ensure the buildings are safe, well maintained and compliant with all relevant legislation with regards the Health & Safety. A recent audit found the expected key controls and systems were in place and operating effectively. Surveys in year have confirmed all of the Trust's buildings to be clear of Reinforced Autoclaved Aerated Concrete (RAAC). Regular reviews are carried out on all buildings to check condition and safety. Our capital programme ensures all urgent estates issues are dealt with promptly to minimise risk. As a Trust we use the Good Estate Management for Schools guide to support our running of the Trust estate. Additional support and guidance is obtained from trusted partners who help to monitor condition and provide project management support.

a. Financial and Risk Management Objectives and Policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The Risk Register and Risk Management Plan are pro-actively reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Trustees have ensured the Trust has adequate insurance cover.

Whilst most schools in the Trust are currently oversubscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets continue to be a challenge in coming years.

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

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FOR THE YEAR ENDED 31 AUGUST 2023

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

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Trust. However, as the Trustees consider the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

All schools in The Circle Trust enjoy vibrant Parent Teacher or Parent Associations whose core purpose is to raise funds for the benefit of children and young people. All associated fundraising conforms to recognised standards and no complaints have been received in respect of this work.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023:

Energy consumption used to calculate emissions (kWh) – 4,194,317

Energy consumption break down (kWh) (optional)

- gas, 3,038,475
- electricity, 1,146,205
- transport fuel 9,079

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	555.74
Owned transport – mini-buses	2.16
Total scope 1	557.90

Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	237.35
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee owned vehicles	0
Total gross emissions in metric tonnes CO ₂ e	795.25
Intensity ratio Tonnes CO ₂ e per pupil	0.1952

Quantification and Reporting Methodology:-

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The intensity measure we are using as a Trust assessed the Tonnes of CO₂e emitted per pupil and in our accounts for 2020-2021 the intensity ratio was t 0.33, for 2021-22 t 0.26.

Measures taken to improve energy efficiency

We have installed data loggers across school sites to improve our understanding of energy consumption.

We are installing further PV panels on the roofs of the Trust's academies with the aim of reducing grid energy consumption.

We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our carbon footprint.

THE CIRCLE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Trust's plans for future periods are:

1. The Circle Trust will grow to 10,000+ children and young people. The Trust will continue to welcome schools that can demonstrate that they understand and either already share or can commit to adopting our essential values and approach to education and our way of working which will always be transparent, inclusive and collaborative. The Circle Trust Growth Plan will be delivered in a sustainable way, rooted in our vision and values: balancing schools that add capacity to the Trust with schools that, when they join, need more support; and considering how each potential new school would contribute to improving the educational outcomes for all children and young people across our Trust.
2. The Circle Trust will always be a responsible and trustworthy employer who holds in the highest regard the contribution of all and will thrive with the right people (talent) doing the right job (effective) at the right time (efficient).
3. Members/Trustees will have the skills and ability to oversee this stage of The Circle Trust's strategic growth plan, ensuring a culture for equality and diversity in order to thrive and will set the highest example of inclusion.
4. Trustees will ensure that the Scheme of Delegation is always accessible and useable and demonstrates The Circle Trust's commitment to building and developing openness and transparency and be attentive to risk of bias.

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as Custodian Trustees of any other charity.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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


Andrew Beckett 12 Dec 2023 13:16:44 GMT (UTC +0)

.....
Andrew Beckett
Chair of Trustees
Date: 12 December 2023

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Circle 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 Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Circle Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees, including all Committees, 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Andrew Beckett, Chair of Trustees	6	6
Paul Miller, Vice Chair of Trustees	5	5
Kevin Addington	5	6
Katherine Baker	3	4
Julian Bushell	5	6
David Day	5	6
Anne Haycocks	6	6
Kevin Magee	0	0
Stuart Riley	2	3
Lee Smith	4	6
David Walker	4	6
Barbara Wojna	0	0
Peter Collins	0	1

In the interests of efficient and effective governance, a substantive proportion of the governance role of the Trust Board has been delegated to and is carried out by the Committees the Board has established in accordance with the published Scheme of Delegation and the relevant Committee Terms of Reference.

The number of meetings held and attendance at those meetings over the period by the Finance Committee are set out below.

For the other Committees, the number of meetings held and attendance at meetings over the period are published, in the case of the Committees made up of Trustees, on the Trust website and, in the case of the Local Advisory Boards, on the relevant school website.

The Trust Board retains a keen and robust oversight of the Committees' work via meeting minutes, reports to the Trust Board from both Committee Chairs (including Local Advisory Boards) and Trustees linked to schools and regular briefings between Chairs of Local Advisory Boards, the Chair of Trustees and the Executive Headteacher.

THE CIRCLE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees on all matters related to finance, resources (including IT), premises of the Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Trust and of public funds.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Paul Miller (Chair)	6	6
Kevin Addington	6	6
Andrew Beckett	6	6
David Day	6	6
Stuart Riley	2	2
Lee Smith	6	6

Governance reviews

During the Spring Term 2022 an independent external review of the Trust's governance arrangements and procedures was conducted, commissioned by the Trust Board, with a particular focus on school improvement to provide support for the Trust's strategic planning.

The review encompassed:

- a series of one to one discussions with the Chairs of the Trust Board and each of its Committees (including Local Advisory Boards), the Trust executive team, Headteachers and the Company Secretary
- separate group discussions with Members, Trustees (who are not Committee chairs), Advisors from each Local Advisory Board and all clerks to Local Advisory Boards
- observation of meetings of the Trust Board and its Committees (including Local Advisory Boards) and the Annual General Meeting
- a review of key governance documentation
- a survey of Trustees, Local Advisors, the Trust executive team and Headteachers.

The final report was presented to the Trust Board in June 2022. The report commended the Trust Board on effective governance practice with a number of specific strengths highlighted and set out a number of recommendations for refinement to consolidate and prepare the governance structure for the next phase of growth. During the course of this financial year, the Trust has worked to implement the recommendations of the report, with a particular focus on the Trust governance structure and avoiding duplication and overlap.

During Summer Term 2023, the Trust Board carried out a self-review to identify areas for governance development and strategic focus.

All Members and Trustees are selected via a skills matrix and interview process to ensure experience and capacity in the following areas: Education/HR/Legal/Finance and Community

Annually, including this audit period, the Chair of Trustees holds a skills audit for governance at all levels. Annual review of skills not only analyses the breadth of skill but also the depth of skill and as such is used as a basis of recruitment of new governance.

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The importance of induction to governance in The Circle Trust is well understood and procedures set out, widely agreed and followed including:

- The Circle Trust's role of a Member, Trustee or Local Advisor
- The Circle Trust's Code of Conduct for Members, Trustees and Local Advisors
- Induction booklet for all new Members and Trustees
- Induction booklet for all new Local Advisors

The method of election for Local Advisor role (parent/carer or staff) is set out and followed.

The Circle Trust expects Members, Trustees and Local Advisory Boards to work within the seven principles of public life (Nolan) and for all groups to contribute to the core purpose of the Trust in accordance with the Trust vision and core values. All governance groups will ensure compliance with the Trust Scheme of Delegation, Terms of Reference and the law. They will always act in children and young people's best interests and manage all resources responsibly and with integrity. They will act with care and skill and ensure The Circle Trust is accountable by asking challenging and robust questions.

Trustees have:

Clarity of purpose – establishing a clear vision as to the purpose of The Circle Trust and how its aims will be achieved

Effective procedures – putting in place and regularly reviewing, appropriate, relevant and proportionate policies and procedures to ensure decisions are made legally, ethically and in the best interests of the organisation

Recruiting the right people for the right role – Trustees manage talent and ensure they attract and retain the right mix of skills, experience, competencies and diversity around the table to make the best decisions.

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Trust considers how value for money can be improved including benchmarking data where available. Focus on how the Trust supports improving the educational outcomes for children and young people, procurement of goods or services and effective deployment of staffing ensures Trustees acknowledge their overall responsibility. Additionally, it ensures an effective appropriate system of control, such a system manages rather than eliminates the risk of failure to achieve objectives and provides reasonable and not absolute assurance against risk.

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

The Accounting Officer has applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the Trust
- The targeting of resources to best improve standards and raise attainment.

The use of resources to best support the educational needs of all its students.

- Improving educational outcomes for our students through supporting a holistic education approach, which combines academic rigour and pastoral support.
- Promoting inclusion for all our students regardless of background, prior ability or additional needs.
- Providing engaging and challenging curriculums designed to meet the varying needs of individual students.
- Ensuring progression through a range of strategies including small group and individual work both within a classroom environment and outside the school to include a range of targeted interventions designed to meet need as benefits the bespoke nature of the educational offer.

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- The development of personalised interventions for identified students, to include literacy, numeracy and social skills development, to engage and motivate them to achieve.
- Assurance of focussed and targeted monitoring and tracking of student progress to anticipate and intervene where there is a risk of underachievement and challenge in order to accelerate learning.
- Commitment to a structured approach to Continued Professional Development (CPD) for Leaders so that students' experience, and are able to take advantage of, the best possible teaching and learning offer.

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

- Educational outcomes have been sustained and improved with the same resource through the curriculum being delivered in different ways to reduce costs.

The Accounting Officer considers how the Trust use of its capital funding has provided not only good value for money but assurance that the Trust's schools are safe, well maintained and compliant with relevant legislation. During each academic year reports to the Board of Trustees demonstrate how capital funds have been used and plan to be used for a wide range of estates projects. The Accounting Officer for the Trust has, during the year:

- Implemented an improved Capital Programme prioritising safety and ensuring compliance
- An external audit of internal procedures to ensure management of the estates ensures pupils, staff and visitors are safe

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 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 The Circle Trust for the period ended 31st August 2023 and up to the date of approval of the annual report and financial statements.

Conflicts of interest

The Circle Trust operates a Register of Interests Policy which is approved, and its implementation monitored, by the Audit and Risk Committee. As part of that policy, the Trust subscribes to the Charity Commission guidance regarding conflicts of interest.

All Members, Trustees, Local Advisors and Senior Employees of the Trust (which includes the Chief Executive Officer, Chief Operating Officer, Director of School Improvement and headteachers of schools in the Trust) complete and submit annually and on any change a declaration of pecuniary and non-pecuniary interests in a form prescribed by the Trust. All declarations are recorded either in the Register of Interests for the Trust maintained by the Company Secretary or the Register of Interests for the relevant Local Advisory Board maintained by the Clerk. In addition, declaration of interests is a standing agenda item at the start of each meeting of the Trust Board and its Committees (including Local Advisory Boards).

All Registers are published and available to view by Trustees, Local Advisors and the Trust and school leadership teams and are reviewed annually.

The Registers are consulted before a contract or order is placed by the Trust.

THE CIRCLE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

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

The Trustees have considered the need for a specific internal audit function and has decided to appoint an external internal reviewer.

The reviewer's role includes giving advice on financial and other operational matters, including during this financial year safeguarding and health and safety, and performing a range of appropriate checks. The internal reviewer's reports have been submitted to and considered by the Audit and Risk Committee, with no issues identified to highlight to the Board of Trustees.

The internal reviewer has delivered their schedule of work as planned.

Review of effectiveness

As accounting officer, the Chief Executive Officer 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 reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy 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 Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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


Andrew Beckett 12 Dec 2023 13:16:44 GMT (UTC +0)
.....
Andrew Beckett
Chair of Trustees
Date: 12 December 2023


Ginny Rhodes 12 Dec 2023 09:38:27 GMT (UTC +0)
.....
Ginny Rhodes
Accounting Officer
Date: 12 December 2023

THE CIRCLE TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

G Rhodes

Ginny Rhodes 12 Dec 2023 09:38:27 GMT (UTC +0)

.....
Ginny Rhodes

Accounting Officer

Date: 12 December 2023

THE CIRCLE TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 Academies 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 . 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 2022 to 2023;
- make judgments 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 conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 and signed on its behalf by:



Andrew Beckett 12 Dec 2023 13:16:44 GMT (UTC +0)

.....
Andrew Beckett

Chair of Trustees

Date: 12 December 2023

THE CIRCLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CIRCLE TRUST

Opinion

We have audited the financial statements of The Circle Trust (the 'academy') for the year ended 31 August 2023 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 2022 to 2023 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's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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'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.

THE CIRCLE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CIRCLE TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's 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 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 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'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 or to cease operations, or have no realistic alternative but to do so.

THE CIRCLE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CIRCLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of 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 evidence of bias.

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

THE CIRCLE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CIRCLE TRUST (CONTINUED)**

Use of our report

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



Darren O'Connor BSc (Hons) FCCA ACA (Senior Statutory Auditor)
for and on behalf of
James Cowper Kreston Audit
Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 15 December 2023

THE CIRCLE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CIRCLE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Circle Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Circle Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Circle Trust's funding agreement with the Secretary of State for Education dated 25 January 2018 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the 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's income and expenditure.

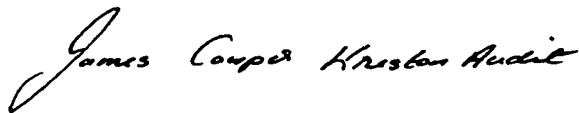
Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the governors to assess the internal controls throughout the year.

THE CIRCLE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CIRCLE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston Audit
Chartered Accountants
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 15 December 2023

THE CIRCLE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and capital grants 3	54,050	127,941	7,620,134	7,802,125	764,029
Other trading activities 5	318,155	-	-	318,155	343,746
Investments 6	12,925	-	-	12,925	845
Charitable activities 4	-	23,610,327	-	23,610,327	19,978,704
Total income	385,130	23,738,268	7,620,134	31,743,532	21,087,324
Expenditure on:					
Charitable activities 7	-	23,601,259	725,525	24,326,784	22,164,684
Total expenditure	-	23,601,259	725,525	24,326,784	22,164,684
Net movement in funds before other recognised gains/(losses)	385,130	137,009	6,894,609	7,416,748	(1,077,360)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes 25	-	915,000	-	915,000	7,950,000
Net movement in funds	385,130	1,052,009	6,894,609	8,331,748	6,872,640
Reconciliation of funds:					
Total funds brought forward as previously stated	1,115,011	(1,131,746)	37,289,892	37,273,157	29,162,308
Prior year adjustment	-	-	-	-	1,238,209
Total funds brought forward as restated	1,115,011	(1,131,746)	37,289,892	37,273,157	30,400,517
Net movement in funds	385,130	1,052,009	6,894,609	8,331,748	6,872,640
Total funds carried forward	1,500,141	(79,737)	44,184,501	45,604,905	37,273,157

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

The notes on pages 32 to 60 form part of these financial statements.

THE CIRCLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11031096

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	43,423,354	36,659,471
		<u>43,423,354</u>	<u>36,659,471</u>
Current assets			
Debtors	15	832,488	715,808
Cash at bank and in hand		5,656,827	4,009,021
		<u>6,489,315</u>	<u>4,724,829</u>
Creditors: amounts falling due within one year	16	(2,496,764)	(1,954,143)
Net current assets		<u>3,992,551</u>	<u>2,770,686</u>
Total assets less current liabilities		<u>47,415,905</u>	<u>39,430,157</u>
Net assets excluding pension liability		<u>47,415,905</u>	<u>39,430,157</u>
Defined benefit pension scheme liability	25	(1,811,000)	(2,157,000)
Total net assets		<u><u>45,604,905</u></u>	<u><u>37,273,157</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	44,184,501	37,289,892
Restricted income funds	17	1,731,263	1,025,254
		<u>45,915,764</u>	<u>38,315,146</u>
Restricted funds excluding pension liability	17	45,915,764	38,315,146
Pension reserve	17	(1,811,000)	(2,157,000)
Total restricted funds	17	<u>44,104,764</u>	<u>36,158,146</u>
Unrestricted income funds	17	<u>1,500,141</u>	<u>1,115,011</u>
Total funds		<u><u>45,604,905</u></u>	<u><u>37,273,157</u></u>

THE CIRCLE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11031096

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 28 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Andrew Beckett 12 Dec 2023 13:16:44 GMT (UTC +0)

.....
Andrew Beckett
Chair of Trustees
Date: 12 December 2023

The notes on pages 32 to 60 form part of these financial statements.

THE CIRCLE TRUST
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	19	2,424,289	1,718,058
Cash flows from investing activities	21	(789,408)	(871,172)
Cash flows from financing activities	20	12,925	845
Change in cash and cash equivalents in the year		1,647,806	847,731
Cash and cash equivalents at the beginning of the year		4,009,021	3,161,290
Cash and cash equivalents at the end of the year	22, 23	<u>5,656,827</u>	<u>4,009,021</u>

The notes on pages 32 to 60 form part of these financial statements

THE CIRCLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, 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 2022 to 2023 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 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 Income

All incoming resources are recognised when the Academy 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 has provided the goods or services.

THE CIRCLE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

- **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 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. The basis of the Central staff cost allocation has been detailed in note 11.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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 CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years (2% pa)
Long-term leasehold land	- 125 years (0.8%)
Furniture, fittings and equipment	- 5 years (20% pa)
Computer hardware	- 3 years (33.3% pa)
Assets under construction	- Nil

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.

1.6 Operating leases

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

1.7 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.

1.8 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.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.10 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

THE CIRCLE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Taxation

The Academy 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 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.

1.12 Pensions

Retirement benefits to employees of the Academy 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 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 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.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not recognise the 5% administration allowance within the statement of financial activity allowable under the grant terms.

THE CIRCLE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Fund accounting

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Tangible fixed assets are depreciated over their 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. Residual value assessments consider issues such as the remaining Tangible fixed assets life of the asset and projected disposal values.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	54,050	-	-	54,050	96,001
Capital grants	-	-	882,654	882,654	668,028
Start-up grants	-	50,000	-	50,000	-
Transfer from local authority on conversion	-	77,941	6,737,480	6,815,421	-
	<u>54,050</u>	<u>127,941</u>	<u>7,620,134</u>	<u>7,802,125</u>	<u>764,029</u>
Total 2022	<u>96,001</u>	<u>-</u>	<u>668,028</u>	<u>764,029</u>	

The details of the Transfer from local authority on conversion are shown within note 30.

THE CIRCLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants			
General annual grant (GAG)	18,384,794	18,384,794	16,690,078
Other DfE/ESFA grants			
Pupil premium	401,029	401,029	380,771
Rates relief	105,937	105,937	133,213
Other DfE/ESFA grants	205,308	205,308	563,939
MSAG and Supplementary grant	717,604	717,604	-
PE Sports grant	72,180	72,180	72,260
UIFSM	217,275	217,275	204,367
Growth fund	692,155	692,155	-
	<u>20,796,282</u>	<u>20,796,282</u>	<u>18,044,628</u>
Other Government grants			
Local authority income	2,109,066	2,109,066	1,356,973
	<u>2,109,066</u>	<u>2,109,066</u>	<u>1,356,973</u>
COVID-19 additional funding (DfE/ESFA)			
Covid mass testing	-	-	37,708
	<u>-</u>	<u>-</u>	<u>37,708</u>
Other income from educational operations			
Income for educational trips	704,979	704,979	539,395
	<u>704,979</u>	<u>704,979</u>	<u>539,395</u>
	<u>23,610,327</u>	<u>23,610,327</u>	<u>19,978,704</u>
	<u>23,610,327</u>	<u>23,610,327</u>	<u>19,978,704</u>
Total 2022	<u>19,978,704</u>	<u>19,978,704</u>	

THE CIRCLE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental and lettings income	186,607	186,607	181,046
Catering income	-	-	3,878
Other income	131,548	131,548	158,822
	<u>318,155</u>	<u>318,155</u>	<u>343,746</u>
Total 2022	<u>343,746</u>	<u>343,746</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	12,925	12,925	845
	<u>845</u>	<u>845</u>	
Total 2022	<u>845</u>	<u>845</u>	

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational operations:					
Direct costs	12,813,193	-	2,166,632	14,979,825	14,076,977
Allocated support costs	5,706,207	2,596,559	1,044,193	9,346,959	8,087,707
	<u>18,519,400</u>	<u>2,596,559</u>	<u>3,210,825</u>	<u>24,326,784</u>	<u>22,164,684</u>
Total 2022	<u>17,101,531</u>	<u>2,199,306</u>	<u>2,863,847</u>	<u>22,164,684</u>	

THE CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Total costs	14,979,825	9,346,959	24,326,784	22,164,684
Total 2022	14,076,977	8,087,707	22,164,684	

Analysis of direct costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance cost	75,000	75,000	136,000
Staff costs	12,813,193	12,813,193	12,203,780
Educational supplies	823,285	823,285	786,531
Examination fees	254,870	254,870	192,586
Trips	735,902	735,902	455,903
Catering	227,809	227,809	241,939
Other direct costs	49,766	49,766	60,238
	14,979,825	14,979,825	14,076,977
Total 2022	14,076,977	14,076,977	

THE CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	5,706,207	5,706,207	4,897,751
Depreciation	725,525	725,525	628,171
Recruitment and support	30,363	30,363	16,258
Governance costs	539,748	539,748	397,262
Postage and printing	67,801	67,801	42,083
IT costs	293,368	293,368	241,593
Maintenance of premises and equipment	589,112	589,112	737,292
Cleaning	488,055	488,055	403,118
Rent and rates	105,937	105,937	134,775
Insurance	78,662	78,662	71,678
Gas and electricity	564,868	564,868	350,958
Water	47,979	47,979	34,685
Other support costs	109,334	109,334	132,083
Total 2023	9,346,959	9,346,959	8,087,707
Total 2022	8,087,707	8,087,707	

9. Net (income)/expenditure

Net (income)/expenditure for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	725,525	628,171
Fees paid to auditor for:		
- audit	19,675	15,240
- other services	3,725	2,795

THE CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	13,617,579	11,822,711
Social security costs	1,341,466	1,151,785
Pension costs	3,337,624	3,941,811
	<u>18,296,669</u>	<u>16,916,307</u>
Agency staff costs	222,731	185,224
	<u>18,519,400</u>	<u>17,101,531</u>

Within the pension cost above there is £269,000 (2022: £1,329,000) of FRS102 pension charges relating to the LGPS.

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	5,000	-
	<u>5,000</u>	<u>-</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	243	211
Administration and support	296	286
Management	3	3
	<u>542</u>	<u>500</u>

THE CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	203	192
Administration and support	189	161
Management	3	3
	<u>395</u>	<u>356</u>

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	7	6
In the band £70,001 - £80,000	6	3
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	-
In the band £130,001 - £140,000	-	1
In the band £150,001 - £160,000	1	-
	<u>1</u>	<u>-</u>

Retirement benefits are accruing for the higher paid employees. Contributions in the period totalled £282,060 (2022 - £218,333).

d. Key management personnel

The key management personnel of the Academy 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 was £418,707 (2022: £376,610).

THE CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Central services

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

- School Improvement Support Package called "The Learning Curve"
- Financial support, guidance and oversight. Cost of the Chief Finance Officer's service including use of a cloud based finance system
- Executive Headteacher's time
- Human Resource Advice and Occupational Health
- Admissions and data management
- Estate management
- Insurance
- Admissions Authority
- Marketing strategy
- Governance support

The Academy charges for these services on an apportionment based on 4.25% for primary schools and 5% for secondary school of the GAG income received.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
St Crispin's School	385,719	264,941
Nine Mile Ride Primary School	65,979	60,024
Shinfield Infant and Nursery School	56,736	53,323
Wescott Infant School	28,506	26,306
Westende Junior School	43,699	39,782
The Emmbrook School	320,794	211,083
Emmbrook Infant School (2 months)	6,174	-
Emmbrook Junior School (2 months)	8,100	-
Total	915,707	655,459

The Circle Trust reinvests the money obtained through the central service charge to help meet the strategic aims of the schools.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE CIRCLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold land £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2022	17,260,000	20,023,436	544,107	188,889	333,616	38,350,048
Additions	3,300,000	3,819,396	4,655	74,491	290,866	7,489,408
Transfers between classes	-	544,107	(544,107)	-	-	-
At 31 August 2023	20,560,000	24,386,939	4,655	263,380	624,482	45,839,456
Depreciation						
At 1 September 2022	375,774	1,172,384	-	61,768	80,651	1,690,577
Charge for the year	142,480	126,612	-	39,681	416,752	725,525
At 31 August 2023	518,254	1,298,996	-	101,449	497,403	2,416,102
Net book value						
At 31 August 2023	20,041,746	23,087,943	4,655	161,931	127,079	43,423,354
At 31 August 2022	16,884,226	18,851,052	544,107	127,121	252,965	36,659,471

During the year, Emmbrook Junior School and Emmbrook Infant School joined the Multi Academy Trust. The Trust took out a 125-year lease over the land and building transferred from the Local Authority. The land and buildings transferred and assigned have been valued at an estimate of their fair value. The valuation was carried out on a depreciated replacement cost basis. The total value of land and buildings is estimated at £6,700,000, including a land value of £3,300,000.

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15. Debtors

	2023 £	2022 £
Trade debtors	155,979	153,087
Other debtors	9,925	9,925
Prepayments and accrued income	495,778	347,714
VAT recoverable	170,806	205,082
	<u>832,488</u>	<u>715,808</u>

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,217,190	731,966
Other taxation and social security	604,351	604,544
Other creditors	17,384	19,938
Accruals and deferred income	657,839	597,695
	<u>2,496,764</u>	<u>1,954,143</u>

	2023 £	2022 £
Deferred income at 1 September 2022	194,065	202,268
Deferred income during the year	304,932	194,065
Amounts released from previous periods	(194,065)	(202,268)
Deferred income at 31 August 2023	<u>304,932</u>	<u>194,065</u>

The deferred income balance mainly represents universal free school meals and trip income relating to the 2023/24 year.

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17. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted general fund	1,115,011	385,130	-	-	-	1,500,141
Restricted general funds						
School fund	375,070	704,979	(735,902)	98,479	-	442,626
Start up grants	-	50,000	(50,000)	-	-	-
General annual grant	650,184	18,490,731	(18,056,740)	204,462	-	1,288,637
Other ESFA grants	-	1,687,248	(1,687,248)	-	-	-
Pupil premium	-	401,028	(401,028)	-	-	-
UIFSM	-	217,275	(217,275)	-	-	-
Local authority funding	-	2,109,066	(2,109,066)	-	-	-
Funds Inherited on conversion	-	302,941	-	(302,941)	-	-
Pension reserve	(2,157,000)	(225,000)	(344,000)	-	915,000	(1,811,000)
	<u>(1,131,746)</u>	<u>23,738,268</u>	<u>(23,601,259)</u>	<u>-</u>	<u>915,000</u>	<u>(79,737)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Restricted fixed asset fund	36,659,471	-	(725,525)	7,489,408	-	43,423,354
Funds on conversion	-	6,737,480	-	(6,737,480)	-	-
CIF funding	38,100	-	-	(38,100)	-	-
SCA funding	473,879	654,090	-	(686,118)	-	441,851
DFC funding	118,442	228,564	-	(27,710)	-	319,296
	<u>37,289,892</u>	<u>7,620,134</u>	<u>(725,525)</u>	<u>-</u>	<u>-</u>	<u>44,184,501</u>
Total Restricted funds	<u>36,158,146</u>	<u>31,358,402</u>	<u>(24,326,784)</u>	<u>-</u>	<u>915,000</u>	<u>44,104,764</u>
Total funds	<u>37,273,157</u>	<u>31,743,532</u>	<u>(24,326,784)</u>	<u>-</u>	<u>915,000</u>	<u>45,604,905</u>

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

Restricted General Funds - ESFA grants (including GAG), which must be used to meet the cost of running The Circle Trust. Under the funding agreement with the Secretary of State, the academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other Restricted Funds - represents donations and fundraising income generated by the school, which is for restricted use as stipulated by the donor, along with trip income and expenditure.

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Restricted Fixed Asset Funds - these funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose. Transfers represent the movement of fixed asset income for the purchase of fixed assets and the subsequent movement into the fixed assets held at the period end.

Transfer - The Trust has made a transfer from unrestricted funds to restricted fixed asset funds to fund capital additions in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	As restated Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted general fund	674,419	440,592	-	-	-	1,115,011
Restricted general funds						
School fund	291,467	539,395	(455,792)	-	-	375,070
General annual grant	826,596	16,823,291	(16,999,703)	-	-	650,184
Other ESFA grants	-	636,199	(636,199)	-	-	-
Pupil premium	-	380,771	(380,771)	-	-	-
UIFSM	-	204,367	(204,367)	-	-	-
Local authority funding	-	1,356,973	(1,356,973)	-	-	-
Covid grants	-	37,708	(37,708)	-	-	-
Pension reserve	(8,642,000)	-	(1,465,000)	-	7,950,000	(2,157,000)
	<u>(7,523,937)</u>	<u>19,978,704</u>	<u>(21,536,513)</u>	<u>-</u>	<u>7,950,000</u>	<u>(1,131,746)</u>
	As restated Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Restricted fixed asset fund	36,416,470	-	(628,171)	871,172	-	36,659,471
CIF funding	636,425	-	-	(598,325)	-	38,100
SCA funding	-	593,114	-	(119,235)	-	473,879
DFC funding	197,140	74,914	-	(153,612)	-	118,442
	<u>37,250,035</u>	<u>668,028</u>	<u>(628,171)</u>	<u>-</u>	<u>-</u>	<u>37,289,892</u>

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17. Statement of funds (continued)

	As restated Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total Restricted funds	29,726,098	20,646,732	(22,164,684)	-	7,950,000	36,158,146
Total funds	30,400,517	21,087,324	(22,164,684)	-	7,950,000	37,273,157

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
St Crispin's School	2,051,336	1,376,899
Nine Mile Ride Primary School	239,512	226,506
The Circle Trust	(112,010)	(95,662)
Shinfield Infant and Nursery School	8,443	46,291
Wescott Infant School	353,303	81,190
Westende Junior School	375,280	258,544
The Emmbrook School	117,817	246,497
Emmbrook Infant School	90,031	-
Emmbrook Junior School	107,692	-
Total before fixed asset funds and pension reserve	3,231,404	2,140,265
Restricted fixed asset fund	44,184,501	37,289,892
Pension reserve	(1,811,000)	(2,157,000)
Total	45,604,905	37,273,157

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17. Statement of funds (continued)

The Circle Trust fund balance is currently in deficit. Trustees have deliberately resolved in this financial year to incur costs which invests in the future operational capacity of the Trust. This recognises a period of significant actual growth with six schools joining the Trust since 2020. This strengthens the Trust's central offer and ability to deliver its strategic aims.

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 2023 £	Total 2022 £
St Crispin's School	5,772,609	776,124	521,879	1,413,128	8,483,740	8,143,930
Nine Mile Ride Primary School	1,404,776	139,411	29,271	323,283	1,896,741	1,850,660
The Circle Trust	269,589	268,479	-	176,481	714,549	828,833
Shinfield Infant and Nursery School	1,326,715	127,895	11,625	258,101	1,724,336	1,787,078
Wescott Infant School	773,959	76,020	42,486	164,715	1,057,180	959,941
Westende Junior School	1,185,696	174,563	54,697	228,171	1,643,127	1,557,379
The Emmbrook School	5,153,420	656,589	430,098	1,086,414	7,326,521	6,408,692
Emmbrook Junior School (2 months)	296,630	20,280	20,304	66,903	404,117	-
Emmbrook Infant School (2 months)	298,168	22,875	1,246	28,659	350,948	-
Academy	16,481,562	2,262,236	1,111,606	3,745,855	23,601,259	21,536,513

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

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	43,423,354	43,423,354
Current assets	1,500,141	4,228,027	761,147	6,489,315
Creditors due within one year	-	(2,496,764)	-	(2,496,764)
Provisions for liabilities and charges	-	(1,811,000)	-	(1,811,000)
Total	1,500,141	(79,737)	44,184,501	45,604,905

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	36,659,471	36,659,471
Current assets	1,115,011	2,979,397	630,421	4,724,829
Creditors due within one year	-	(1,954,143)	-	(1,954,143)
Provisions for liabilities and charges	-	(2,157,000)	-	(2,157,000)
Total	1,115,011	(1,131,746)	37,289,892	37,273,157

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	7,416,748	(1,077,360)
Adjustments for:		
Depreciation	725,525	628,171
Interest receivable	(12,925)	(845)
Defined benefit pension scheme cost less contributions payable	269,000	1,329,000
Defined benefit pension scheme finance cost	75,000	136,000
(Increase)/decrease in debtors	(116,680)	550,437
Increase in creditors	542,621	152,655
Transfer of fixed assets from Local Authority	(6,700,000)	-
Defined benefit pension obligation inherited	225,000	-
Net cash provided by operating activities	2,424,289	1,718,058

20. Cash flows from financing activities

	2023 £	2022 £
Interest received	12,925	845
Net cash provided by financing activities	12,925	845

21. Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(789,408)	(871,172)
Net cash used in investing activities	(789,408)	(871,172)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank	5,656,827	4,009,021

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	4,009,021	1,647,806	5,656,827
	<u>4,009,021</u>	<u>1,647,806</u>	<u>5,656,827</u>

24. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	6,366	291,810
	<u>6,366</u>	<u>291,810</u>

Capital commitments are fully funded by grant income.

25. Pension commitments

The Academy'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 Royal County of Berkshire Pension Fund. 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 £273,507 were payable to the schemes at 31 August 2023 (2022 - £300,159) 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.

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £2,174,721 (2022 - £2,655,494).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,006,000 (2022 - £915,000), of which employer's contributions totalled £855,000 (2022 - £728,000) and employees' contributions totalled £ 251,000 (2022 - £187,000). The agreed contribution rates for future years are 20.6 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 30 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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25. Pension commitments (continued)

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.85	3.95
Rate of increase for pensions in payment/inflation	2.85	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.85	2.95

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

	2023 Years	2022 Years
Retiring today		
Males	20.7	21.0
Females	23.6	23.8
Retiring in 20 years		
Males	22.0	22.3
Females	25.0	25.3

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	5,400,000	4,218,000
Other bonds	1,015,000	1,052,000
Property	798,000	904,000
Cash and other liquid assets	62,000	114,000
Longevity insurance	(392,000)	(274,000)
Infrastructure	1,074,000	732,000
Total market value of assets	7,957,000	6,746,000

The actual return on scheme assets was £19,000 (2022 - £387,000).

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

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

	2023 £	2022 £
Current service cost	(1,118,000)	(2,051,000)
Conversion of academy trusts	225,000	-
Interest cost	(75,000)	(136,000)
Administrative expenses	(6,000)	(6,000)
Total amount recognised in the Statement of financial activities	(974,000)	(2,193,000)

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

	2023 £	2022 £
At 1 September	8,903,000	14,140,000
Transferred in on existing academies joining the trust	555,000	-
Estimated benefits paid net of transfers in	(161,000)	(48,000)
Current and past service costs	1,118,000	2,051,000
Interest cost	384,000	234,000
Actuarial loss/(gain)	(1,282,000)	(7,661,000)
Employee contributions	251,000	187,000
At 31 August	9,768,000	8,903,000

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

	2023 £	2022 £
At 1 September	6,746,000	5,498,000
Transferred in on existing academies joining the trust	330,000	-
Estimated benefits paid net of transfers in	(161,000)	(48,000)
Interest income	309,000	98,000
Actuarial (losses)/gains	(367,000)	289,000
Employer contributions	855,000	728,000
Employee contributions	251,000	187,000
Administrative costs	(6,000)	(6,000)
At 31 August	7,957,000	6,746,000

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	11,055	13,477
Later than 1 year and not later than 5 years	18,443	14,212
	<u>29,498</u>	<u>27,689</u>

27. 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.

28. Related party transactions

During the year £1,937 (2022: £500) was paid to Wellington College Academy Trust in relation to membership fees. David Walker is Deputy Headteacher and a member of the Executive team at Wellington College.

During the year £5,196 (2022: £4,494) as paid by the Trust to an individual under a contract of employment through the Trust payroll in line with the Trust pay policy and normal pay scales. The individual is connected to Andrew Beckett, the Chair of Trustees at The Circle Trust.

No other related party transactions took place in the period of account, other than certain Trustees remuneration and expenses already disclosed in note 12.

Owing to the nature of the Academy 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's financial regulations and normal procurement procedures relating to connected and related party transactions.

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2023 the trust received £2,526 (2022: £4,977) and disbursed £1,760 (2022: £694). An amount of £6,600 (2022: £5,835) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

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30. Conversion to an academy trust

On 1 July 2023 Emmbrook Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Circle Trust from Wokingham County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	3,200,000	3,200,000
Current assets			
Cash - representing budget surplus on LA funds	105,052	10,226	115,278
Pension liability			
Pension liability on conversion	(112,500)	-	(112,500)
Net (liabilities)/assets	<u>(7,448)</u>	<u>3,210,226</u>	<u>3,202,778</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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30. Conversion to an academy trust (continued)

On 1 July 2023 Emmbrook Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Circle Trust from Wokingham County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	3,500,000	3,500,000
Current assets			
Cash - representing budget surplus on LA funds	197,889	27,254	225,143
Pension liability			
Pension liability on conversion	(112,500)	-	(112,500)
Net assets	<u>85,389</u>	<u>3,527,254</u>	<u>3,612,643</u>