

Learning for Life Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2023



Company Registration Number: 09690231
(England & Wales)

Learning for Life Trust

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Reference and Administrative Details

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2023.

| | | Appointed | Resigned |
|--|---|-------------------|--|
| Members | Mr A J McCarthy Ms E L Kidd Mrs S Spencer Ms H L Kozich | | |
| Trustees | Dr H G Morgan (Chair from 01/08/2023) Mrs V Bennett (Chair to 19/07/2023) Mr O Nicols Mr C Steele (Chief Executive Officer and Accounting Officer) Mr A Wilkinson Mr B Cook Mr J Brettle Mrs M Desmond | | 19/07/2023 01/12/2022 20/10/2022 16/02/2023 |
| Company Secretary | Mrs C Parker | | |
| Senior Management Team | | | |
| • Headteacher (Fairfield) | Mr C Steele | | |
| • Headteacher (Broughton) | Mrs A Bewsher | | |
| Company Name | Learning for Life Trust | | |
| Principal and Registered Office | Gallowbarrow Cockermouth CA13 0DX | | |
| Company Registration Number | 09690231 | (England & Wales) | |
| Independent Auditor | Saint and Co The Old Police Station Church Street Ambleside Cumbria LA22 0BT | | |
| Bankers | Lloyds Bank Plc Keswick Branch PO Box 1000 Andover BX1 1LT | | |
| Solicitors | Burnetts 6 Victoria Place Carlisle Cumbria CA1 1ES | | |

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Trust operated two primary academies during 2022 - 2023 accommodating pupils aged 3 to 11. The total numbers of pupils on roll within the Trust was 557 (including 39 nursery pupils) in the school census in Autumn 2022.

We are pleased to report that FY 2022-23 was highly successful for the Learning for Life Trust. Further details are provided within this report. In summary we successfully:

On-boarded and integrated Broughton Primary School into the Trust. Being the first school to join, we successfully completed the transfer process of all assets and staff and established a number of centralised systems. We also deployed an effective school support system to bring the schools together to collaborate and develop further.

Utilised our Trust Capacity Funding to centralise a number of key systems and to harmonise practices, establishing firm foundations for future growth. This centralisation also allowed us to improve reporting to the board.

Completed a successful audit programme at both Trust and School level with particularly strong results in relation to health and safety. We have also established a number of Trust level strategies in relation to Safeguarding and Health & Safety.

Achieved strong academic results for our pupils across the Trust with particularly strong improvements at Broughton.

Continued to maintain a stable and strong financial position following another year of sound financial management. Sadly, we were unsuccessful in our aims to attract CIF funding but we have invested in schools and have ring-fenced funds for future bids.

Established a School Support and Improvement Programme allowing schools to use the framework through which to collaborate and identify areas of strength and where support is needed. This programme also allows us to inform the board in the schools' position and areas of improvements.

Continued to nurture strong relationships with more schools in the local area, leading to a full due diligence programme on an additional school for the Trust.

Developed our Risk Policy and the risk-based approach we take as a Trust. This work has expanded into school level and is developing further with the implementation of an online and live risk tracking system.

Strengthened relationships between the schools. Schools and school leaders are now working effectively and autonomously to support one another. This has allowed us to share expertise, support developments and consider evidence-based research as a wider group leading to impactful changes within schools.

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The Trust is passionate about ensuring each and every one of its pupils achieves their full potential and places them at the heart of its system. In doing so, the Trust fulfils its charitable objective of providing education for the public benefit in the United Kingdom, and promoting a broad and balanced curriculum for all students.

The Trust continues to focus on the development of strategies and practices to ensure all the pupils receive the very best education through strong leadership, innovative and energetic teaching provided by happy and well-supported practitioners. Whilst always seeking to develop and improve, this strategy has been very successful as is demonstrated later in the attainment section of this report. We operate high performing schools who are always on a quest for further development and improvement. With such strength academically and financially, the Trust has been able to effectively bring another school into the Trust whilst diligently exploring growth options for the future.

In order to achieve this, the Trust has developed its Vision, Mission and Values as follows:

Vision: We will create an effective partnership of ambitious schools collaborating to ensure that everybody is supported in reaching their full potential.

Mission: Our ambition is to be recognised as a Trust who serve their school community in delivering creative, ambitious and exciting education practices, allowing pupils and staff to thrive and succeed. Our schools will be the first choice for their local community and will ensure that all children leave our care having achieved their very best and ready for the next stage of their life.

Values:

- Integrity – We will behave ethically, always working with trust, transparency and honesty.
- Individuality – We recognise that in order to develop a strong, inclusive whole, our schools need to retain their own distinct identity.
- Ambition – We will always strive to offer the best possible support, resource and facilities to our schools allowing them to deliver the most inspiring curriculum offer for the community they serve.
- Creative – We are committed to developing traditional and new education practices in an innovative way, allowing our schools to deliver what is best for their community.
- Supportive – We always support and nurture our community of schools ensuring that we are able to achieve our full potential.
- Inspiring – We aim to inspire everybody associated with the Trust to be the very best they can be.

Trustees' Report (continued)

Objectives, Strategies and Activities

With such stability and strength in the Trust, the platform is in place to allow it to move towards achieving its vision. A clear improvement plan and road map which sets out the key activities and targets for the Trust is in place and monitored regularly. Achievement of these strategic objectives will allow the Trust to develop and grow further, including developing capacity for growth, ensuring strong leadership and governance across the Trust, alongside always seeking to improve the educational provision within.

The key areas of strategic development for the Trust are :

- 1** School Improvement & Delivery
- 2** Leadership & Governance
- 3** MAT Growth
- 4** Infrastructure, Finance & Estates

Strategic objectives are cascaded down to the schools to implement in accordance with its own School Improvement Plan which is created by its Senior Leadership Team and Local Governing Body. The Trust then continues to support the delivery of these plans throughout the year.

The first year as a multi-school Trust has been very successful. Alongside establishing and embedding the centralisation, the Trust and School have continued to pursue their objectives, working together to ensure pupils continued to receive excellent teaching and learning and enjoyed a return to the fullest curriculum offer. With a commitment to the continuous professional development and wellbeing of all staff, along with a flexible governance support structure, the Trust was able to support the schools in maintaining and improving performance (see performance section).

Experiencing the benefits of collaborative working during the year, the Trust remains committed to continuing on its growth journey through develop a wider partnership of schools. In preparation for this, the Trust has continued to strengthen its governance structures and procedures; it is also continuing its recruitment campaign to attract additional Trustees to enhance the existing skill set and expand Trustee capacity.

The Trust has in place a strong and robust infrastructure which will ensure a financially viable and sustainable Trust. This has been enhanced through the implementation of a new finance management system. Oversight of the finances continues to be monitored by the Audit, Finance & Risk Committee, meeting to review trust funds, budgeting and spends as well as reviewing and managing trust risks and audit reports. This year, the Trust utilised additional funding to expand its capacity through the centralisation of contracts and the investment in solutions to allow for future expansion of the Trust.

The Trust has continued to assess the condition of the estate and support schools with their effective management. We continue to use the Condition Improvement Fund to attract funding to our highest priority areas and dedicate funds to support this programme.

Public Benefit

The Trustees have given consideration to the charity commission's general guidance on public benefit and in particular to its supplementary guidance on education. The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Trust's objective is to advance for the public benefit education in this area, in particular, developing a school offering a broad and balanced curriculum which helps all students to fulfil their potential.

Trustees' Report (continued)

Structure, Governance and Management

Constitution

The Trust was incorporated on 16 July 2015. The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Learning for Life Trust are also the directors for the purposes of company law. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the Trust 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 they cease to be a member.

Trustee and governor's Indemnities

In respect of the trustee and governors, the Trust holds professional indemnity insurance via the Department of Education's risk protection arrangements.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer of the Trust. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. Any Trustee seeking re-appointment or re-election submits a justification for the Boards consideration. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the development and expansion of the Trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees receive induction training to detail their legal obligations under Charity and Company Law and the content of the Articles of Association. They receive an induction pack which includes copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees. They have meetings with the Chair of Trustees to provide support as required. All Trustees are provided with safeguarding training and are given the opportunity to sit training courses through multiple sources and throughout the year are kept up to date on relevant issues and changes in legislation.

Trustees' Report (continued)

Organisational Structure

The members of Learning for Life Trust are the subscribers to the memorandum of association. They have the power to appoint and remove trustees.

The Trustees are either appointed by the members or co-opted by the Board of Trustees. The Trustees are responsible for the three core strategic governance functions:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding the executive leader to account for the educational performance of the academy and its pupils, and the performance management of staff;
- Overseeing the financial performance of the academies and making sure it is money well spent.

The Trustees are responsible for ensuring that the charitable company achieves its objectives as well as compliance with charity and company law and the Trust's funding agreement.

The Trust delegates specific finance and audit responsibilities to the Trust's Audit, Finance & Risk Committee.

Governance functions are delegated to the Local Governing Body ("LGB") in accordance with the Trust's Scheme of Delegation. The Trustees appoint the Chair of the LGB who submits information on Key Performance Indicators to the Trustee Board in accordance with governance reporting procedures.

The Trustees appoint the Chief Executive Officer and the Headteachers. The Headteachers are responsible for managing the schools on a daily basis supported by their appointed Senior Leadership Teams.

Arrangements for setting pay and remuneration of key management personnel

A panel of Trustees, in conjunction with an external adviser, set challenging and aspirational objectives for the Chief Executive Officer of the Trust who is also the Headteacher of Fairfield Primary School. These are monitored during the performance review cycle and assessed by an external evaluation. Pay recommendations are put to the Board of Trustees for their consideration.

Pay and remuneration of the academies other key management personnel is set by the Trustees and reviewed annually. Pay scales are taken from the School Teachers Pay and Conditions document for teaching staff or from the Cumbria County Council job families pay and grading structure for support staff. Objectives are set according to the priorities set out in the strategic plan.

Trade union facility time

The academy trust has no relevant union officials.

Related Parties and other Connected Charities and Organisations

Learning for Life Trust is made up of the following schools:

- Broughton Primary School
- Fairfield Primary School

There are no other connected organisations however the Trust works very closely with a group of schools sharing good practice and undertaking Peer to Peer reviews with each school.

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Strategic objective - Quality of provision

Key Academic Performance Indicators - FAIRFIELD PRIMARY SCHOOL

The Trust has continued to support Fairfield and, due to unwavering dedication and commitment to pupil welfare, support experience and outcomes, performance remain consistently high. Fairfield has, over the last two years, committed to becoming a leading example of provision in Phonics and this year became a 'Champion School' for the Little Wandle Letters and Sounds Revised Programme. This status means the school is a national leading example for effective implementation and delivery and supports other schools with their Phonics.

| | Pupils Achieving Expected | | Pupils Achieving Higher | |
|---|---------------------------|-------------------|-------------------------|-------------------|
| | School KS1 Result | School KS2 Result | School KS1 Result | School KS2 Result |
| Reading | 86% | 83% | 24% | 31% |
| Writing | 86% | 81% | 22% | 25% |
| Spelling, Punctuation and Grammar | - | 80% | - | 36% |
| Mathematics | 83% | 80% | 24% | 19% |
| Reading, Writing and Mathematics combined | 80% | 69% | 16% | 12% |

| | |
|---------------------------------------|--------------------------------------|
| Year 1 Phonics Screening Results 2022 | Pupils meeting the expected standard |
| School results | 95% |

EARLY YEARS DATA

| | % of pupils |
|---------------------------|-------------|
| Good Level of Development | 75% |

Key Academic Performance Indicators - BROUGHTON PRIMARY SCHOOL

Joining the Trust has allowed Broughton to gain support in number of ways. Critically, it allowed the senior leaders to use more of their capacity to focus on school improvement whilst drawing on experience from the Trust. This led to a significant improvement in outcomes in some areas of the school, particularly Key Stage 2. The School has also been able to access funding from the local English Hub to improve Phonics provision through their chosen Phonics Programme.

| | Pupils Achieving Expected | | Pupils Achieving Higher | |
|---|---------------------------|-------------------|-------------------------|-------------------|
| | School KS1 Result | School KS2 Result | School KS1 Result | School KS2 Result |
| Reading | 71% | 84% | 21% | 47% |
| Writing | 58% | 84% | 4% | 26% |
| Spelling, Punctuation and Grammar | - | 84% | - | 26% |
| Mathematics | 63% | 84% | 13% | 26% |
| Reading, Writing and Mathematics combined | 42% | 68% | 4% | 21% |

| | |
|---------------------------------------|--------------------------------------|
| Year 1 Phonics Screening Results 2022 | Pupils meeting the expected standard |
| School results | 79% |

EARLY YEARS DATA

| | % of pupils |
|---------------------------|-------------|
| Good Level of Development | 85% |

Trustees' Report (continued)**Strategic objective - School Improvement & Delivery**

To ensure that standards are continually assessed, the Trust requires its schools to operate a rigorous programme of monitoring activities. It also encourages schools and LGBs to reflect upon their performances and develop SMART development plans.

In Fairfield Primary School, these activities are undertaken by the Headteacher and other members of the senior leadership team and middle leaders. The school was able to deliver full and robust moderation and monitoring programme and achieved clear and successful developments across the school. The school's self-evaluation remains at 'good' or 'outstanding' in all areas as it heads firmly into its OFSTED window. The school has continued to strive towards achieving its vision through successful delivery of its school improvement aims.

Broughton Primary School were able to spend the year focussing on school improvement and delivery as joining the Trust increased capacity and improved support. With strong leadership and a clear improvement plan in place, the school were able to deliver some excellent improvements to their Key Stage 2 outcomes. In addition to the support from the Trust. The school were also awarded funded support from the local Literacy Hub. This support included direct support and investment in effective Phonics delivery and resulted in significant improvements. From a wider perspective, all surveys of stakeholders report positive results and the school is clear development pathway whilst offering strength to the Trust.

Strategic objective - Leadership & Governance

Throughout the year, the leadership team has continued to perform at a high level. Ensuring that the children and staff were supported through another year in education. All plans were evidence-based approaches which effective planning, implementation and evaluation. In addition, they continued to provide support to local schools across a range of areas. Through strong and effective leadership the pupils within Broughton and Fairfield continued to receive an excellent education from staff who reported on feeling secure and appreciated. The Trust provided the leadership team with support during this time, adapting governance practices to remain dynamic and responsive to the changing environment.

Strategic objective - MAT Growth

Despite focussing resource on the on-boarding of a new school and developing central systems, the Trust continued to nurture relationships with local schools. Inline with its growth plan, the Trust performed a full and complete due diligence programme on another local primary. Upon assessment from a risk-based approach, the board chose not to move forward until the foundations of the Trust are further strengthened. As the Trust Board continues to strengthen its capacity and capability, along with refining its policies and procedures, it will continue to focus on embedding systems and structures whilst supporting Schools to provide educational excellence. Future growth opportunities will be assessed against the risk policy in order to ensure that we can continue to support our schools whilst building a platform on which to grow in a sustainable fashion.

Strategic objective - Infrastructure & Finance

The Trust remains in a strong financial position and has had a long track record of secure and stable finances. The Trust continues to work with its 5-year strategic financial plan with a financial structure allowing for sustainable growth. Plans also include wider financial areas including estates management and maintenance, ICT improvements and staff wellbeing. The Trust was unsuccessful in its application to the 2022/23 Condition Improvement Fund (CIF). The Trust continues to assess the condition of its estate and submit bids in relation to high priority works within. The Trust continues to retain a ring-fenced fund for submission support in future years. The Trust successfully utilised Trust Capacity Fund allowing build structures that will allow it to expand its capacity for further growth in coming years.

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 Statement of Accounting Policies.

Trustees' Report (continued)**Financial Review****Financial Review**

The Academy Trust's accounting period is 01 September 2022 to 31 August 2023.

During the period under review, the majority of the Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Trust's educational activities. The grants received during the accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year, the Trust received total revenue funding for Charitable activities of £3,297,428, of which £2,260,301 was from the DfE in the form of GAG funding (69%).

Revenue expenditure was £3,208,137, of which staffing is the main area of cost at £2,442,618 (76%).

COVID - 19 impact

The Trust were able to continue with their strategic financial plan throughout the pandemic. Despite a return to pre-pandemic self-generated income levels, staff absence costs increased due to the continued isolation periods. At the end of the year, the Trust performed financially as expected without using reserves and continues to focus on developing a sustainable Trust.

The Trust ensured that all COVID-19 Recovery funding was deployed to appropriate and targeted areas of support as defined by the school and their analysis of need. An approach to the use of funding, using evidence-based research, was employed by the school and impact monitored.

Reserves Policy

At the end of the period the trustees were holding £177,389 in restricted general funds (GAG £177,389) and £294,319 in unrestricted funds, which are within DfE guidelines. The trustees review the level of reserves annually as part of its budget planning cycle, and aims to carry forward a prudent level of resources from General Annual Grant as a contingency for future unforeseen circumstances, and as contributions towards future capital improvement programmes.

The Trust has a reserves policy in place that sets a reserves target of 8%, representing 1 month of annual expenditure for each academy. Fairfield Primary School currently meet the requirement of the reserves policy. Broughton Primary School is working towards achieving this goal.

Funds in Deficit

There are no funds in deficit at the year end.

Investment Policy

In a period of financial uncertainty and historically low interest rates, the Trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

The Trust is operating in a period of considerable financial uncertainty with regard to public funding and global issues and is managing this risk through long term financial planning, appropriate governance and robust financial management and monitoring.

Trustees' Report (continued)**Principal Risks and Uncertainties****Financial and Risk Management Objectives and Policies**

The Trustees are responsible for the management of the risks the Trust is exposed, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Trust's Risk Register, with appropriate mitigation measures. The Audit & Risk committee monitor progress on a termly basis.

Trust estate management

The Trust works with external specialist to assess and appraise the estate in relation to prioritisation of maintenance and development. The Trust also engages with specialist firms to submit bids to the Condition Improvement Fund on its behalf. In addition, the Trust appoints a Health and Safety Consultant to provide schools with appropriate guidance and policy in relation to management and regularly audits the schools for compliance.

Principal Funding Sources

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Fundraising

The Trust does not engage with professional fundraisers to undertake any fundraising activities on its behalf. The Trust from time to time carries out minor level fundraising activity to raise funds for the Trust whereby students seek voluntary donations from parents and the local community.

Plans for Future Periods

The educational landscape is changing at pace, however, the Trust will be unswerving in the pursuit of its vision to ensure every child reaches their full potential. The Trust passionately believes that strong local collaboration between schools will enhance the educational provision to all children and plans are in place to pursue this attracting high quality leaders, teachers and support staff to support to deliver this vision.

We will continue to expand as a Trust with our new school and develop and form further relationships with local schools in line with our growth plans ensuring that our vision and values remain at the heart of decisions.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees and signed on its behalf by:



Dr H G Morgan
Chair of Trustees

17 December 2023 Date

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Learning for Life Trust has an effective and appropriate systems 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. This information has been shared with all layers of governance and it informs the planning, recruitment and decision making processes within the Trust.

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 Learning for Life Trust and the Secretary of State for Education.

Governors are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities.

The Board of Trustees formally met seven times during the year and held an Annual General Meeting. This allowed Trustees to maintain a strong financial and performance oversight of the Trust whilst working on development plans. In addition, the established Audit & Risk Committee met six times during the year.

Attendance during the year at meetings of the **Trustee body** was as follows:

Trust Board Meetings

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| Mrs V Bennett | 7 | 7 |
| Mr O Nicols | 7 | 7 |
| Mr C Steele | 7 | 7 |
| Mr H Morgan | 7 | 7 |
| Mr A Wilkinson | 1 | 3 |
| Mr B Cook | 7 | 7 |
| Mr J Brettle | 7 | 7 |
| Mrs M Desmond | 3 | 4 |

Audit, Finance & Risk

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| Mr B Cook | 6 | 6 |
| Mr H Morgan | 6 | 6 |
| Mr O Nicols | 5 | 6 |
| Mr C Steele | 6 | 6 |

Attendance during the year at meetings of the **Schools' Local Governing Body Meetings** was as follows:

| School | % Attendance |
|--------------------------|---------------------|
| Fairfield Primary School | 94 |
| Broughton Primary School | 80 |

Governance Statement (continued)

Board of Trustees work, performance and changes in composition

With the growth of the Trust in 2022/23, we were awarded Trust Capacity Funding to support the expansion and ensure we were ready for future growth. This funding allowed us to establish a number of centralised services, including finance systems. Not only does this provide a solid foundation for future growth but also allows for high-quality data and information to be presented at board level.

The Board has developed reporting to the board by improving the quality of data and information in relation to key areas such as: School attainment, School support & improvement, Safeguarding and Finance. This information ensures that the board are able to fulfil their duties effectively and are able to support the schools in developing further and work towards achieving its aims.

The Trust continued to review, develop and implement key policy and procedures as part of its improvement plans. The Trust has a focussed and ambitious development plan and is exploring growth options in a sustainable manner. As well as on-boarding a new school into the Trust, the board considered the adoption of a further school but, based of risk, looked to focus on ensuring that the Trust established firm foundations before taking on additional responsibility.

Each school had a link Trustee throughout the year. The Trustee supported the school and the governing board in fulfilling their aims. It also allowed the Trust Board an insight into the school as well as allowing the School a line of communication to the Board. Prior to each Trust Board meeting, a meeting of the Audit and Risk committee is held. The committee works to monitor and manage the risks associated with the Trust and use this knowledge to inform the works of the auditing provision. The committee also receives and responds to any outcomes from the audit function, both internal and external.

Conflicts of interest

The Trust keeps an up-to-date register of interests at all levels within the organisation to ensure all conflicts are monitored. The Trust capture information annually and upon appointment of new Members, Trustees, Governors or Senior Staff. Any declarations of interest are announced at the start of meetings and any related party transactions are monitored through the finance system. The Trust also have an Audit, Finance & Risk committee who monitor any conflicts of interest.

Meetings

Full Trust Board meetings occur every half term (6 times per year). Prior to the Trust Board meetings, Local Governing Board meetings and Audit, Finance and Risk meetings occur to ensure that outcomes and proposals can pass to the Board in a timely fashion. The Board plan their annual meetings in advance to ensure timely returns. An AGM takes place each December. The Trust, LGBs and Audit, Risk and Finance committee can also meeting in response to any issues that arise.

Governance Review

- The Trustees Board Members sit solely on the Trust Board to give clear separation in the layers of governance.
- The chairs of both the Trust Board and the Local Governing Body communicate regularly.
- The Trust regularly review key policy and procedures within the Trust as part of its improvement plans.
- The Trust has identified that in order to support Trust expansion, greater Trustee capacity is required. The Trust is continuing on a targeted recruitment campaign to ensure all areas highlighted in the competency framework are covered.
- The Trust appoints a link Trustee to each Local Governing Board for support.

Governance Statement (continued)**Review of Value for Money**

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- As a high proportion of the schools revenue expenditure is spent on staff, the school undertakes an annual review of its curriculum offer and its staffing requirements to ensure it is appropriate for the size of school.
- Condition Improvement Fund bids were tendered by Day Cummins with specialist knowledge for the CIF projects. The tender process complies with the Trusts finance policy and public procurement regulations.
- All school Service level agreements reviewed annually to ensure best value for money.
- Utilising Integrated Curriculum and Financial Planning to inform decision making.
- Payroll and cleaning contracts were centralised. The tender process and appointment was led by 2Buy2, education procurement specialists and process complies with the Trusts finance policy and public procurement regulations.

Throughout the year, the Trust, supported by external consultants, centralised a number of key contracts in order to provide administrative efficiency and financial savings to the Trust and the schools. We also compiled a Trust-wide contracts register to be able to review all key contracts at the point of expiry to ensure we achieve best-value upon renewal.

The Trust has prioritised funds to ensure that the estate is safe and well-maintained. We have appointed an external contractor to support the Trust with estates management and CIF bids and have ring-fenced funds to support the bids in the 2023/24 round across both schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning for Life Trust for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Governance Statement (continued)

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and trust-wide 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 monthly financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Internal Scrutiny

The Trust utilises two formal audit functions to ensure compliance and strong performance in relation to the operation and performance of the organisation. The Trust uses SKL Education Consultancy to perform the internal audit. The scope of the internal audit work is guided by the Audit & risk committee. The Trust use Saint & Co to perform the external audit role.

The Internal audit function provides independent assurance to the board that controls and risk management are effective. The external auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out across all audits in the current period included:

- Finance Policy & Scheme of Delegation
- Monthly Management Report Formats
- Relate Party Transactions and procedures
- Purchasing process audits
- Payroll Process Audit
- Strategic Financial Planning

On a termly basis, audit reports are considered by the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of works as planned and any recommendations have been considered. The board received three rigorous internal audit reports, covering a wide range of areas and acted swiftly upon any recommendations.

Governance Statement (continued)

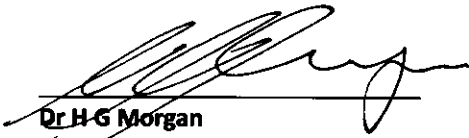
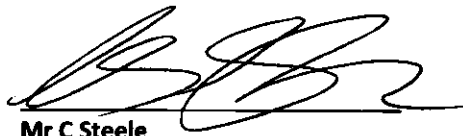
Review of Effectiveness

As accounting officer, the Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor / reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 Trustee Body and signed on its behalf by:


Dr H G Morgan
Chair of Trustees
Mr C Steele
Accounting Officer

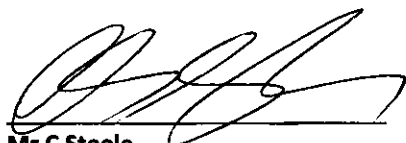
7/12/23 Date

Statement on Regularity, Propriety and Compliance

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

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

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



Mr C Steele
Accounting Officer

7/12/23

Date

Statement of Trustees' Responsibilities

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently
- observe the methods and principles in 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:


Dr H G Morgan
Chair of Trustees

09/12/23 Date

Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life Trust**Opinion**

We have audited the financial statements of the Learning for Life Trust for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Learning for Life Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report including the trustees' 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. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. 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 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.

**Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life Trust
(continued)**

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable to 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life Trust
(continued)**

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

Use of our report

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

07 December 2023 Date

Independent Reporting Accountant's Assurance Report on Regularity to the Learning for Life Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15/08/2018 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 Learning for Life Trust during the period 01 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.

Respective Responsibilities of the Learning for Life Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Learning for Life Trust's funding agreement with the Secretary of State for Education dated 30 July 2015 and the Academies Financial Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- responses to the top 10 'musts' for chairs and other trustees from the AFH was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

Independent Reporting Accountant's Assurance Report on Regularity to the Learning for Life Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 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.

Use of our report

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



Darren Little (Reporting Accountant)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

07 December 2023 Date

Statement of Financial Activities for the Year Ended 31 August 2023

(Including Income and Expenditure Account)

| | | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2023 | Total 2022 |
|---|------|-----------------------|--------------------------------|------------------------------------|------------------|------------------|
| | Note | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 1,851 | 5,400 | 124,549 | 131,800 | 20,025 |
| Transfer from predecessor trust | 2,25 | 15,943 | (164,000) | 746,425 | 598,368 | - |
| Charitable activities | | | | | | |
| Funding for the Academy's educational operations | 3 | 154,699 | 3,142,729 | - | 3,297,428 | 2,136,616 |
| Other trading activities | 4 | 8,075 | 9,652 | - | 17,727 | 20,362 |
| Investments | 5 | 1,024 | - | - | 1,024 | 53 |
| Total | | 181,592 | 2,993,781 | 870,974 | 4,046,347 | 2,177,056 |
| Expenditure on: | | | | | | |
| Charitable activities | | | | | | |
| Academy trust educational operations | 8 | 127,930 | 3,078,622 | 117,706 | 3,324,258 | 2,479,772 |
| Other trading activities | 7 | 1,615 | - | - | 1,615 | 842 |
| Total | 6 | 129,545 | 3,078,622 | 117,706 | 3,325,873 | 2,480,614 |
| Net income / (expenditure) | | 52,047 | (84,841) | 753,268 | 720,474 | (303,558) |
| Transfers between funds | 11 | (16,694) | 13,684 | 3,010 | - | - |
| Other recognised gains and (losses) | | | | | | |
| Actuarial (losses) / gains on defined benefit pension schemes | 23 | - | 519,000 | - | 519,000 | 1,390,000 |
| Net movement in funds | | 35,353 | 447,843 | 756,278 | 1,239,474 | 1,086,442 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 18 | 258,966 | (270,454) | 1,067,342 | 1,055,854 | (30,588) |
| Total funds carried forward | 18 | 294,319 | 177,389 | 1,823,620 | 2,295,328 | 1,055,854 |

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

Balance Sheet as at 31 August 2023

Company Number 09690231

| | Note | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 1,807,499 | | 1,067,287 |
| Investments | | | - | | - |
| | | | <u>1,807,499</u> | | <u>1,067,287</u> |
| Current assets | | | | | |
| Stock | 15 | 5,000 | | 2,500 | |
| Debtors | 16 | 71,785 | | 72,579 | |
| Cash at bank and in hand | | <u>678,597</u> | | <u>450,027</u> | |
| | | 755,382 | | 525,106 | |
| Liabilities | | | | | |
| Creditors: Amount falling due within one year | 17 | <u>(267,553)</u> | | <u>(185,539)</u> | |
| Net current assets | | | <u>487,829</u> | | <u>339,567</u> |
| Total assets less current liabilities | | | 2,295,328 | | 1,406,854 |
| Defined benefit pension scheme asset/(liability) | 23 | | - | | (351,000) |
| Total net assets | | | <u><u>2,295,328</u></u> | | <u><u>1,055,854</u></u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset funds | 18 | 1,823,620 | | 1,067,342 | |
| General funds | 18 | 177,389 | | 80,546 | |
| Pension reserve | 18,23 | - | | <u>(351,000)</u> | |
| Total restricted funds | 18 | | 2,001,009 | | 796,888 |
| Unrestricted income funds | | | | | |
| General fund | 18 | <u>294,319</u> | | <u>258,966</u> | |
| Total unrestricted funds | | | 294,319 | | 258,966 |
| Total funds | | | <u><u>2,295,328</u></u> | | <u><u>1,055,854</u></u> |

The financial statements were approved by the trustees, and authorised for issue on 09 December 2023 and signed on their behalf by:


Dr H G Morgan
 Chair of Trustees


Mr C Steele
 Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2023

| | 2023 | 2022 | | | |
|--|-----------|------------|----------------|------------------------|-----------|
| Reconciliation of net income / (expenditure) to net cash flow from operating activities | £ | £ | | | |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 720,474 | (303,558) | | | |
| Adjusted for: | | | | | |
| Depreciation | 84,680 | 52,978 | | | |
| Capital grants from DfE and other capital income | (48,573) | (7,962) | | | |
| Interest receivable | (1,024) | (53) | | | |
| Defined benefit pension scheme costs less contributions payable | (20,000) | 96,000 | | | |
| Defined benefit pension scheme net pension finance costs | 24,000 | 29,000 | | | |
| Defined benefit pension scheme obligation inherited | 164,000 | - | | | |
| Fixed assets transferred from predecessor trust on transfer | (743,941) | - | | | |
| Decrease/(Increase)Increase in stocks | (2,500) | 940 | | | |
| Decrease/(Increase) in debtors | 794 | 196,750 | | | |
| Increase/(Decrease) in creditors | 82,014 | (108,423) | | | |
| Net cash provided by / (used in) Operating Activities | 259,924 | (44,328) | | | |
| Cash flows from financing activities | | | | | |
| Repayments of borrowing | - | - | | | |
| Cash inflows from new borrowing | - | - | | | |
| Net cash provided by / (used in) financing activities | - | - | | | |
| Cash flows from investing activities | | | | | |
| Interest receivable | 1,024 | 53 | | | |
| Proceeds from sale of tangible fixed assets | - | - | | | |
| Purchase of tangible fixed assets | (824,892) | (16,641) | | | |
| Less: Assets acquired from other predecessor trust on transfer | 743,941 | - | | | |
| Capital grants from DfE and other capital income | 48,573 | 7,962 | | | |
| Net cash provided by / (used in) investing activities | (31,354) | (8,626) | | | |
| Change in cash and cash equivalents in the reporting period | 228,570 | (52,954) | | | |
| Reconciliation of net cash flow to movement in net funds | | | | | |
| Cash and cash equivalents at 1 September 2022 | 450,027 | 502,981 | | | |
| Change in cash and cash equivalents in the reporting period | (31,354) | (8,626) | | | |
| Cash and cash equivalents at 31 August 2023 | 678,597 | 450,027 | | | |
| Analysis of cash and cash equivalents | 1 Sept 22 | Cash flows | 31 Aug 23 | | |
| | £ | £ | £ | | |
| Cash in hand and at bank | 450,027 | 228,570 | 678,597 | | |
| Notice deposits (less than 3 months) | - | - | - | | |
| Total cash and cash equivalents | 450,027 | 228,570 | 678,597 | | |
| Analysis of changes in net debt | 1 Sept 22 | Cash flows | New agreements | Other non-cash changes | 31 Aug 23 |
| | £ | £ | £ | £ | £ |
| Cash | 450,027 | 228,570 | - | - | 678,597 |
| Loans falling due within one year | - | - | - | - | - |
| Loans falling due after more than a year | - | - | - | - | - |
| Finance lease obligations | - | - | - | - | - |
| Total | 450,027 | 228,570 | - | - | 678,597 |

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

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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.

The trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming Resources

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

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

- General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.
- Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- 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, legacies and other forms of voluntary income 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, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**1. Statement of Accounting Policies (Continued)**

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

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

Transfer of existing academies into the academy trust

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

Deferred Income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

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.

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**1. Statement of Accounting Policies (Continued)****Tangible Fixed Assets**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

The capitalisation policy of items as tangible fixed assets is single items costing £2,000 or more.

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.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Depreciation

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

- Freehold property - 50 years straight line
- Leasehold land - straight line over remaining lease term
- Leasehold buildings - straight line over economic life (ranging from 25-30 years - updated in 2019 from 15-20 years)
- Information communications & technology equipment - 3 years straight line
- Furniture fittings & equipment - 5 years straight line
- Motor vehicles - 25% reducing balance

Assets are depreciated in full in the year of purchase.

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

When a new academy joins the trust the property is depreciated on a straight line basis over its remaining useful economic life at the date of transfer. All other assets are depreciated in accordance with the trust's accounting policy for each asset class as if they were new assets on the date of transfer.

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

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

Liabilities

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

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**1. Statement of Accounting Policies (Continued)****Provisions**

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

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

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial Instruments

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

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

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

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

Stocks

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**1. Statement of Accounting Policies (Continued)****Pension Benefits**

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

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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.

Local Government Pension Scheme

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

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

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**1. Statement of Accounting Policies (Continued)****Fund Accounting**

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

School funds that are not otherwise restricted are designated within unrestricted funds.

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

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education and Skills Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- Furthermore this year the pension asset has been restricted to any surplus of scheme assets over 110% of the scheme liabilities, in line with the schemes funding strategy.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

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

2. Donations and Capital Grants

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total 2023 £ | Total 2022 £ |
|---|----------------------------|--------------------------|---|--------------------|--------------------|
| ESFA Capital grants | - | - | 48,573 | 48,573 | 7,962 |
| LA Capital grants | - | - | - | - | - |
| Donations - transfer from predecessor trust | 15,943 | (164,000) | 746,425 | 598,368 | - |
| Miscellaneous donations | 1,851 | 5,400 | 75,976 | 83,227 | 12,063 |
| Gifts in kind | - | - | - | - | - |
| | <u>17,794</u> | <u>(158,600)</u> | <u>870,974</u> | <u>730,168</u> | <u>20,025</u> |
| Previous year total | - | 12,063 | 7,962 | 20,025 | |

3. Funding for Academy's educational operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA Grants | | | | |
| General Annual Grant (GAG) | - | 2,260,301 | 2,260,301 | 1,513,160 |
| Other DfE/ESFA grants | | | | |
| Pupil premium | - | 81,460 | 81,460 | 57,835 |
| Universal infant free school meals (UIFSM) | - | 100,506 | 100,506 | 67,972 |
| Teachers Pay Grant | - | 1,481 | 1,481 | 1,697 |
| Teachers Pension Grant | - | 4,186 | 4,186 | 4,794 |
| Schools supplementary grant | - | 63,024 | 63,024 | 18,339 |
| Mainstream schools additional grant | - | 31,793 | 31,793 | - |
| PE Sports Grant | - | 36,560 | 36,560 | 19,040 |
| Other | - | 69,704 | 69,704 | 5,837 |
| Other DfE Group grants | - | - | - | - |
| | <u>-</u> | <u>2,649,015</u> | <u>2,649,015</u> | <u>1,688,674</u> |
| Other Government Grants | | | | |
| LA funded statements | - | 108,243 | 108,243 | 82,207 |
| Nursery income | - | 218,981 | 218,981 | 136,111 |
| Other government grants | - | 53,148 | 53,148 | 9,094 |
| | <u>-</u> | <u>380,372</u> | <u>380,372</u> | <u>227,412</u> |
| Exceptional government funding | | | | |
| COVID-19 additional funding (ESFA/DfE) | | | | |
| Catchup premium | - | - | - | - |
| National tutoring programme / mental health grants | - | 10,338 | 10,338 | 5,265 |
| Recovery premium grant | - | 7,365 | 7,365 | 5,365 |
| Coronavirus exceptional support | - | - | - | - |
| COVID-19 additional funding (non - ESFA/DfE) | | | | |
| Other COVID-19 funding | - | - | - | - |
| | <u>-</u> | <u>17,703</u> | <u>17,703</u> | <u>10,630</u> |
| Catering | 66,567 | - | 66,567 | 49,405 |
| Wraparound and nursery income | 88,132 | - | 88,132 | 84,496 |
| School fund income | - | - | - | - |
| School trips income | - | 69,150 | 69,150 | 48,557 |
| Other educational income | - | 26,489 | 26,489 | 27,442 |
| | <u>154,699</u> | <u>3,142,729</u> | <u>3,297,428</u> | <u>2,136,616</u> |
| Previous year total | 133,901 | 2,002,715 | 2,136,616 | |

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**Exceptional government funding**

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy received £10,338 in respect of the national tutoring programme and mental health grants which has been used to cover staffing costs to implement an extended school day programme and other interventions as well as costs of training for a lead mental health practitioner in the school. In addition, the academy received £7,365 in respect of the Recovery Premium Grant which has been used to cover staffing costs to deliver intervention programmes.

| 4. Other Trading Activities | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|--------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Hire of facilities | 8,075 | - | 8,075 | 4,208 |
| Catering Income | - | - | - | - |
| Receipts from staff insurance claims | - | 9,652 | 9,652 | 16,154 |
| Risk protection arrangement claims | - | - | - | - |
| Other income | - | - | - | - |
| | <u>8,075</u> | <u>9,652</u> | <u>17,727</u> | <u>20,362</u> |
| Previous year total | <u>4,208</u> | <u>16,154</u> | <u>20,362</u> | |

| 5. Investment Income | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|-----------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Bank interest receivable | 1,024 | - | 1,024 | 53 |
| Other interest receivable | - | - | - | - |
| | <u>1,024</u> | <u>-</u> | <u>1,024</u> | <u>53</u> |
| Previous year total | <u>53</u> | <u>-</u> | <u>53</u> | |

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

| 6. Expenditure | Staff Costs £ | Non Pay Premises £ | Expenditure Other Costs £ | Total 2023 £ | Total 2022 £ |
|----------------------------------|---------------------|--------------------------|---------------------------------|--------------------|--------------------|
| Cost of other trading activities | - | 1,615 | - | 1,615 | 842 |
| Academy's educational operations | | | | | |
| Direct costs | 2,066,979 | 29,831 | 133,278 | 2,230,088 | 1,555,562 |
| Allocated support costs | 375,639 | 339,639 | 378,892 | 1,094,170 | 924,210 |
| | <u>2,442,618</u> | <u>369,470</u> | <u>512,170</u> | <u>3,324,258</u> | <u>2,479,772</u> |
| | <u>2,442,618</u> | <u>371,085</u> | <u>512,170</u> | <u>3,325,873</u> | <u>2,480,614</u> |
| Previous year total | <u>1,718,976</u> | <u>222,872</u> | <u>538,766</u> | <u>2,480,614</u> | |

| | 2023 £ | 2022 £ |
|--|--------------|--------------|
| Net income/(expenditure for the period includes: | | |
| Depreciation | 84,680 | 52,978 |
| Operating lease rentals | 2,958 | 1,508 |
| (Gain) / loss on disposal of fixed assets | - | - |
| Fees payable to current auditor | | |
| - audit of the financial statements | 6,875 | 5,645 |
| - other assurance services | 2,770 | 910 |
| - other services | <u>6,310</u> | <u>4,515</u> |

| 7. Cost of Other Trading activities | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Trading activities costs | - | - | - | - |
| Heat and light | 1,615 | - | 1,615 | 842 |
| Maintenance of premises and equipment | - | - | - | - |
| | <u>1,615</u> | <u>-</u> | <u>1,615</u> | <u>842</u> |
| Previous year total | <u>842</u> | <u>-</u> | <u>842</u> | |

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

| 8. Charitable Activities | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Direct Costs - educational operations | | | | |
| Teaching and educational support staff costs | - | 2,066,979 | 2,066,979 | 1,460,685 * |
| Depreciation | - | 29,831 | 29,831 | 17,659 |
| Educational supplies | 4,550 | 63,099 | 67,649 | 51,060 |
| Staff development | - | 6,786 | 6,786 | 5,033 |
| Other staff costs | - | 2,139 | 2,139 | - |
| Special Facilities | - | 3,144 | 3,144 | - |
| Staff insurance | - | 16,539 | 16,539 | 16,646 |
| Examination fees | - | - | - | - |
| Educational consultancy | - | 31,254 | 31,254 | 4,479 |
| Other direct costs | - | 5,767 | 5,767 | - |
| | <u>4,550</u> | <u>2,225,538</u> | <u>2,230,088</u> | <u>1,555,562</u> |
| Support Costs - educational operations | | | | |
| Support staff costs | 72,684 | 319,112 | 391,796 | 162,291 * |
| Depreciation | - | 54,849 | 54,849 | 35,319 |
| Staff development | - | 3,188 | 3,188 | - |
| Maintenance of premises and equipment | - | 79,182 | 79,182 | 42,339 |
| Maintenance of premises - CIF | - | - | - | 204,377 |
| Professional Fees | - | 1,026 | 1,026 | 2,784 |
| Cleaning | 500 | 99,793 | 100,293 | 81,103 |
| Rates and water | 300 | 24,355 | 24,655 | 16,278 |
| Heat and light | 700 | 63,119 | 63,819 | 19,825 |
| Insurance | - | 16,841 | 16,841 | 9,507 |
| Transport | - | 6,978 | 6,978 | 456 |
| Catering | 49,196 | 89,382 | 138,578 | 116,759 |
| Technology costs | - | 66,011 | 66,011 | 30,328 |
| School fund expenses | - | - | - | - |
| School trips & activities | - | 65,841 | 65,841 | 37,397 |
| Other support costs | - | 45,411 | 45,411 | 17,045 |
| | <u>123,380</u> | <u>935,088</u> | <u>1,058,468</u> | <u>775,808</u> |
| Support Costs - governance | | | | |
| Audit fees | - | 6,875 | 6,875 | 5,645 |
| Accountancy, assurance and other fees | - | 10,902 | 10,902 | 7,825 |
| Governance staff costs | - | 3,843 | 3,843 | - |
| Trustees' training and expenses | - | - | - | - |
| Legal fees | - | 722 | 722 | 9,432 |
| Professional fees | - | 9,360 | 9,360 | 500 |
| Defined benefit pension schemes | | | | |
| Service costs less contributions payable | - | (20,000) | (20,000) | 96,000 * |
| Net pension finance costs | - | 24,000 | 24,000 | 29,000 |
| | <u>-</u> | <u>35,702</u> | <u>35,702</u> | <u>148,402</u> |
| Total direct and support costs | <u>127,930</u> | <u>3,196,328</u> | <u>3,324,258</u> | <u>2,479,772</u> |
| Previous year total | <u>117,143</u> | <u>2,362,629</u> | <u>2,479,772</u> | |

* The defined benefit pension schemes service costs less contributions payable totalling £96,000 shown in the comparative figures were included within direct and support staff costs in the previous years accounts. These have been restated and separately within the above note but the overall costs remain unchanged.

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

9. Staff

a. Staff costs

Staff costs during the period were:

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,850,311 | 1,202,084 |
| Social security costs | 163,803 | 107,347 |
| Operating costs of defined benefit pension schemes | 422,146 | 393,017 |
| Apprenticeship levy | - | - |
| | <u>2,436,260</u> | <u>1,702,448</u> |
| Supply staff costs | 6,358 | 16,528 |
| Staff restructuring costs | - | - |
| Less: seconded out of the organisation | - | - |
| | <u>2,442,618</u> | <u>1,718,976</u> |

Staff restructuring costs comprise:

| | | |
|---------------------------|----------|----------|
| Redundancy payments | - | - |
| Severance payments | - | - |
| Other restructuring costs | - | - |
| | <u>-</u> | <u>-</u> |

b. Severance payments

The academy trust paid no severance payments in the year, disclosed in the following bands:

| | 2023 |
|---------------------|----------|
| | No |
| 0 - £25,000 | - |
| £25,001 - £50,000 | - |
| £50,001 - £100,000 | - |
| £100,001 - £150,000 | - |
| £150,000+ | - |
| | <u>-</u> |

c. Special staff severance payments - Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2022: £Nil).
Individually, the payments were £Nil. (2022: £Nil)

d. Staff numbers

The average number of persons employed by the academy during the period was as follows:

| | 2023 | 2022 |
|------------------------------|-----------|-----------|
| | No | No |
| Charitable Activities | | |
| Management | 1 | 1 |
| Teachers | 30 | 19 |
| Administration and support | 57 | 40 |
| | <u>88</u> | <u>60</u> |

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

e. Higher paid staff

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

| | 2023 No | 2022 No |
|--------------------|------------|------------|
| £60,000 to £69,999 | - | - |
| £70,000 to £79,999 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2023 the employer's pension contributions in respect of this employee amounted to £18,931 (2022: £17,593).

f. Key management personnel

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

| | 2023 £ | 2022 £ |
|------------------------|----------------|----------------|
| Senior Management Team | 185,728 | 101,245 |
| Staff Governors | - | - |
| | <u>185,728</u> | <u>101,245</u> |

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

10. Central Services

The academy trust has provided the following central services to its academies during the

- financial services in the form of budgeting and management software and accountancy and auditing.
- health and safety and facilities management
- legal services
- educational and safeguarding support services
- centralised software services

The trust charges for these services on the following basis:

- Each academy was charged 2% of their GAG income for the year to cover the core offer. This is reviewed annually by the MAT board.

The actual amounts charges during the year were as follows:

| | 2023 £ | 2022 £ |
|--------------------------|---------------|-----------|
| Fairfield Primary School | 32,328 | - |
| Broughton Primary School | 12,876 | - |
| | <u>45,204</u> | <u>-</u> |

11. Transfers Between Funds

Unrestricted funds

| | 2023 £ |
|--|-----------------|
| Designated catering underspend moved to GAG to cover unallocated costs | (1,121) |
| Parental Nursery Contributions moved to cover costs | (3,106) |
| Unrestricted funds used to cover individual academy/trust GAG deficits | (12,467) |
| | <u>(16,694)</u> |

Restricted general funds

| | |
|--|---------------|
| School trips fund to GAG to cover unallocated costs | (3,308) |
| UIFSM catering underspend moved to GAG to cover unallocated costs | (2,408) |
| General Annual Grant fund | |
| School trips fund to GAG to cover unallocated costs | 3,308 |
| Unrestricted funds used to cover individual academy/trust GAG deficits | 12,467 |
| Parental Nursery Contributions moved to cover costs | 3,106 |
| Fixed assets purchased from GAG funds | (3,010) |
| UIFSM catering underspend moved to GAG to cover unallocated costs | 2,408 |
| Designated catering underspend moved to GAG to cover unallocated costs | 1,121 |
| | <u>19,400</u> |
| | <u>13,684</u> |

Restricted fixed asset funds

| | |
|--|---------------|
| Fixed assets used for charitable purposes - purchases from funds per above | 3,010 |
| DfE/EFA formula grant to Fixed assets fund - purchases of fixed assets | 1,965 |
| Other capital donation to Fixed assets fund - purchases of fixed assets | 75,976 |
| Other capital grant to Fixed assets fund - purchases of fixed assets | - |
| | <u>80,951</u> |
| DfE/EFA formula grant to Fixed assets fund - purchases of fixed assets | (1,965) |
| Other capital donation to Fixed assets fund - purchases of fixed assets | (75,976) |
| School contributions to CIF projects from Unrestricted Funds | - |
| | <u>3,010</u> |

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**12. Related Party Transactions – Trustees' remuneration and expenses**

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

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees.

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

Chris Steele (headteacher from 01/09/2017)

| | | |
|----------------------------------|--------------------|----------------------------|
| Remuneration | £75,000 to 79,999 | (2022: £70,000 to 74,999) |
| Employer's pension contributions | £15,000 to £19,999 | (2022: £15,000 to £19,999) |

During the period ended 31 August 2023, there were no travel and subsistence expenses reimbursed or paid directly to trustees (2022: £Nil).

13. Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2023 provides cover up to £10,000,000 (2022: £10,000,000) on any one loss and any one membership year.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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

| 14. Tangible Fixed Assets | Freehold Land & Buildings | Long Leasehold Land & Buildings | Motor Vehicles | Furniture Fittings & Equipment | ICT Equipment | Total |
|---|--------------------------------------|--|-----------------------|---|----------------------|------------------|
| Cost | £ | £ | £ | £ | £ | £ |
| As at 01 September 2022 | - | 1,369,950 | 7,995 | 71,245 | 46,338 | 1,495,528 |
| Assets acquired from other academy trusts | 722,463 | - | 1,471 | 2,879 | 17,128 | 743,941 |
| Additions | - | - | - | 77,941 | 3,010 | 80,951 |
| Disposals | - | - | - | - | - | - |
| As at 31 August 2023 | <u>722,463</u> | <u>1,369,950</u> | <u>9,466</u> | <u>152,065</u> | <u>66,476</u> | <u>2,320,420</u> |
| Depreciation | | | | | | |
| As at 01 September 2022 | - | 326,297 | 6,958 | 55,269 | 39,717 | 428,241 |
| Charge in year | 14,213 | 36,434 | 627 | 21,960 | 11,446 | 84,680 |
| Disposals | - | - | - | - | - | - |
| As at 31 August 2023 | <u>14,213</u> | <u>362,731</u> | <u>7,585</u> | <u>77,229</u> | <u>51,163</u> | <u>512,921</u> |
| Net book values | | | | | | |
| As at 31 August 2023 | <u>708,250</u> | <u>1,007,219</u> | <u>1,881</u> | <u>74,836</u> | <u>15,313</u> | <u>1,807,499</u> |
| As at 01 September 2022 | <u>-</u> | <u>1,043,653</u> | <u>1,037</u> | <u>15,976</u> | <u>6,621</u> | <u>1,067,287</u> |

Valuation Details

The leasehold land and buildings were valued at £1,369,950 as at 01 August 2015 by Thornburn & Co Ltd RICS Registered Valuers, who is independent of the charitable company. The basis of valuation for the assets was Fair Value using a Depreciated Replacement Cost approach in accordance with FRS102.

Leasehold premises are leased from the local authority on 125 year leases for nil consideration.

Included within freehold and leasehold land and buildings is land at the following values:

| | 2023 | 2022 |
|----------------|----------------|----------------|
| | £ | £ |
| Freehold Land | 167,235 | - |
| Leasehold Land | <u>331,800</u> | <u>331,800</u> |
| | <u>499,035</u> | <u>331,800</u> |

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

| | | |
|--|-----------------|-----------------|
| 15. Stock | 2023 | 2022 |
| | £ | £ |
| Stationery | 4,500 | 2,500 |
| Catering | 500 | - |
| | <u>5,000</u> | <u>2,500</u> |
| 16. Debtors | 2023 | 2022 |
| | £ | £ |
| Trade debtors | 4,780 | 641 |
| VAT recoverable | 8,342 | 5,313 |
| Prepayments | 34,016 | 48,708 |
| Accrued income | 24,306 | 9,672 |
| Other debtors | 341 | 8,245 |
| | <u>71,785</u> | <u>72,579</u> |
| 17. Creditors: Amounts Falling due Within One Year | 2023 | 2022 |
| | £ | £ |
| Trade creditors | 59,818 | 26,905 |
| Taxation and social security | 39,295 | 25,484 |
| Sundry creditors | 51,287 | 31,567 |
| ESFA creditor | - | - |
| Accruals | 55,882 | 48,278 |
| Deferred income | 61,271 | 53,305 |
| | <u>267,553</u> | <u>185,539</u> |
| Deferred Income | 2023 | 2022 |
| | £ | £ |
| Accruals and deferred income includes: | | |
| Deferred income at 1 September 2022 | 53,305 | 47,299 |
| Resources deferred in the year | 61,271 | 53,305 |
| Amounts released from previous years | <u>(53,305)</u> | <u>(47,299)</u> |
| Deferred income at 31 August 2023 | <u>61,271</u> | <u>53,305</u> |
| Deferred income comprises: | | |
| EFA Rates Funding for 1 September 2023 to 31 March 2024 | - | |
| EFA Universal Infants Free School Meals allocation for 2023/24 | 61,271 | |
| High needs funding for 1 September 2023 to 31 March 2024 | - | |
| School fund income for future trips | <u>-</u> | |
| | <u>61,271</u> | |

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

| 18. Funds | Balance at 01-Sep 2022 £ | Incoming resources £ | Resources expended £ | Gains, Losses and Transfers £ | Balance at 31-Aug 2023 £ |
|--|-----------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Restricted General Funds | | | | | |
| General Annual Grant (GAG) | 80,546 | 2,260,301 | (2,182,858) | 19,400 | 177,389 |
| Pupil premium | - | 81,460 | (81,460) | - | - |
| Universal infant free school meals (UIFSM) | - | 100,506 | (98,098) | (2,408) | - |
| Other DfE/ESFA grants | - | 206,748 | (206,748) | - | - |
| COVID-19 additional funding (ESFA/DfE) | - | 17,703 | (17,703) | - | - |
| LA funded statements | - | 108,243 | (108,243) | - | - |
| Nursey income | - | 218,981 | (218,981) | - | - |
| Other government grants | - | 53,148 | (53,148) | - | - |
| School trips fund | - | 69,149 | (65,841) | (3,308) | - |
| Other educational income | - | 36,141 | (36,141) | - | - |
| Other restricted general funds | - | 5,401 | (5,401) | - | - |
| | <u>80,546</u> | <u>3,157,781</u> | <u>(3,074,622)</u> | <u>13,684</u> | <u>177,389</u> |
| Restricted Fixed Asset Funds | | | | | |
| Fixed assets used for charitable purposes | 1,067,287 | 743,941 | (84,680) | 80,951 | 1,807,499 |
| DfE/ESFA formula capital | - | 20,270 | (18,305) | (1,965) | - |
| Other ESFA capital grants | - | 30,787 | (14,721) | - | 16,066 |
| Capital donations | - | 75,976 | - | (75,976) | - |
| ESFA condition improvement funds | - | - | - | - | - |
| Fencing & office safeguarding project | 55 | - | - | - | 55 |
| | <u>1,067,342</u> | <u>870,974</u> | <u>(117,706)</u> | <u>3,010</u> | <u>1,823,620</u> |
| Restricted Pension Reserve Funds | | | | | |
| Pension reserve fund | (351,000) | (164,000) | (4,000) | 519,000 | - |
| Total Restricted Funds | <u>796,888</u> | <u>3,864,755</u> | <u>(3,196,328)</u> | <u>535,694</u> | <u>2,001,009</u> |
| Unrestricted Funds | | | | | |
| Unrestricted general funds | 198,353 | 26,893 | (1,615) | (12,467) | 211,164 |
| Unrestricted conversion surplus fund | - | - | - | - | - |
| Designated catering fund | - | 66,567 | (65,446) | (1,121) | - |
| Designated wraparound and nursery fund | 60,613 | 88,132 | (62,484) | (3,106) | 83,155 |
| Designated school fund | - | - | - | - | - |
| Total Unrestricted Funds | <u>258,966</u> | <u>181,592</u> | <u>(129,545)</u> | <u>(16,694)</u> | <u>294,319</u> |
| Total Funds | <u>1,055,854</u> | <u>4,046,347</u> | <u>(3,325,873)</u> | <u>519,000</u> | <u>2,295,328</u> |

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2023.

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency (ESFA).

Pupil premium fund

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Teachers pay and pension grants

Teachers pay grant is provided to support teacher pay awards. Teachers pension grant is provided to support the increase in employer contributions to the Teachers' Pension Scheme from September 2019.

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**Defined benefit pension scheme fund**

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

Local authority funded statements

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

Nursery income fund

This represents funding from the Local Authority to pay for a 30 place nursery for 3hrs every day.

Restricted school funds (including trips)

This relates to school trips and other activities.

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets note.

DfE/ESFA formula capital fund

This represents funding from the ESFA to be used for capital projects.

ESFA condition improvement funds

This represents funding from the ESFA to be used for specific capital projects.

Designated catering

This fund relates to the provision of school meals and refreshments that are charged to pupils. The academy also receives Universal Income Free School Meals (UIFSM) income which goes to this designated fund.

Designated wraparound fund

This fund relates to the provision of wraparound clubs that are charged to pupils.

Funds in Deficit

At the balance sheet date the scheme is in surplus per the FRS101/102 pension scheme accounting figures, however the 31 March 2022 actuarial valuation of the fund showed that the scheme was still in deficit and annual deficit contribution payments are required to be made to the scheme.

The Trust has entered into an agreement effective from 1 April 2023 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 10 years from 1 April 2023, including £31,500 for 2023/24, £32,500 in 2024/25 and £33,400 in 2025/26.

Analysis of academies by fund balance

Fund balance at 31 August 2023 were allocated as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Fairfield Primary School | 333,293 | 339,512 |
| Broughton Primary School | 14,606 | |
| Central Services | 123,809 | - |
| Total before fixed assets and pension reserve | 471,708 | 339,512 |
| Restricted fixed asset fund | 1,823,620 | 1,067,342 |
| Pension reserve fund | - | (351,000) |
| Total | 2,295,328 | 1,055,854 |

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

Analysis of academies by cost

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

| | Teaching & Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ | Other Costs (excluding dep'n) £ | 2023 £ | 2022 £ |
|--------------------------|--|--------------------------------------|------------------------------|--|------------------|------------------|
| Fairfield Primary School | 1,436,864 | 305,475 | 36,257 | 513,253 | 2,291,849 | 2,427,636 |
| Broughton Primary School | 602,485 | 87,314 | 31,392 | 162,601 | 883,792 | - |
| Central Services | 27,630 | 2,850 | - | 35,072 | 65,552 | - |
| Academy Trust | 2,066,979 | 395,639 | 67,649 | 710,926 | 3,241,193 | 2,427,636 |

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

| | Balance at 01-Sep 2021 £ | Incoming resources £ | Resources expended £ | Gains, Losses and Transfers £ | Balance at 31-Aug 2022 £ |
|--|-----------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Restricted General Funds | | | | | |
| General Annual Grant (GAG) | 61,252 | 1,513,160 | (1,466,489) | (27,377) | 80,546 |
| Pupil Premium | - | 57,835 | (57,835) | - | - |
| Universal infant free school meals (UIFSM) | - | 67,972 | (56,959) | (11,013) | - |
| Other DfE/ESFA grants | 10,428 | 49,707 | (60,135) | - | - |
| Catch-up premium | 5,000 | - | (5,000) | - | - |
| Exceptional government funding | - | 10,630 | (10,630) | - | - |
| LA funded statements | - | 82,207 | (82,207) | - | - |
| Other government grants | - | 9,094 | (9,094) | - | - |
| Nursey income | - | 136,111 | (136,111) | - | - |
| School trips fund | - | 48,557 | (37,397) | (11,160) | - |
| Other educational income | - | 43,596 | (43,596) | - | - |
| Other restricted general funds | - | 12,063 | (12,063) | - | - |
| | 76,680 | 2,030,932 | (1,977,516) | (49,550) | 80,546 |
| Restricted Fixed Asset Funds | | | | | |
| Fixed assets used for charitable purposes | 1,103,624 | - | (52,978) | 16,641 | 1,067,287 |
| DfE/ESFA formula capital | - | 8,420 | (2,759) | (5,661) | - |
| Other ESFA capital grants | - | - | - | - | - |
| ESFA condition improvement fund 20/21 | - | (458) | (907) | 1,365 | - |
| ESFA condition improvement fund 21/22 | 163,751 | - | (203,469) | 39,718 | - |
| Fencing & office safeguarding project | 55 | - | - | - | 55 |
| | 1,267,430 | 7,962 | (260,113) | 52,063 | 1,067,342 |
| Restricted Pension Reserve Funds | | | | | |
| Pension reserve fund | (1,616,000) | - | (125,000) | 1,390,000 | (351,000) |
| Total Restricted Funds | (271,890) | 2,038,894 | (2,362,629) | 1,392,513 | 796,888 |
| Unrestricted Funds | | | | | |
| Unrestricted general funds | 167,729 | 4,261 | (844) | 27,207 | 198,353 |
| Unrestricted conversion surplus fund | 27,207 | - | - | (27,207) | - |
| Designated catering fund | - | 49,405 | (46,892) | (2,513) | - |
| Designated wraparound fund | 46,366 | 84,496 | (70,249) | - | 60,613 |
| Designated school fund | - | - | - | - | - |
| Total Unrestricted Funds | 241,302 | 138,162 | (117,985) | (2,513) | 258,966 |
| Total Funds | (30,588) | 2,177,056 | (2,480,614) | 1,390,000 | 1,055,854 |

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

19. Analysis of Net Assets Between Funds

Fund balances at 31 August 2023 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|----------------------------------|----------------------------|-------------------------------------|---|---------------------|
| Tangible fixed assets | - | - | 1,807,499 | 1,807,499 |
| Current assets | 294,319 | 436,015 | 25,048 | 755,382 |
| Current liabilities | - | (258,626) | (8,927) | (267,553) |
| Non-current liabilities | - | - | - | - |
| Pension scheme asset / liability | - | - | - | - |
| Total Net Assets | 294,319 | 177,389 | 1,823,620 | 2,295,328 |

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

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|----------------------------------|----------------------------|-------------------------------------|---|---------------------|
| Tangible fixed assets | - | - | 1,067,287 | 1,067,287 |
| Current assets | 258,966 | 266,085 | 55 | 525,106 |
| Current liabilities | - | (185,539) | - | (185,539) |
| Non-current liabilities | - | - | - | - |
| Pension scheme asset / liability | - | (351,000) | - | (351,000) |
| Total Net Assets | 258,966 | (270,454) | 1,067,342 | 1,055,854 |

20. Long-term commitments, including under operating leases

Operating Leases

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2023 £ | 2022 £ |
|--|---------------|------------|
| Assets other than land & buildings | | |
| Amounts due within one year | 3,297 | 834 |
| Amounts due between one and five years | 11,057 | - |
| Amounts due after five years | - | - |
| | 14,354 | 834 |

Land and property leases

The leasehold land and buildings are subject to a 125 year lease with Cumbria County Council. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

21. Capital Commitments

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Contracted for, but not provided in the financial statements | - | - |
| | - | - |

22. 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 as stated in memorandum and articles of association for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**23. Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

| | 2023 £ | 2022 £ |
|---------------------------------|---------------|---------------|
| Teachers' Pension Scheme | 31,122 | 19,245 |
| Local Government Pension Scheme | 11,743 | 10,363 |
| | <u>42,865</u> | <u>29,608</u> |

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Teachers' Pension Scheme | 258,294 | 172,250 |
| Local Government Pension Scheme | 143,136 | 89,534 |
| Local Government Pension Scheme deficit recovery | 40,716 | 35,233 |
| LGPS current service cost/contributions adjustment | (20,000) | 96,000 |
| | <u>422,146</u> | <u>393,017</u> |

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

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

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**23. Pensions and Similar Obligations (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £258,294 (2022: £172,250).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

| | 2023 | 2022 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Employer's contributions | 143,136 | 89,534 |
| Lump sum deficit contributions | 40,716 | 35,233 |
| Employees' contributions | 42,210 | 26,340 |
| Total contributions | <u>226,062</u> | <u>151,107</u> |

The agreed contribution rates for future years are 19.7% to 20.6% for employers, and 5.5% to 12.5% for employees depending on pay bands.

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

At the balance sheet date the scheme is in surplus per the FRS101/102 pension scheme accounting figures, however the 31 March 2022 actuarial valuation of the fund showed that the scheme was still in deficit and annual deficit contribution payments are required to be made to the scheme.

The Trust has entered into an agreement effective from 1 April 2023 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 10 years from 1 April 2023, including £31,500 for 2023/24, £32,500 in 2024/25 and £33,400 in 2025/26.

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

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

| | At 31 August 2023 | At 31 August 2022 |
|--|-------------------------|-------------------------|
| Rate of increase in salaries | 4.30% | 4.30% |
| Rate of increase for pensions in payment / inflation | 2.90% | 2.90% |
| Discount rate for scheme liabilities | 5.30% | 4.30% |
| Inflation assumption (CPI) | 2.80% | 2.80% |

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

| | At 31 August 2023 | At 31 August 2022 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 21.4 | 22.6 |
| Females | 23.8 | 25.3 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.7 | 24.1 |
| Females | 25.6 | 27.1 |

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation. The figures are based on the surplus /deficit in the scheme before any surplus restriction.

| | Deficit / (Surplus) | At 31 August 2023 Change | Deficit / (Surplus) | At 31 August 2022 Change |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| Discount rate + 0.1% | (77,000) | (52,000) | 305,000 | (46,000) |
| Discount rate - 0.1% | 28,000 | 53,000 | 398,000 | 47,000 |
| Mortality assumption - 1 year increase | 25,000 | 50,000 | 389,000 | 38,000 |
| Mortality assumption - 1 year decrease | (74,000) | (49,000) | 314,000 | (37,000) |
| CPI rate + 0.1% | 28,000 | 53,000 | 398,000 | 47,000 |
| CPI rate - 0.1% | (77,000) | (52,000) | 305,000 | (46,000) |

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

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

| | Fair value at 31 August 2023 £ | Fair value at 31 August 2022 £ |
|---|---|---|
| Equity instruments | | |
| Equities | 1,023,000 | 538,000 |
| Debt instruments | | |
| Government bonds | 342,000 | 227,000 |
| Other bonds | - | - |
| Property | 213,000 | 155,000 |
| Cash/liquidity | 59,000 | 50,000 |
| Other | 1,055,000 | 630,000 |
| Total Market Value of Assets | 2,692,000 | 1,600,000 |
| Present value of scheme liabilities | | |
| Funded | (2,667,000) | (1,951,000) |
| Unfunded | - | - |
| Surplus / (deficit) in the scheme | 25,000 | (351,000) |
| Surplus restriction | (25,000) | - |
| Surplus / (deficit) recognised in the financial statements | - | (351,000) |

Surplus Restriction

As noted above the actuary has valued the academy's share of the Cumbria LGPS to be a surplus of £25,000. The trust has not recognised this surplus as an asset, as FRS102 states that a surplus can only be recognised to the extent that it reduces future contributions. The rate of future contributions are set at the triennial reviews of the LGPS, the last one was at 31 March 2022. In the supporting valuation reports, this stated that only surpluses over 110% of liabilities are able to be returned to scheme participants through reduced future contributions. In the academy's case the assets do not exceed 110% of the liabilities, therefore, under the scheme's current funding strategy the academy cannot reduce its future contributions.

The actual return on the scheme assets in the year was £109,000 (2022: -£133,000).

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

Amounts recognised in the statement of financial activities

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Current service cost (net of employee contributions) | (171,000) | (220,000) |
| Net interest cost | (18,000) | (25,000) |
| Administration expenses | (6,000) | (4,000) |
| Past service (cost)/gain | - | - |
| Gain/(loss) on curtailment | - | - |
| Gain/(loss) on settlement | - | - |
| Total operating charge | (195,000) | (249,000) |

Other recognised gains and (losses)

| | 2023 £ | 2022 £ |
|--|----------------|------------------|
| Remeasurements (liabilities) | 394,000 | 1,531,000 |
| Remeasurements (assets) | 150,000 | (141,000) |
| Surplus restriction | (25,000) | - |
| Total amount recognised in the SOFA | 519,000 | 1,390,000 |

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

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

| Changes in the (surplus) / deficit in the year: | 2023 £ | 2022 £ |
|---|-----------------|----------------|
| (Surplus) / Deficit in scheme at beginning of period | 351,000 | 1,616,000 |
| Transferred in on existing academies joining the academy trust | 164,000 | - |
| Current service cost | 171,000 | 220,000 |
| Interest cost | 119,000 | 53,000 |
| Employer contributions | (191,000) | (124,000) |
| Past service (cost)/gain | - | - |
| Actuarial (gain)/loss - Remeasurements | (544,000) | (1,390,000) |
| Administration expenses | 6,000 | 4,000 |
| Interest income | (101,000) | (28,000) |
| Plan introductions, benefit changes, curtailments and settlements | - | - |
| (Surplus) / Deficit at 31 August 2023 | (25,000) | 351,000 |
| Surplus restriction | 25,000 | - |
| (Surplus) / deficit recognised in the financial statements | - | 351,000 |

| Changes in the present value of defined benefit obligations were as follows: | 2023 £ | 2022 £ |
|--|--------------------|--------------------|
| At beginning of period | (1,951,000) | (3,192,000) |
| Transferred in on existing academies joining the academy trust | (792,000) | - |
| Current service cost | (171,000) | (220,000) |
| Interest cost | (119,000) | (53,000) |
| Employee contributions | (42,000) | (26,000) |
| Past service (cost)/gain | - | - |
| Actuarial gain/(loss) - Remeasurements | 394,000 | 1,531,000 |
| Benefits / transfers paid | 14,000 | 9,000 |
| Plan introductions, benefit changes, curtailments and settlements | - | - |
| Benefit obligation at 31 August 2023 | (2,667,000) | (1,951,000) |

| Changes in the fair value of Academy's share of scheme assets: | 2023 £ | 2022 £ |
|---|------------------|------------------|
| At beginning of period | 1,600,000 | 1,576,000 |
| Transferred in on existing academies joining the academy trust | 628,000 | - |
| Interest income | 101,000 | 28,000 |
| Administration expenses | (6,000) | (4,000) |
| Actuarial gain/(loss) - Remeasurements | 150,000 | (141,000) |
| Employer contributions | 191,000 | 124,000 |
| Employee contributions | 42,000 | 26,000 |
| Benefits / transfers paid | (14,000) | (9,000) |
| Plan introductions, benefit changes, curtailments and settlements | - | - |
| Scheme assets at 31 August 2023 | 2,692,000 | 1,600,000 |

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**24. Related Party Transactions**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

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

Expenditure Related Party Transactions

The following related party transactions took place in the period of account:

- **Great Broughton Out of School Club Limited** (controlled by governors at Broughton)
During the year the Academy Trust paid £3,076 to Great Broughton Out of School Club Limited for the provision of after school care for pupils. There was no rent received from the OOSC for the use of the academy's facilities.

The trustees are reviewing the agreement with the OOSC at present to confirm this is conducted in accordance with the requirements of the AFH.

Related party transactions with staff governors are detailed in an earlier note.

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

25. Transfer of existing academies into the academy trust

On 01 September 2022 the trust took control of Broughton School, an existing academy trust. All the operations and assets and liabilities were transferred to the Learning for Life Trust for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as Donations - transfer from predecessor trust.

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

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|---|---|---|---|---------------------|
| Tangible fixed assets | | | | |
| Freehold / leasehold land and buildings | - | - | 722,463 | 722,463 |
| Other tangible fixed assets | - | - | 21,478 | 21,478 |
| Current assets | 83,325 | - | 2,484 | 85,809 |
| Liabilities | (67,382) | - | - | (67,382) |
| LGPS pension surplus/(deficit) | - | (164,000) | - | (164,000) |
| | <u>15,943</u> | <u>(164,000)</u> | <u>746,425</u> | <u>598,368</u> |
| | Value reported by transferring academy trust £ | Fair value adjustments £ | Transfer in recognised £ | |
| Tangible fixed assets | | | | |
| Freehold land and buildings | 722,463 | - | 722,463 | |
| Plant and machinery | - | - | - | |
| Furniture and equipment | 2,879 | - | 2,879 | |
| Computer equipment | 17,128 | - | 17,128 | |
| Motor vehicles | 1,471 | - | 1,471 | |
| Assets under construction | - | - | - | |
| Current assets | | | | |
| Stock | 3,000 | - | 3,000 | |
| Debtors due in less than one year | 24,775 | - | 24,775 | |
| Cash in bank and in hand | 58,034 | - | 58,034 | |
| Liabilities | | | | |
| Creditors due in less than one year | (67,382) | - | (67,382) | |
| Creditors due in more than one year | - | - | - | |
| Provisions | - | - | - | |
| Pensions | | | | |
| Pensions – pension scheme assets | 628,000 | - | 628,000 | |
| Pensions – pension scheme liabilities | (792,000) | - | (792,000) | |
| Net assets / (liabilities) | <u>598,368</u> | <u>-</u> | <u>598,368</u> | |