

Registration number: 08713217

Millbrook Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

MILLBROOK PRIMARY SCHOOL

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MILLBROOK PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Davison L Dawson L Leonard Link Academies Collaborative Trust
Trustees (Directors)	L Dawson N Evans J Holden K Hunt C Mills T Pavlyk K Shawyer, Headteacher (accounting officer) L Rabbitt K Sylvester H Tucker M Vasta
Senior Management Team	K Shawyer, Headteacher H Tucker, Deputy Headteacher H Thompson, SENCO S Tiling, Upper KS2 Leader A Brown, KS1 Leader B Moulding, EYFS Leader (Maternity leave September 2023) H Redhead, EYFS Leader (from September 2023) H Bissex, Business Manager
Principal and Registered Office	Worsley Road Freshbook Swindon SN5 8NU
Company Registration Number	08713217
Auditors	Albert Goodman Goodwood House Blackbrook Park Avenue Taunton TA1 2PX
Bankers	Lloyds Bank PLC 25 Gresham Street London EC2V 7HN
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

MILLBROOK PRIMARY SCHOOL

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Millbrook Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Millbrook Primary School, which is also known as Millbrook Primary Academy.

Details of the Trustees who served throughout the 2022/2023, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

On 1 November 2013 the Trustees appointed all those Governors that served the predecessor school, who wished to transfer, to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- up to 3 Trustees who are appointed by the Trust (the members);
- up to 3 Parent Trustees who are elected by Parents of registered pupils at the Academy;
- up to 2 staff (one teaching and one non-teaching) Trustees appointed by Trustee board;
- up to 1 staff Trustee to represent the SRP appointment by the Trustee Board;
- up to 7 Link Academy Collaborative Trust Trustees who are appointed by the Umbrella LACT; and
- the Headteacher who is treated for all purposes as being an ex officio Governor*.

*Staff Trustees, including the head teacher, should not exceed one third of the total number of Trustees

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

When appointing new Trustees, the Board 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 Academy's development.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the The Key, NGA and other bodies.

Organisational structure

The Board of Trustees normally meets once each term (6 times per year). The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports, including policies, from its committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 6 committees as follows;

- Finance, Staffing and Premises Committee - this meets at least four times a year and is responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving Internal Scrutiny reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. Members from this panel are involved in the appointment of teaching staff and it monitors the condition of the premises and makes the decision on any tenders.
- Standards and Curriculum Committee - this meets at least three times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Pay Panel – which meets at least twice a year to review and ratify Performance Related Pay recommendations following Staff Appraisals;
- Exclusions Panel;
- Appeal Panel; and
- Head Teachers' Performance Appraisal Panel.

The following decisions are reserved to the Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and/or Vice Chair;
- to appoint the Headteacher and Clerk to the Trustees;
- to approve some policies, the Annual School Development Plan and budget;
- to monitor performance of staff and progress of pupils; and
- to ensure legal compliance of the Academy.

The Trustees and the Board of Trustees have delegated responsibility for day-to-day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT during 2022-2023 comprised the Headteacher; Deputy Headteacher; KS2 Leader, KS1 Leader, EYFS Leader, SENCO and Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Members, Trustees, the Head Teacher and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is responsible for the appointment of staff, although the appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of all staff, including key management personnel, is reviewed annually and inflationary rises are normally increased in accordance with nationally agreed settlements for teachers and support staff.

The Trustees benchmark against pay levels in other Academies of a similar size. The school is currently classified as a Group 3 school in line with the School Teachers Pay and Conditions Document. Details of all levels of pay and individual pay scales are outlined in the School Pay Policy, which is updated annually.

Trade union facility time

Millbrook Primary School had no employees who were relevant union officials during the relevant period.

Connected organisations, including related party relationships

The Academy is one of three primary schools connected to the Link Academies Collaborative Trust (LACT). This is an Umbrella Trust established on 1 November 2013 to raise pupil attainment and encourage collaborative working originally across four independent academies. There is a legally binding Memorandum of Agreement in place that outlines how the LACT operates. Westlea Primary School, an original member of LACT, resigned its membership as of 3rd November 2021 and left the agreement on 31st December 2021.

There is sometimes the opportunity for well qualified staff to move between the academies in the LACT, where it benefits one or both of the academies involved and the member of staff concerned.

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

There were one member of staff employed during 2022/2023 married to a Trustee of the school. Mrs Kate Mills has been employed as a Higher Level Teaching Assistant from September 2020 and is married to Mr Chris Mills, trustee. Mr Darren Hunt, husband of Mrs Kelly Hunt, Co-chair of Trustees is indirectly employed as a peripatetic music teacher for the school, via The Swindon Music Co-operative.

The Academy has strong collaborative links with Freshbrook Evangelical Church, sharing facilities including car parking space, the school minibus and room space for regular events. Some personnel are connected to both organisations and during the year several reciprocal arrangements are made where no money changes hands. This is a mutually beneficial arrangement for both organisations.

The Freshbrook Evangelical Church is a related party as Mrs Davison, Member of the Academy (who resigned as a trustee in December 2020) is also Trustee of Freshbrook Evangelical Church.

There is a Parent Teacher Association associated with the Academy, this operates as an independent charity.

Objectives and activities

Objects and aims

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

Millbrook Primary School provides free education and care for pupils of different abilities. The Academy incorporates a Specialist Resource Provision for pupils with complex educational needs, a pre-school provision and wrap around childcare.

The aims of the Academy during the period ended 31 August 2023 are summarised below:

- to continue to raise the standard of education attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra-curricular activities;
- to develop students as more effective learners;
- to develop the Academy site so that it enables students to achieve their full potential;
- to conduct Academy's business in accordance with the highest standards of integrity, probity and openness;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to develop the Academy's capacity to manage change;
- to provide value for money for the funds expended; and
- to comply with all appropriate statutory and curriculum requirements.

At Millbrook Primary School we aim to achieve excellence and fulfil potential. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, strategies and activities

The aims of the Academy during the period ended 31 August 2023 are summarised below:

GREAT overview – September 2022 update

	Focus	Target 1	Target 2	Target 3
G	Get In & Get Active	To get into school whenever possible and on time, in the most positive physical and mental state so that they are ready to learn to their full potential.	To instil a life long love of physical activity, and increase levels of activity for all children, to reap the physical and mental benefits of an active lifestyle.	For children and parents to be able to recognise and talk about their moods and feelings so that they can understand how to remove barriers to learning and improve their own wellbeing.
R	Reading	To use planning effectively to ensure that children develop and progress in their reading and use these skills in all aspects of their English work.	To embed effective and consistent phonics teaching throughout the school and continue this until children are confident and competent readers.	To encourage all children to read regularly for pleasure and engage parents to ensure the habit continues at home.
E	Early Years	For all practitioners to be confident in delivering the Millbrook EYFS Curriculum and to have a sound knowledge of child development and how to move children's learning on most effectively.	To continue to create and implement a bespoke EYFS curriculum specifically to meet the needs of the children at Millbrook.	To continue to develop a high-quality provision that promotes a love of learning and allows each child to fulfil their potential.
A	Amazing Curriculum	To ensure a progression of skills, knowledge and vocabulary from EYFS to Y6 in all areas of the curriculum so that children build on their prior learning as they move through the school.	To ensure planning reflects & includes a broad and balanced curriculum, based on the skills progression, and evident in the standard of work produced by children.	To use as many real experiences as possible to inspire children and engage them in the broad & balanced curriculum provided.
T	Technology & Maths	Consistency in the planning and delivery of computing and maths across the school.	Ensure pupils can keep themselves safe online, and that their parents can support them in this, both whilst learning and using social networks.	For all children to have a secure knowledge of all their multiplication tables by the end of Year 4.

Public benefit

The academy trust provides educational services to children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

*As an Academy, we are part of the Link Academies Collaborative Trust and have an agreement to continually raise standards within each of the three LACT schools, collaboratively using the strengths and support of all schools. We aim for excellence in everything that we do and to support each other to achieve this level of excellence.

Strategic Report

Achievements and performance

The Academy is in its tenth year of operation and of meeting the forecast number of students. The total number of students in the year ended 31 August 2023 was 331. It was agreed from September 2022 to increase the number of places in the Specialist Resource Provision temporarily by 2 places to 12 spaces, in September 2023 this has been further increased to 14 spaces. Swindon Borough Council are funding the construction of a new SEN Unit on the school site. The new SEN Unit should open in January 2024. The Unit will then expand to 18 places from September 2024, subject to final approval from the Regional Schools' Director and the recruitment of suitably qualified staff.

Outcomes in reading are on a rising trend over time. Floppy's Phonics has been implemented across the school and a considerable investment has been made in staff training and books to ensure that there is a highly structured program, delivered by highly effective staff, who are supported at each step by books which are very accurately matched to children's stage of learning.

By the end of EYFS children are making good progress across the curriculum to reach levels of GLD which have been close to the national average over the last two years. Observations and national data suggest children are making a strong start to EYFS and are catching up quickly. Over KS1, children continue this strong progress, with phonics results over the last two years being in line with national averages.

Progress in reading over KS2 has improved in 2023 to be in line with the national average and in the middle 20% of schools nationally. This good progress is ensuring that attainment at the expected standard and greater depth is rising over time and is in line with the national average. This represents clearly good progress from starting points and across the school.

Attainment in writing by the end of EYFS is higher than it was pre-covid and has been at least close to the national average in the last two years. Over KS1, children continue this strong progress and as a result, attainment at the expected standard is rising over time to be in line with the national average over the last two years. Progress over KS2 has been above average prior to 2023 but is lower than average this year, although not significantly so. This represents good progress from starting points and across the school.

Attainment in maths by the end of EYFS has improved over time and has been in line with the national average over the last two years. Over KS1, children continue this strong progress and as a result, attainment at the expected standard is rising over time to be at least close to the national average. Progress over KS2 has been consistently in line with national averages over time. This is ensuring that attainment at the expected standard is rising over time and is slightly above average this year.

Overall, national results over the last two years are reflecting the considerable development of the school over the long-term.

Key non-financial performance indicators

Key financial performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review £70,518 was carried forward representing 4.4% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2022 were 330; as this is our maximum capacity, we anticipate that this will remain stable.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2023 this was 123%, compared to 139% in 2022.

Going concern

As a result of Millbrook Primary school agreeing to join the Grove Learning Trust with an anticipated joining date of 1 February 2024, the only academy within the trust will leave.

As a result of this, the academy trust will remain dormant from this point and will likely be wound up. The academy trust is therefore not considered to be a going concern.

Financial review

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

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2023, the Academy received total income of £2,375,392 and incurred total expenditure of £2,351,746. Excluding the LGPS movement, the academy made a deficit of £32,646.

At 31 August 2023 the net book value of fixed assets was £2,810,572 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were valued by the ESFA and included at cost of £3,239,034.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Pay Policy, Asset Management and Insurance.

Reserves policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately £120,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. At the year end the Academy had free reserves of £159,633.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short-term requirements. No form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Headteacher and Business Manager within strict guidelines approved by the Board of Trustees.

Principal risks and uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Recruitment and Retention – of Teachers, and particularly of Support Staff, is becoming increasingly challenging; due to wages not keeping up with inflation, the restriction of term-time only contracts and rapidly increasing wages in the private sector.

MILLBROOK PRIMARY SCHOOL

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

Fraud and mismanagement of funds - All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The school is currently working with a consultant to plan a more robust internal scrutiny programme. Clear procedures are in place and all payments are approved by both a member of finance staff and a member of SLT.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed considering any new information and formally reviewed annually.

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

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

Funds held as Custodian Trustee on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

MILLBROOK PRIMARY SCHOOL

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

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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Albert Goodman as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 5th December 2023 and signed on its behalf by:

.....
L Dawson
Trustee

.....
K Shawyer
Trustee

MILLBROOK PRIMARY SCHOOL

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to K Shawyer, Trustee, 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 Millbrook Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 0 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Dawson	7	7
K Hunt	6	7
C Mills	6	7
K Shawyer	7	7
K Sylvester	7	7
H Tucker	5	7
L Rabbitt	7	7
T Pavlyk	2	7
N Evans	6	7
M Vasta	5	7
J Holden	5	7

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Attendance during the year at meetings was as follows: Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
L Dawson	5	5
C Mills	4	5
K Shawyer	5	5
T Pavlyk	0	5
M Vasta	4	5
N Evans	2	5

MILLBROOK PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- An Application for significant change approval and a business case to the Regional Schools' Director to convert the schools existing Specialist Resource Provision to a SEN Unit was approved. A Unit will provide increased funding per pupil and increase the capacity of spaces available for children in the Unit to 18 pupils. Additionally Swindon Borough Council have agreed to fund the construction of a new building for the Unit.
- The school employed a dedicated supply teacher to deliver the National Tutoring Programme to pupils across the school. This had enabled more children to receive much needed educational support and boosted the children's academic achievement in government tests and assessments.
- The SLT worked during the Easter holidays to make a major change to the layout of the school. The library moved to a re-furnished Homebase area with new bookshelves, soft furnishings, and colourful rugs. The new area is very popular and is encouraging a focus on literacy and a love of books.
- The existing IT suite has been re-configured and moved to the old library area. A new computer server and BenQ board were installed to meet the needs of both pupils and teachers. Teachers can monitor screens around the room more easily and additional desks provide break out areas for pupils to work at too.
- Exploring joining a local Multi Academy Trust (Grove Learning Trust) to benefit from economies of scale, a central team and educational improvement team to support school improvement.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Millbrook Primary School for the year ended 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 year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

MILLBROOK PRIMARY SCHOOL
GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to employ Alastair Dixon-Patterson as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included the first year of a two-year programme to review all areas of the schools financial and strategic risks.

In the year 2022-2023 the Internal Auditor visited the school for one week and provided a full report to Trustees. The three areas audited were:

1. Cash and Bank

- Petty Cash
- Charge cards
- Banking
- Fraud

2. HR & Payroll

- Staff
- Recruitment
- Payroll

3. Data and Cyber

- GDPR
- Cyber-Security

A report was delivered to Auditors in June 2023 and all action points from the report were addressed by 25th July 2023. A final presentation of findings and an outline of the process for 2023 - 24 was given to the Finance, Staffing and Premises committee on 7th November 2023.

On an annual basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

There were no material control or other issues reported by the Internal Auditor to date.

MILLBROOK PRIMARY SCHOOL
GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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

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

.....
L Dawson
Trustee

.....
K Shawyer
Trustee

MILLBROOK PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

.....
K Shawyer, Trustee
Accounting Officer

Date:.....

MILLBROOK PRIMARY SCHOOL

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

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

- select suitable accounting policies and 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; and
- 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 on and signed on its behalf by:

.....
L Dawson
Trustee

MILLBROOK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILLBROOK PRIMARY SCHOOL

Opinion

We have audited the financial statements of Millbrook Primary School (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which explains that Millbrook Primary School has agreed to transfer out of the Academy Trust to Grove Learning Trust with an estimated completion date being 1 February 2024. The Trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in the accounting policies in Note 1. Our opinion is not modified in respect of this matter.

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. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of forecasts and discussions around joining a multi academy trust.

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

MILLBROOK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILLBROOK PRIMARY SCHOOL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 Academy through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- 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 Academy, including the Companies Act 2006, Academies Accounts Direction 2022 to 2023, Charities SORP 2019, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- 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 Academy'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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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 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:

MILLBROOK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILLBROOK PRIMARY SCHOOL (CONTINUED)

- 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
- reviewing correspondence with HMRC, relevant regulators and the academy's legal advisors.

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 trustees 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.

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

Use of our report

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

.....
Michelle Ferris BSc (Hons) FCA DChA (Senior Statutory Auditor)
For and on behalf of Albert Goodman, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date:.....

MILLBROOK PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter 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 Millbrook Primary School during the year to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

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

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

MILLBROOK PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academy Trust Handbook (September 2022);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

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 year from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Michelle Ferris BSc (Hons) FCA DChA
For and on behalf of Albert Goodman, Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date:.....

MILLBROOK PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2022/23 Total £
Income and endowments from:					
Donations and capital grants	2	1,241	-	49,229	50,470
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,095,931	-	2,095,931
Other trading activities	4	228,958	-	-	228,958
Investments	5	33	-	-	33
Total		230,232	2,095,931	49,229	2,375,392
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	237,920	2,040,354	73,472	2,351,746
Net (expenditure)/income		(7,688)	55,577	(24,243)	23,646
Other recognised gains and losses					
Actuarial gain/(losses) on defined benefit pension scheme	22	-	245,000	-	245,000
Net movement in (deficit)/funds		(7,688)	300,577	(24,243)	268,646
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2022		209,219	(230,059)	2,726,404	2,705,564
Total funds carried forward at 31 August 2023		201,531	70,518	2,702,161	2,974,210

MILLBROOK PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
Income and endowments from:					
Donations and capital grants	2	1,901	-	7,600	9,501
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,932,109	-	1,932,109
Other trading activities	4	181,704	-	-	181,704
Investments	5	31	-	-	31
Total		183,636	1,932,109	7,600	2,123,345
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	189,088	2,158,939	81,896	2,429,923
Net expenditure		(5,452)	(226,830)	(74,296)	(306,578)
Transfers between funds		-	(7,631)	7,631	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	22	-	1,938,000	-	1,938,000
Net movement in (deficit)/funds		(5,452)	1,703,539	(66,665)	1,631,422
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		214,671	(1,933,598)	2,793,069	1,074,142
Total funds/(deficit) carried forward at 31 August 2022		209,219	(230,059)	2,726,404	2,705,564

MILLBROOK PRIMARY SCHOOL
(REGISTRATION NUMBER: 08713217)
BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	2,810,572	2,841,221
Current assets			
Debtors	12	38,569	37,531
Cash at bank and in hand		<u>250,798</u>	<u>215,235</u>
		289,367	252,766
Liabilities			
Creditors: Amounts falling due within one year		<u>(125,729)</u>	<u>(134,423)</u>
Net current assets		<u>163,638</u>	<u>118,343</u>
Total assets less current liabilities		<u>2,974,210</u>	<u>2,959,564</u>
Net assets excluding pension asset		2,974,210	2,959,564
Defined benefit pension scheme liability	22	<u>-</u>	<u>(254,000)</u>
Total net assets		<u>2,974,210</u>	<u>2,705,564</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	14	70,518	(230,059)
Restricted fixed asset fund	14	<u>2,702,161</u>	<u>2,726,404</u>
		2,772,679	2,496,345
Unrestricted funds			
Unrestricted general fund	14	<u>201,531</u>	<u>209,219</u>
Total funds		<u>2,974,210</u>	<u>2,705,564</u>

The financial statements on pages 27 to 54 were approved by the Trustees, and authorised for issue on and signed on their behalf by:

.....
L Dawson
Trustee

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

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	31,525	(8,138)
Cash flows from investing activities	18	<u>4,038</u>	<u>(7,600)</u>
Change in cash and cash equivalents in the year		35,563	(15,738)
Cash and cash equivalents at 1 September		<u>215,235</u>	<u>230,973</u>
Cash and cash equivalents at 31 August	19	<u><u>250,798</u></u>	<u><u>215,235</u></u>

1 Accounting policies

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

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.

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.

The only academy within the academy trust has agreed to join the Grove Learning Trust with an estimated joining date of 1 February 2024. Once this happens the academy trust will become dormant and will likely be wound up. However, as the school activities will be carried on by the Grove Learning Trust and all the assets and liabilities will be transferred at net book value, no adjustments or reclassifications of these amounts in these financial statements is required.

Income

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

Grants

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

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

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

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

1 Accounting policies (continued)

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.

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

Asset class

Leasehold property

Long term leasehold land

Furniture and equipment

Computer equipment

Depreciation method and rate

50 years straight line

125 years straight line

5-10 years straight line

3 year straight line

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.

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

Taxation

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

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

Fund accounting

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

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

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

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.

1 Accounting policies (continued)***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit 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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions as 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.

The present value of the Local Government Pension Scheme as calculated by the actuary is an asset of £75,000. The asset has been limited to £0 as the trustees believe that the criteria for recognition of an asset have not been met.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Capital grants DfE/ESFA	-	49,229	49,229	7,600
Other donations	1,241	-	1,241	1,901
	<u>1,241</u>	<u>49,229</u>	<u>50,470</u>	<u>9,501</u>

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)**

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2022/23 Total £	2021/22 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,570,299	1,570,299	1,450,092
Pupil Premium	130,288	130,288	117,160
Other DfE / ESFA grants	30,794	30,794	18,770
UIFSM	48,538	48,538	47,041
Rates	-	-	4,570
PE Grant	18,780	18,780	-
FSM Supplementary grant	65,011	65,011	17,939
	<u>1,863,710</u>	<u>1,863,710</u>	<u>1,655,572</u>
Non-government grants and other income			
Other LA funding	<u>232,221</u>	<u>232,221</u>	<u>276,537</u>
Total grants	<u><u>2,095,931</u></u>	<u><u>2,095,931</u></u>	<u><u>1,932,109</u></u>

MILLBROOK PRIMARY SCHOOL

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

(CONTINUED)

4 Other trading activities

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Facilities and services income	194	194	745
Catering income	19,704	19,704	18,274
Other income	59,869	59,869	40,923
Pre-school	149,191	149,191	121,762
	<u>228,958</u>	<u>228,958</u>	<u>181,704</u>

5 Investment income

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Short term deposits	<u>33</u>	<u>33</u>	<u>31</u>

6 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other costs £	2022/23 Total £	2021/22 Total £
Academy's educational operations					
Direct costs	1,620,888	-	80,126	1,701,014	1,603,738
Allocated support costs	<u>310,431</u>	<u>155,357</u>	<u>184,944</u>	<u>650,732</u>	<u>826,185</u>
	<u>1,931,319</u>	<u>155,357</u>	<u>265,070</u>	<u>2,351,746</u>	<u>2,429,923</u>

Net income/(expenditure) for the year includes:

	2022/23 £	2021/22 £
Operating lease rentals	6,947	6,947
Depreciation	75,873	81,896
Fees payable to auditor - audit	7,350	6,900
- other audit services	<u>2,750</u>	<u>2,650</u>

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****7 Charitable activities**

	2022/23	2021/22
	£	£
Direct costs - educational operations	1,701,014	1,603,738
Support costs - educational operations	650,732	826,185
	<u>2,351,746</u>	<u>2,429,923</u>
	2022/23	2021/22
	Total	Total
	£	£
Analysis of direct costs		
Teaching and educational support staff costs	1,620,888	1,531,614
Educational supplies	41,165	32,102
Staff development	500	-
Other direct costs	121	121
Technology costs	21,232	21,171
Supply costs	-	2,386
Trip costs	17,108	16,344
Total direct costs	<u>1,701,014</u>	<u>1,603,738</u>
	2022/23	2021/22
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	310,431	523,703
Depreciation	75,873	84,024
Recruitment and support	7,875	7,325
Rent, rates and utilities	45,311	38,307
Insurance	6,134	7,640
Catering	46,819	39,073
Maintenance of premises and equipment	20,847	20,131
Cleaning	13,326	11,817
Professional fees	81,764	44,722
Other support costs	42,352	49,443
Total support costs	<u>650,732</u>	<u>826,185</u>

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****8 Staff****Staff costs**

	2022/23	2021/22
	£	£
Staff costs during the year were:		
Wages and salaries	1,458,309	1,384,503
Social security costs	120,586	114,897
Operating costs of defined benefit pension schemes	352,424	553,531
	<u>1,931,319</u>	<u>2,052,931</u>
Supply staff costs	-	2,386
	<u>1,931,319</u>	<u>2,055,317</u>

Staff numbers

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

	2023	2022
	No	No
Charitable Activities		
Teachers	17	18
Administration and support	52	47
Management	3	3
	<u>72</u>	<u>68</u>

Higher paid staff

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

	2022/23	2021/22
	No	No
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £453,503 (2022: £552,801).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

K Shawyer (Headteacher):

Remuneration: £80,000 - £85,000 (2022 - £75,000 - £80,000)

Employer's pension contributions: £15,000 - £20,000 (2022 - £15,000 - £20,000)

H Tucker (Deputy Head):

Remuneration: £60,000 - £65,000 (2022 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2022 - £10,000 - £15,000)

S Wilson (Site Manager):

Remuneration: £Nil (2022 - £5,000 - £10,000)

Employer's pension contributions: £Nil (2022 - £0 - £5,000)

K Sylvester (SRP Leader):

Remuneration: £45,000 - £50,000 (2022 - £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2022 - £10,000 - £15,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £Nil (2022 - £Nil) were reimbursed or paid directly to trustees (2022 - 0).

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****11 Tangible fixed assets**

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	2022/23 Total £
Cost				
At 1 September 2022	3,390,481	66,556	101,767	3,558,804
Additions	<u>25,110</u>	<u>10,499</u>	<u>9,615</u>	<u>45,224</u>
At 31 August 2023	<u>3,415,591</u>	<u>77,055</u>	<u>111,382</u>	<u>3,604,028</u>
Depreciation				
At 1 September 2022	571,368	54,319	91,896	717,583
Charge for the year	<u>65,510</u>	<u>1,632</u>	<u>8,731</u>	<u>75,873</u>
At 31 August 2023	<u>636,878</u>	<u>55,951</u>	<u>100,627</u>	<u>793,456</u>
Net book value				
At 31 August 2023	<u>2,778,713</u>	<u>21,104</u>	<u>10,755</u>	<u>2,810,572</u>
At 31 August 2022	<u>2,819,113</u>	<u>12,237</u>	<u>9,871</u>	<u>2,841,221</u>

12 Debtors

	2023 £	2022 £
VAT recoverable	4,685	2,527
Other debtors	338	3,895
Prepayments and accrued income	<u>33,546</u>	<u>31,109</u>
	<u>38,569</u>	<u>37,531</u>

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)**

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	17,326	12,779
Other taxation and social security	28,980	27,857
Other creditors	38,698	37,875
Accruals and deferred income	40,725	55,912
	<u>125,729</u>	<u>134,423</u>
	2023	2022
	£	£
Deferred income		
Deferred income at 1 September 2022	27,914	31,802
Resources deferred in the period	29,724	27,914
Amounts released from previous periods	<u>(27,914)</u>	<u>(31,802)</u>
Deferred income at 31 August 2023	<u>29,724</u>	<u>27,914</u>

At the balance sheet date the academy trust was holding funds received in advance of £29,724 relating to Universal Infant Free School Meals income.

MILLBROOK PRIMARY SCHOOL

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

(CONTINUED)

14 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	23,941	1,570,299	(1,523,722)	-	70,518
Pupil Premium	-	130,288	(130,288)	-	-
PE and Sports Premium	-	18,780	(18,780)	-	-
High Needs Income	-	228,643	(228,643)	-	-
Other LA Grants	-	3,578	(3,578)	-	-
Universal Infant Free School Meals (UIFSM)	-	48,538	(48,538)	-	-
Other DfE Grants	-	95,805	(95,805)	-	-
Pension reserve	(254,000)	-	9,000	245,000	-
Total restricted general funds	(230,059)	2,095,931	(2,040,354)	245,000	70,518
<i>Restricted fixed asset funds</i>					
Fixed Asset Transferred on Conversion	2,677,109	-	(62,481)	-	2,614,628
Purchased from GAG and Other Restricted Funds	9,208	-	(3,097)	-	6,111
Pastoral Room	30,538	-	(637)	-	29,901
DFCG	9,549	24,119	(7,257)	-	26,411
SBC	-	25,110	-	-	25,110
Total restricted fixed asset funds	2,726,404	49,229	(73,472)	-	2,702,161
Total restricted funds	2,496,345	2,145,160	(2,113,826)	245,000	2,772,679
<i>Unrestricted general funds</i>					
General	70,396	80,691	(84,636)	-	66,451
Pre-School	24,005	149,541	(150,882)	-	22,664
Designated for capital	114,818	-	(2,402)	-	112,416
Total unrestricted funds	209,219	230,232	(237,920)	-	201,531
Total endowment funds	-	-	-	-	-

MILLBROOK PRIMARY SCHOOL

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

(CONTINUED)

14 Funds (continued)

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
Total funds	<u>2,705,564</u>	<u>2,375,392</u>	<u>(2,351,746)</u>	<u>245,000</u>	<u>2,974,210</u>

MILLBROOK PRIMARY SCHOOL

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

(CONTINUED)

14 Funds (continued)

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

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted funds					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	45,402	1,472,601	(1,486,431)	(7,631)	23,941
Pupil Premium	-	117,160	(117,160)	-	-
PE and Sports Premium	-	18,770	(18,770)	-	-
High Needs Income	-	276,537	(276,537)	-	-
Universal Infant Free School Meals (UIFSM)	-	47,041	(47,041)	-	-
Pension reserve	(1,979,000)	-	(213,000)	1,938,000	(254,000)
Total restricted general funds	<u>(1,933,598)</u>	<u>1,932,109</u>	<u>(2,158,939)</u>	<u>1,930,369</u>	<u>(230,059)</u>
<i>Restricted fixed asset funds</i>					
Fixed Asset Transferred on Conversion	2,739,590	-	(62,481)	-	2,677,109
Purchased from GAG and Other Restricted Funds	15,759	-	(14,182)	7,631	9,208
Pastoral Room	31,187	-	(649)	-	30,538
DFCG	<u>6,533</u>	<u>7,600</u>	<u>(4,584)</u>	<u>-</u>	<u>9,549</u>
Total restricted fixed asset funds	<u>2,793,069</u>	<u>7,600</u>	<u>(81,896)</u>	<u>7,631</u>	<u>2,726,404</u>
Total restricted funds	<u>859,471</u>	<u>1,939,709</u>	<u>(2,240,835)</u>	<u>1,938,000</u>	<u>2,496,345</u>
<i>Unrestricted general funds</i>					
General	70,088	61,874	(61,566)	-	70,396
Pre-School	27,638	121,762	(125,395)	-	24,005
Designated for capital	<u>116,945</u>	<u>-</u>	<u>(2,127)</u>	<u>-</u>	<u>114,818</u>
Total unrestricted funds	214,671	183,636	(189,088)	-	209,219
Total endowment funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>1,074,142</u>	<u>2,123,345</u>	<u>(2,429,923)</u>	<u>1,938,000</u>	<u>2,705,564</u>

MILLBROOK PRIMARY SCHOOL

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

(CONTINUED)

14 Funds (continued)

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

The General Annual Grant (GAG) represents funding received from the Educational and Skills Funding Agency (ESFA) which is to be used for the normal running costs of the Academy, including education and support costs.

Universal Infant Free School Meals (UIFSM) represents funding from the ESFA to cover the cost of providing free school meals to all pupils in reception, year 1 and year 2.

PE & Sports premium - Funding received to develop and improve the PE and sports activities that the Academy offers to pupils.

Rates relief grants are received from the ESFA to contribute towards the Academy's rate expenditure.

Devolved Formula Capital represents funding received from the ESFA towards the purchase and improvement of long-term assets.

High Needs funding is received from the Local Authority to fund provision for students with additional learning needs in a specialised resource provision.

Pupil Premium funding represents amounts received from the ESFA to cater for disadvantaged pupils.

Donations represent money received from parents for educational visits and extra-curriculum activities.

LACT funding represents funding received from the ESFA and other member schools for the development of the Link Academies Collaborative Trust. Future contributions to the LACT funding will be received in equal amounts from the four schools within the Link Academies Collaborative Trust to ensure this fund does not remain in a deficit position.

The Pastoral Room fund relates to funds raised for the furnishing of a pastoral room for students of the school, known as The Burrow.

SBC funding represents capital funds relating to the building works currently undergoing.

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****14 Funds (continued)**

The pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed assets transferred on conversion represent the building and equipment donated to the school from Swindon Unitary Authority on conversion to an academy. Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the ESFA.

Capital expenditure from GAG - This represents the amount of the General Annual Grant allocated towards capital expenditure during the period and its associated depreciation.

Fund balances for each academy at 31 August 2023 and 31 August 2022 were zero, hence a breakdown by academy is not included in these accounts.

15 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	112,416	-	2,698,156	2,810,572
Current assets	89,115	196,247	4,005	289,367
Current liabilities	-	(125,729)	-	(125,729)
Total net assets	201,531	70,518	2,702,161	2,974,210

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	114,817	-	2,726,404	2,841,221
Current assets	94,402	158,364	-	252,766
Current liabilities	-	(134,423)	-	(134,423)
Pension scheme liability	-	(254,000)	-	(254,000)
Total net assets	209,219	(230,059)	2,726,404	2,705,564

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****16 Long-term commitments, including operating leases*****Operating leases***

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts due within one year	5,868	6,947
Amounts due between one and five years	<u>4,389</u>	<u>11,055</u>
	<u>10,257</u>	<u>18,002</u>

17 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2023	2022
	£	£
Net income/(expenditure)	23,646	(306,578)
Depreciation	75,873	84,024
Capital grants from DfE and other capital income	(49,229)	(7,600)
Interest receivable	(33)	(31)
Defined benefit pension scheme cost less contributions payable	(20,000)	179,000
Defined benefit pension scheme finance cost	11,000	34,000
(Increase)/decrease in debtors	(1,038)	2,344
(Decrease)/increase in creditors	<u>(8,694)</u>	<u>6,703</u>
Net cash provided by/(used in) Operating Activities	<u>31,525</u>	<u>(8,138)</u>

18 Cash flows from investing activities

	2023	2022
	£	£
Dividends, interest and rents from investments	33	31
Purchase of tangible fixed assets	(45,224)	(15,231)
Capital funding received from sponsors and others	<u>49,229</u>	<u>7,600</u>
Net cash provided by/(used in) investing activities	<u>4,038</u>	<u>(7,600)</u>

19 Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	<u>250,798</u>	<u>215,235</u>
Total cash and cash equivalents	<u>250,798</u>	<u>215,235</u>

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)**

20 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash	<u>215,235</u>	<u>35,563</u>	<u>250,798</u>
Total	<u>215,235</u>	<u>35,563</u>	<u>250,798</u>

21 Member liability

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

22 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £38,968 were payable to the schemes at 31 August 2023 (2022: £9,979) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both 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.

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

The employer's pension costs paid to TPS in the period amounted to £160,644 (2022: £157,787).

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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £236,000 (2022 - £221,000), of which employer's contributions totalled £198,000 (2022 - £186,000) and employees' contributions totalled £38,000 (2022 - £35,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****22 Pension and similar obligations (continued)****Principal actuarial assumptions**

	2023	2022
	%	%
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	3.00	3.10
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.30</u>

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

	2023	2022
Retiring today		
Males retiring today	19.70	21.70
Females retiring today	23.70	24.20
Retiring in 20 years		
Males retiring in 20 years	21.00	22.60
Females retiring in 20 years	<u>25.30</u>	<u>26.00</u>

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

	2023	2022
	£	£
Equities	1,491,050	1,370,520
Other bonds	786,190	786,780
Property	379,540	380,700
Cash and other liquid assets	<u>54,220</u>	<u>-</u>
Total market value of assets	<u>2,711,000</u>	<u>2,538,000</u>

The actual return on scheme assets was (£40,665) (2022 - (£104,058)).

Amounts recognised in the statement of financial activities

	2023	2022
	£	£
Current service cost	178,000	365,000
Interest income	112,000	42,000
Interest cost	<u>(123,000)</u>	<u>(76,000)</u>
Total amount recognized in the SOFA	<u>167,000</u>	<u>331,000</u>

MILLBROOK PRIMARY SCHOOL**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)**

22 Pension and similar obligations (continued)**Changes in the present value of defined benefit obligations were as follows:**

	2023	2022
	£	£
At start of period	2,792,000	4,475,000
Current service cost	178,000	365,000
Interest cost	123,000	76,000
Employee contributions	38,000	35,000
Actuarial (gain)/loss	(467,000)	(2,086,000)
Benefits paid	<u>(28,000)</u>	<u>(73,000)</u>
At 31 August	<u>2,636,000</u>	<u>2,792,000</u>

Changes in the fair value of academy's share of scheme assets:

	2023	2022
	£	£
At start of period	2,538,000	2,496,000
Interest income	112,000	42,000
Actuarial gain/(loss)	(147,000)	(148,000)
Employer contributions	198,000	186,000
Employee contributions	38,000	35,000
Benefits paid	<u>(28,000)</u>	<u>(73,000)</u>
At 31 August	<u>2,711,000</u>	<u>2,538,000</u>

23 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

Income related party transactions

During the year the academy made the following related party transactions:

Peatmoor Community Primary School

(Member of the Link Academies Collaborative Trust.)

Recharge of expenditure for group services totalling £4,450 (2022: £5,132)

Expenditure incurred for group services totalling £170 (2022: £nil).

Shaw Ridge Primary School

(Member of Link Academies Collaborative Trust.)

Recharge of expenditure for group services totalling £4,450 (2022: £4,975).

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

24 Events after the end of the reporting period

The only academy within the trust, Millbrook Primary School, has agreed to join Grove Learning Trust with an estimated joining date of 1 February 2024. The Trust following this will likely be dormant from this date and it is expected to be wound up.