

REGISTERED COMPANY NUMBER: 07840838 (England and Wales)

Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2022
for
Three Counties Academy Trust

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

Three Counties Academy Trust

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for the Year Ended 31 August 2022

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Three Counties Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2022

MEMBERS:	J G Lester C Edwards J Donaldson C Martin (resigned 1.3.22) A R Burt
TRUSTEES	A R Burt (resigned 23.9.21) M J Farmer (Accounting Officer) * D Racic (Staff governor) M Henderson (Chair of Trustee Board) * N D Ferguson * S L Reeves-Walters T Dugmore (resigned 28.1.22) D Berry (Mr) * M Franklin * A Taylor (resigned 5.10.22) K Ewing (appointed 1.10.21) D Berry (Mrs) M Stubbs (appointed 29.4.22)

* members of the finance and general purpose committee

SENIOR MANAGEMENT TEAM	M J Farmer S Seneque D Wiles K Lane S Day T Lloyd M Watkiss D Racic	Executive Headteacher and Accounting Officer Head of School Chief Finance Officer Executive Leader for Safeguarding and inclusion Assistant Headteacher Assistant Headteacher Assistant Headteacher (seconded) Assistant Headteacher (seconded)
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COMPANY NAME QEHC Academy Trust / Three Counties Academy Trust

REGISTERED OFFICE Ashfields
Bromyard
Hereford
Herefordshire
HR7 4QS

REGISTERED COMPANY NUMBER 07840838 (England and Wales)

SENIOR STATUTORY AUDITOR Mrs Lisa Weaver FCCA

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

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

QEHC Academy Trust/Three Counties Academy Trust exists to serve its students and community through the provision of excellent education in an open and safe environment. The trust adopted MAT articles in May 2022 during the accounting period and rebranded from QEHC Academy Trust to Three Counties Academy Trust.

Catering for students between 11 and 16, it provides a balanced and challenging curriculum to develop academic, social and life skills, including a range of sporting and cultural activities.

Being a small school in a small town in a rural location it is at the centre of its community and this situation develops social responsibility in the pupils.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing, and developing a school offering a broad and balance curriculum.

It is intended that the curriculum and ethos of the Academy will place an emphasis on, and include a commitment to pupils learning about, co-operative values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others with the aim of encouraging all pupils to become better citizen, not only while they are pupils but during the rest of their lives.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

The main objectives for the year and strategies for achieving them are contained in the academy's Strategic Improvement Plan 2021-2023 which is available from the academy, a summary of which is as follows:

To further improve the Quality of Education for all pupils

- To ensure curriculum strategy, plans and schemes of work are fully in place and promote a broad, balanced, and inclusive curriculum with clear regard for intent, implementation, and impact for pupils
- To develop excellent opportunities for learning for all pupils through the development of a Quality First Teaching approach
- To audit educational impact and develop ongoing response to COVID catch-up for pupils
- To carefully review current provision for disadvantaged pupils, amending and implementing as required
- To carefully review current provision for targeted high attaining pupils, amending and implementing as required
- To ensure outcomes match target expectations subject to any COVID related adjustments

To ensure the Behaviour and Attitudes of pupils enable them to learn effectively and progress to the next stage of their education

- To ensure the attendance and punctuality of all pupils in all groups is maintained at least to comparative national levels and that those pupils persistently absent are at a level better than national averages with due regard for COVID constraints
- To ensure low level disruption is minimised and pupils display a positive attitude towards their learning

To provide opportunities for the Personal Development of all pupils to prepare them for adult life in British society

- To ensure the mental health and well-being of pupils enables them to be resilient, confident, and happy learners
- To ensure the Careers, Information, Advice and Guidance (CIAG) provided to pupils is of the very best available

To deliver high quality Leadership and Management that allow the strategic implementation to deliver the school vision

- To ensure a full and robust ongoing COVID response that is fit for purpose at each tier of operation
- To strengthen Middle Leadership across the school
- To review and adapt as required appraisal and performance management procedures and protocols
- To ensure the mental health and well-being of staff enables them to be effective colleagues
- To audit and remedy any gaps in governance structures and governance communication and procedures to ensure strength is added further to the Trust Board
- To audit and update all policies as required ensuring all appropriate structures are in place and utilised
- To continue with efficiency measures to ensure surplus budgets are set and delivered for the duration of the plan and financial probity is maintained
- To ensure the school is inspection ready
- To assess the viability and appropriateness of a local MAT solution for the Trust and partner schools
- To review fully the appropriateness of current website provision and action as required any change
- To audit current MIS and ICT infrastructure and potential replacement platforms and hardware

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

STRATEGIC REPORT

Achievement and performance

Charitable activities

The summer 2022 results attained by the Trust through examination were below expectation and projections, in large part a reflection of the disruption of the examination cohort through ongoing COVID 19 impact. Key academic data includes:

- Attainment 8 score 37.9
- Percentage of students achieving grade 5+ in English and mathematics 24%
- Percentage of students achieving grade 4+ in English 68.67%
- Percentage of students achieving grade 4+ in mathematics 57.83%
- Percentage of students achieving grade 5+ in English 40.96%
- Percentage of students achieving grade 5+ in mathematics 30.12%
- Percentage of students achieving the EBacc suite of GCSE's at grade 5 or higher 9.52%
- EBacc average point score (APS) of 3.24 with 32.0% of students entering the EBacc subject suite

The school has maintained the requirement to provide online work for pupils not at school due to Covid-19.

During Autumn Term 1 media and promotion where we operated a normal Open Evening offering supplemented by family guided tours of the secondary school throughout October. Early indications reflect approx. 68 pupils will join in September 2023.

Recruitment to current Year 7 was exceptional with 97 pupils joining. This was mainly due to a significant marketing campaign and continued community engagement by the school. Currently Year 11 is our smallest Year Group with 53 pupils. The total current NoR is 385. The initial number indication for September 2023 entry is 68 pupils. PAN is 400 (5x80). Assuming the 68 is firm then the school will sit at 400 pupils next academic year and in doing so will have achieved overall PAN of 400 pupils.

Covid 19 hit the school very hard during the accounting year. The effect on attendance and pupils of the Omicron variant was very high with numerous large-scale absences both whilst the requirement to self-isolate was in force and after it was rescinded. This impacted Year 11 more than any other group within school and at times that had the biggest impact, for example during the mock examination series. Attendance through the rest of the school was impacted to a lesser degree and enabled the school to maintain attendance above that seen nationally.

The cost of supply staffing has been extensive this accounting period where we could source supply over and above that we could provide in house.

The school has mitigated the majority of the increase in fuel costs due to a period under a fixed tariff.

Fundraising activities

The Trust put forward a CIF bid for asbestos removal and associated works which was unsuccessful and intends to lodge the same bid during the next CIF window.

There have been no further fundraising activities and income has continued to be significantly reduced as a result of the pandemic effects and recovery.

Key financial performance indicators

These are covered throughout the Governors' Report.

Donated goods

During the year, QEHC Academy Trust kindly received £5,153 in donations which were spent as follows:

- £3,500 survey and planning fees for the 3G pitch application funded by Bromyard Grammar School Foundation Trustees
- £1,353 spent on Science and Geography equipment and texts provided by the QE PFA group
- £300 spent on PE equipment provided by R Noble Sciences

STRATEGIC REPORT

Financial review

Financial position

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2022, total expenditure of £1,915,515 (2021: £1,698,478) was covered by recurrent grant funding from the DfES. The net income before transfers and revaluations for the year was £40,327 (2021: £113,744 net income).

At 31 August 2022, the net book value of fixed assets was £3,001,713 (2021: £3,066,587) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy

The academy retains any interest earned on investments and bears any charges made by the bank. Investment of temporary cash surpluses is made directly in current or deposit accounts of the nominated bank. The Executive Headteacher and Chief Finance Officer monitor cash balances to determine the most appropriate interest-bearing account.

Loans are never made to any organisation or individual from academy funds. The academy does not offer any security to the bank.

Any re-profiling of income flow must be agreed by the Executive Headteacher and Chief Finance Officer. The academy has not made arrangements for overdrafts, loans or any other forms of credit or deferred purchases.

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £218,522 (2021: 190,644), all of which is free reserves. The level of general restricted reserves excluding fixed assets and pension fund is £17,912 surplus (2021: £118,894 deficit).

The Trust operates a Reserves Policy which sets the level of reserves deemed prudent to hold at a minimum level (subject to available funds) of £100,000 or approximately 5% of GAG with a maximum holding in reserves of £200,000 or approximately 10% of GAG. The Trust aims to have at any one time the equivalent of 1 month of our average salary commitments on hand as reserves in the form of cash. These reserves will ensure the ability of the Trust to meet its obligations to stakeholders without placing additional strain and burden on day-to-day finances.

Reserves held in excess of the set limits will be used to enrich the educational offer of the Trust in the manner best suited to doing so.

The Trust will adjust the minimum and maximum holdings authorised within the reserves Policy at any such time that new entrants to the Trust are accepted with the general principle of a 5% to 10% GAG floor and ceiling being applied.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

STRATEGIC REPORT

Financial review

Going concern

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

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

We do not envisage major cost implications for the Trust over the coming 12 months as a result of Covid 19, other than supply costs for ongoing staff absence due to infection. Though there are additional costs involved with cleaning and safety measures to ensure the safe operation of the school, these are not seen to be to such an extent as to cause financial hardship on the Trust in and of themselves.

The financial impact of Covid-19

The reporting period covered saw monies received by the Trust in relation to Covid-19 tutoring catch-up from central government which was spent as intended on tutoring services.

Principal risks and uncertainties

Currently, the Governors consider that the critical risks and uncertainties facing the Academy are:

- Variation of pupil intake numbers. Numbers on role are strong and increasing. The threat of an adverse effect on overall numbers and finance has been mitigated by 2 strong years of above PAN intake and a further opportunity to increase numbers exists when current Year 11, numbering only 53 pupils replaced by a minimum 68 pupils in the Year 7 intake. It remains the case that the Trust will best benefit from consistent high numbers
- A lack of material investment in the school for basic hygiene and safety measures through the CIF allocations. Although the trust has received prior allocations, remedial works are further required with no prospect of completion outside a successful CIF bid
- Continued upward cost pressures continue to significantly impact the academy with rising staff costs and associated costs bringing the biggest pressure to bear from unfunded pay settlements, most notably the increased pressure on our SEND provision with insufficient funding allocated to allow an appropriate staffing response other than impacting main school budgets
- A continued lack of suitable candidates prepared to travel to rural locations, especially newly qualified teaching staff, the school remains fully staffed at this time
- Potential future cost increases from salaries at the next Pay Review if not fully funded through central government and increasing National insurance contributions
- Further restructuring of leadership as required to move the trust forward as a MAT
- Inflationary pressures on goods and services including fuel and power
- Increased staffing costs as NoR increases and the discussion around increasing PAN

STRATEGIC REPORT

Financial and risk management objectives and policies

The academy has adopted a protocol based on that of its insurer, Zurich Municipal for vehicle insurance only with all other insurance products procured through the RPA scheme:

Stage 1: Risk identification / Compiling the Risk Register

The Risk Register is reviewed proactively on an ongoing basis e.g., at regular management/trustee meetings and, reactively when key staff leave, when control systems change or when new evidence about risk exposure emerges, e.g., if a loss were incurred, errors made, or an accident suffered. It is, therefore, a key tool for senior leadership and trustees to use continuously to check that the academy's level of risk exposure is acceptable.

Stage 2. Prioritisation - Assessing the Probability and the Impact of Each Risk

The Risk Register uses a matrix offering a straightforward means of plotting the probability of the risk occurring and its likely impact. This shows in quite stark terms those risks that should cause most concern - high chance of occurrence and high impact. It is now relatively easy for staff and trustees to complete as it is based on the knowledge of several people without the need for detailed analysis. Now that all risks are plotted on the matrix, those that fall in the Red or Amber squares are being looked at and will usually require some degree of management action.

Stage 3: Control Definition and Controls Assessment

The first step is to consider the existing controls. Examples of controls used to date include: project plans, effective resource management, verification processes, management information and actions, physical safeguards, supervision, monitoring. This has helped in the assessment of the "real" risks by briefly considering and evaluating the level of existing controls in place.

Stage 4: Priority/Timescales/Review Date

Description of further action required is entered into the risk register and reviewed periodically. The priority of the risk determines the time frame and review date as follows: Low Long-Term Date - 12 months from now; Medium Term Date - 6 months from now; High Short Term Date - 3 months from now. A risk owner is identified who can be accountable for taking the action.

Future plans

The academy has adopted MAT articles and formed a MAT (Three Counties Academy Trust) with 2 of our partner primary schools, designed to ensure continued strong provision across the phases in the locality. The trust will then seek to grow at a manageable pace locally to continue to promote its vision and ethos.

New entrants to the MAT over the next accounting period will see the transfer of reserves to the trust to be reflected in the next accounting period and reports.

The Trust intends to continue the growth of pupil numbers in line with previous projections so that the provision currently in place can be maintained financially through increased revenue. This growth has been better than projected and indications for September 2023 reflect a position where global PAN will be achieved with 400 pupils on roll against a budgeted number of 402. Over the period of 8 years, the school will have moved from 302 NoR to 400 NoR and achieve PAN.

The academy has continued to develop an already robust curriculum designed in the best interests of pupils and fitting the vision for such currently being explored by Ofsted. Our Vocational Centre is seen as an extremely positive step for current pupils and for the potential to increase pupil numbers further as such a provision is seen as desirable by the local and wider community where no such provision currently exists. There is clear and consistent evidence from parental visits that aspects of vocational provision are a major determining factor in seeking a school place with the school and have almost certainly been responsible in part for the significant upturn in global NoR. This provision will be further strengthened with links now being discussed between the Trust and the new educational provision at Bristol Aerospace.

The Trust has bid again into the next round of CIF bids following an unsuccessful bid last year for asbestos removal and associated works.

The Trust will complete further ongoing estate upgrade work to compliment the addition of new toilet facilities to one teaching block through existing funds and reserves as need arises.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

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 Charitable Company was incorporated on the 9th of November 2011 and converted from a Local Authority School to an Academy Trust on the 1st of December 2011.

The Trust adopted MAT articles during the accounting period and rebranded to the Three Counties Academy Trust following approval from the RSC and Advisory Board. Queen Elizabeth High School was given Sponsor School status.

The governors act as the trustees for the charitable activities of QEHC Academy Trust/Three Counties Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is now known as Three Counties Academy Trust.

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

Members' liability

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

Trustees' Indemnities

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

The liability insurance is provided by the RPA and provides unlimited cover (2021: £1,000,000) on any one claim.

Principal activities

This is defined in the Articles of Association which were updated during this accounting period to the latest model.

Three Counties Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Governors

The Trust has recently updated the Articles and Memorandum of Association to the latest model versions which have been sealed and lodged with Companies House.

The Members have agreed not to have Staff Trustees except the Executive Headteacher (ex-officio). A serving Staff Trustee has resigned the position as Trustee but will take up the position of Staff Local Governor.

The Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when they are elected. The Trust Board makes all necessary arrangements for, and determines all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Trustee provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Trustee is required to be filled by election, the Trust Board takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Trustees required is made up by Parent Trustees appointed by the Trust Board if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Trustee, the Trust Board appoints a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. The Executive Headteacher is treated for all purposes as being an ex officio trustee.

Local Governing Bodies will have separate arrangements for the recruitment and deployment of governors in line with their Terms of Reference.

Organisational structure

The Academy has a leadership structure which consists of trustees and Senior Leadership. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Headteacher is the accounting officer. During the new accounting period, the Board will seek to form a new committee to act as a Local Governing Body for Queen Elizabeth High School, currently that role is undertaken by the Board.

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

The Senior Leadership Team for the accounting period are the Executive Headteacher, Head of School and 1 Assistant Headteacher, and an Academy Business Manager, additionally there were 2 secondments to the SLT as the Trust moved to a position of growth and to allow the capacity for this growth. The leaders direct the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. The Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Senior Leadership Team and for many other roles always contain a trustee. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Chair of Finance or Chair of the Trust Board must agree.

Subject leaders are responsible for the day-to-day operation of curriculum subject areas and accordingly organise their staff, capitation resources and pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Policies and Procedures Adopted for the Induction and Training of Governors

The Trust Board believes that in order to fulfil its responsibilities effectively, it is essential that each member is committed to a shared vision for the Trust and that the trustees are working well as a team to achieve this.

To help new trustees feel able to take an active part within the board and be valued as an equal member of the team, the Trust recognises the need for new trustees to have an induction - a period of planned support to introduce them to their new role. The aims of the induction are to:

- welcome new trustees to the team
- help them to get to know the academy
- assist them to understand their role and responsibilities
- enable them to contribute fully to the work of the Trust Board

In order to achieve its aims, the Trust Board ensures that the following steps are taken.

- The Chair of the Trust Board sends a letter welcoming the new trustee to the team and offering them the opportunity to meet before the first formal Trust Board meeting
- The Executive Headteacher invites the new trustee to visit the academy
- When a new trustee attends his/her first meeting, the Chair of the Trust Board welcomes and introduces them to the other trustees. Trustees are asked to introduce themselves and describe any particular interests/experience they have, and the new trustee is given the opportunity to say something about themselves.
- The new trustee is invited to join a relevant committee or committees. They can also be given the opportunity to attend and observe committee meetings before deciding about which committees they might like to join
- A trustee is appointed to take responsibility for inducting every new trustee. This will be an experienced trustee who acts as a mentor
- All trustees are encouraged to attend any relevant LA, regional or national training events that become available along with in-house training sessions and access to the NGA Learning Link platform
- New trustees are shown how to access policy documents and other relevant information for trustees
- They will be informed who to contact for advice and support.

Arrangements for setting pay and remuneration of key management personnel

Senior Leaders at the academy are placed within an appropriate range on the national Leadership spine payment range relative the size of the school in terms of pupil numbers at their time of appointment. The starting salary within that range is determined in conjunction with trustees and the Executive Headteacher for all roles except the Executive Headteacher, and in the case of the Executive Headteacher is set by trustees. The decision will assess prior leadership experience, previous pay awards and responsibilities.

The academy adopts a locally agreed Performance Related Pay Policy and appraisal procedures. For all members of senior leadership other than the Executive Headteacher, a recommendation is made by the Executive Headteacher as to whether pay progression should be awarded based on successful completion of annual targets.

Trustees will be presented with evidence to support such decisions and ratify those decisions or seek further clarification as required. For the Executive Headteacher, this decision is taken by trustees working in conjunction with an independent adviser. Again, such a decision to enable pay progression for the Executive Headteacher will be dependent upon their performance against agreed targets. No member of senior leadership can progress beyond the highest point of the range on which they are appointed.

Related parties and other connected charities and organisations

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.

Transactions with related parties are disclosed in the notes to the accounts.

Three Counties Academy Trust

Report of the Trustees
for the Year Ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The governors have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, the provision of facilities and other operational issues, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Risk Register is maintained by the Academy leadership team (with reference to the Academy's Committees where appropriate), reported to the governors for approval and supported by training from an external risk management specialist where appropriate.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees on14/12/22..... and signed on its behalf by:


.....
M Henderson - Trustee

Three Counties Academy Trust

Governance Statement
for the Year Ended 31 August 2022

Scope of Responsibility

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

The Trust Board has delegated the day-to-day responsibility to the Executive Headteacher 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 QEHC Academy Trust/Three Counties Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

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

Three Counties Academy Trust

Governance Statement for the Year Ended 31 August 2022

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 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
M J Farmer		5	5
D Racic	(Resigned 31.08.22)	2	5
M Henderson	(Chair)	4	5
N D Ferguson	(Vice Chair)	3	5
S L Reeves-Walters		3	5
T Dugmore	(Resigned 28.01.22)	0	3
D Berry (Mr)		1	5
M Franklin		4	5
A Taylor	(Resigned 05.10.22) (Vice Chair)	4	5
D Berry (Mrs)		2	5
K Ewing	(Appointed 01.10.21)	4	5
M Stubbs	(Appointed 29.04.22)	2	2

The **Finance and Audit Committee** is a sub-committee of the main Trust Board. Its purpose is to set a strategic direction for the academy finances and to monitor their use. Attendance at meetings in the year was as follows:

Trustee		Meetings Attended	Out of a possible
M J Farmer		5	5
M Henderson		3	5
M Franklin	(Vice Chair)	4	5
N D Ferguson		3	5
D Berry (Mrs)	(Chair)	4	5

Governance Review

The Trust Board audit the skills held by Trustees annually and use the NGA Skills Audit tool in doing so. Any gaps in expertise are then used in formulating recruitment plans to the Board.

The Trust Board will commission a Governance Review as a condition of its MAT approval which will report on the work of the Board and opportunities to improve upon that work. This will affirm work of the Trust Board itself over the course of the year in assessing internally its own effectiveness and provide the Board with priorities for future development through the TIP.

The Board has worked extensively with the offices of the Regional Schools Commissioner, now the Regions Group West Midlands over the previous reporting period to analyse and strengthen governance from the Board and continues to do so further.

Conflicts of Interest

The board has in place a current Conflicts of Interest Policy to which it adheres rigidly. Declarations at all levels of governance are recorded via a central platform and maintained by the Governance Professional with checks on validity at every meeting of the board, copies of which are published on the Trust website.

Three Counties Academy Trust

Governance Statement for the Year Ended 31 August 2022

Review of Value for Money

As accounting officer, the Executive Headteacher has responsibility for ensuring 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Over the last financial period, QEHC Academy Trust/Three Counties Academy Trust has further significantly strengthened their financial position and moved from a position of cumulative deficit in 2020-2021 in the previous accounting period and further improved during this accounting period to one of cumulative surplus. This has been achieved in part by adhering to the requirement to ensure value for money in procurement.

Some of the ways we have used our resources this year to ensure good value are:

- Strengthening further the leadership capacity within the academy by appointing Middle Leaders to the Senior Leadership Team to allow the Executive Headteacher strategic development time in the growth of the Trust
- Continuing to engage with the local partners to place the academy at the heart of the community, including the potential joining of the MAT and the actual joining of the MAT by 2 partner schools
- Increasing significantly the professional development of teachers so that the quality of lessons taught at the academy continues to improve
- Expanded individual support and intervention so that pupils have targeted interventions leading to improved outcomes and using PP funds to impact outcomes for those pupils by ring-fencing this funding
- Increasing pupil numbers on roll in the face of adverse conditions through a pro-active marketing strategy, with strategy focussed on exceeding global PAN in subsequent admission windows
- Further investment in our middle leadership structure to develop capacity throughout the Trust
- Zero annual spend on inappropriate alternative provision for pupils and on unnecessary examination fees
- Continued development of the curriculum so that is broad and gives pupils access to a wide range of choice, meeting the new Ofsted framework and seen as a model of good practice locally, with an emphasis on vocational skills-based education
- Significant ongoing review of all SLA spend with renegotiation of contracts reflecting extensive saving
- Improving Trust estate where required for example toilet renovations
- Supporting colleagues to access appropriate NPQ's by providing time to do so
- Staffing costs have reduced from 81/7% of total expenditure to 75/0%.

Key performance information (unvalidated) that supports our appropriate use of resources includes:

- Attainment 8 37.9%
- 5-9 in English and mathematics 24.00%
- Students entering EBacc 32.00%
- Students achieving EBacc 9.52%
- EBacc APS 3.24

The trust continues to review spending, especially on support services and SLA's, however increasing budget pressures, driven by inflationary pressures and fuel/power costs allied to unfunded pay settlements continue to hit extremely hard and we continue to work with the ESFA to ensure we minimise the impact of the challenges we are currently facing. The Trust is looking forward to a strong period of financial stability following significant upturns in GAG funding and global pupil numbers allied with cost cutting measures undertaken over previous years which have seen the Trust return to a position of cumulative surplus.

Further value for money will be achieved in actioning, where prudent, the recommendations of our most recent SRMA report.

Three Counties Academy Trust

Governance Statement for the Year Ended 31 August 2022

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 QEHC Academy Trust/Three Counties Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust Board has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on-going process for identifying, evaluating, and managing the charitable company's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

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 Trust Board
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

The Trust Board continues to employ School Business Leadership Services as internal auditor.

The internal 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- personnel checks.

On a termly basis, the reviewer reports to the Trust Board, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trust Boards 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.

Three Counties Academy Trust

Governance Statement
for the Year Ended 31 August 2022

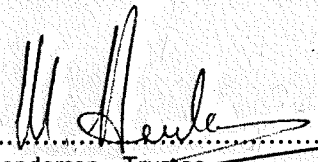
Review of Effectiveness

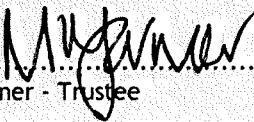
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the externally appointed 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 systems of internal control by the finance committee and a plan to address weakness and ensure continuous improvements of the system is in place.

Approved by order of the members of the board of governors on14/12/22..... and signed on its behalf by:


.....
M Henderson - Trustee


.....
M J Farmer - Trustee

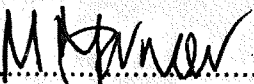
Three Counties Academy Trust


Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2022

As accounting officer of Three Counties Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2021.

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


.....
Mr M Farmer - Accounting Officer

Date: 
.....

14/12/22

Three Counties Academy Trust

Statement of Trustees' Responsibilities
for the Year Ended 31 August 2022

The trustees (who act as governors of Three Counties Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

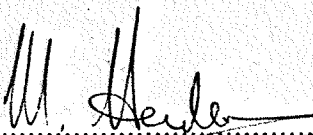
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 the ESFA/DfE have been applied for the purposes intended.

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Approved by order of the members of the board of trustees on/14/12/22..... and signed on its behalf by:


.....
M Henderson - Trustee

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Opinion

We have audited the financial statements of Three Counties Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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 Report of the Independent Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of
Three Counties Academy Trust

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, Companies Act legislation and Charities Act and FRS102 SORP legislation.

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

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

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

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

Use of our report

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

hweaver

Mrs Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: ...21/12/22.....

Independent Reporting Accountant's Assurance Report on Regularity to
Three Counties Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Three Counties Academy Trust during the period 1 September 2021 to 31 August 2022 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 Three Counties Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Three Counties Academy Trust 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 Three Counties Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Three Counties Academy Trust's accounting officer and the reporting accountant

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

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

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

Independent Reporting Accountant's Assurance Report on Regularity to
Three Counties Academy Trust and the Education and Skills Funding Agency

Conclusion

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

Thorne Widgery

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

Date: ..21/12/22.....

Three Counties Academy Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2022

				31.8.22	31.8.21	
	Notes	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	9,745	236,184	245,929	117,977
Charitable activities						
Funding for the academy's educational operations	3	-	-	2,403,360	2,403,360	2,165,166
Other trading activities	4	10,370	-	623	10,993	25,125
Investment income	5	52	-	-	52	18
Total		<u>10,422</u>	<u>9,745</u>	<u>2,640,167</u>	<u>2,660,334</u>	<u>2,308,286</u>
EXPENDITURE ON Charitable activities						
Academy's educational operations	7	27	74,619	2,545,361	2,620,007	2,194,542
Total		<u>27</u>	<u>74,619</u>	<u>2,545,361</u>	<u>2,620,007</u>	<u>2,194,542</u>
NET INCOME/(EXPENDITURE)		10,395	(64,874)	94,806	40,327	113,744
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	-	587,000	587,000	49,000
Net movement in funds		<u>10,395</u>	<u>(64,874)</u>	<u>681,806</u>	<u>627,327</u>	<u>162,744</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		190,645	3,066,587	(765,894)	2,491,338	2,328,594
TOTAL FUNDS CARRIED FORWARD		<u>201,040</u>	<u>3,001,713</u>	<u>(84,088)</u>	<u>3,118,665</u>	<u>2,491,338</u>

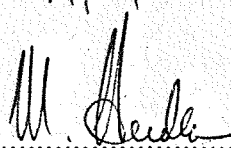
The notes form part of these financial statements

Three Counties Academy Trust (Registered number: 07840838)

Balance Sheet
31 August 2022

	Notes	31.8.22 £	31.8.21 £
FIXED ASSETS			
Tangible assets	12	3,001,713	3,066,587
CURRENT ASSETS			
Debtors	13	70,750	60,573
Cash at bank and in hand		419,227	166,968
		<u>489,977</u>	<u>227,541</u>
CREDITORS			
Amounts falling due within one year	14	(271,025)	(155,790)
		<u>218,952</u>	<u>71,751</u>
NET CURRENT ASSETS			
		<u>218,952</u>	<u>71,751</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,220,665</u>	<u>3,138,338</u>
PENSION LIABILITY	18	(102,000)	(647,000)
		<u>3,118,665</u>	<u>2,491,338</u>
NET ASSETS		<u>3,118,665</u>	<u>2,491,338</u>
FUNDS	17		
Restricted funds:			
Restricted General Fund		(3,591)	(151,026)
Other DfE/ESFA grants		11,703	-
Restricted Pension Fund		(102,000)	(647,000)
DfE/YPLA Capital Grants		488,382	500,355
Conversion and depreciation		2,302,540	2,350,725
Capital expenditure from GAG		70,452	72,182
Capital expenditure from other donations		140,339	143,325
Other DfE/ESFA grants - Pupil premium		9,800	20,621
Other DfE/ESFA grants - Catch-up premium		-	3,311
Other COVID-19 funding		-	8,200
		<u>2,917,625</u>	<u>2,300,693</u>
Unrestricted funds:			
Unrestricted General fund		201,040	190,645
TOTAL FUNDS		<u>3,118,665</u>	<u>2,491,338</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on14/12/22..... and were signed on its behalf by:


.....
M Henderson - Trustee

Three Counties Academy Trust

Cash Flow Statement
for the Year Ended 31 August 2022

	Notes	31.8.22 £	31.8.21 £
Cash flows from operating activities			
Cash generated from operations	1	242,462	168,623
Net cash provided by operating activities		<u>242,462</u>	<u>168,623</u>
Cash flows from investing activities			
Capital grants from DfE/EFA		9,745	9,619
Interest received		52	18
Net cash provided by investing activities		<u>9,797</u>	<u>9,637</u>
Cash flows from financing activities			
Loan repayments in year		-	(25,000)
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(25,000)</u>
Change in cash and cash equivalents in the reporting period		<u>252,259</u>	<u>153,260</u>
Cash and cash equivalents at the beginning of the reporting period		<u>166,968</u>	<u>13,708</u>
Cash and cash equivalents at the end of the reporting period		<u><u>419,227</u></u>	<u><u>166,968</u></u>

The notes form part of these financial statements

Three Counties Academy Trust

Notes to the Cash Flow Statement
for the Year Ended 31 August 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.22	31.8.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	40,327	113,744
Adjustments for:		
Depreciation charges	64,873	65,589
Capital grants from DfE/ESFA	(9,745)	(9,619)
Interest received	(52)	(18)
Increase in debtors	(10,177)	(3,055)
Increase/(decrease) in creditors	115,236	(21,018)
Difference between pension charge and cash contributions	42,000	23,000
Net cash provided by operations	242,462	168,623

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank and in hand	166,968	252,259	419,227
	166,968	252,259	419,227
Total	166,968	252,259	419,227

Three Counties Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2021 to 2022 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Three Counties Academy Trust meets the definition of a public benefit entity under FRS 102.

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 approval of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The academy has considered the effects of Covid 19 and the current economic inflationary pressures on their financial future and are confident there will be no significant effect on them continuing as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

Assets costing £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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land and buildings	2%
Freehold property improvements	2%
Furniture and fittings	15%
ICT equipment	33.3%
Plant and equipment	20%

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

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.

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:

Three Counties Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes to the financial statements. 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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Liabilities

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

Provisions

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

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

Leased Assets

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

Pension costs and other post-retirement 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.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in notes to the accounts, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the financial statements, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	31.8.22 Total funds	31.8.21 Total funds
	£	£	£	£
Grants	-	9,745	9,745	9,619
School trips etc	-	116,037	116,037	6,794
Other grants and payments	-	120,147	120,147	101,564
	-	245,929	245,929	117,977

The comparatives include restricted fixed asset funds of £9,619 and restricted funds of £108,358 giving a total of £117,977.

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

2. DONATIONS AND CAPITAL GRANTS - continued

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

	31.8.22	31.8.21
	£	£
Capital Grant	<u>9,745</u>	<u>9,619</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	2,062,948	2,062,948	1,848,804
Other DfE/EFSA grant				
Others	-	80,842	80,842	40,178
Pupil premium	-	79,705	79,705	76,215
Teachers' pay	-	-	-	23,378
Teachers' pension	-	-	-	66,304
MAT Conversion	-	95,000	95,000	-
	<u>-</u>	<u>2,318,495</u>	<u>2,318,495</u>	<u>2,054,879</u>
Other Government grant				
Other Local Authority Grants	-	67,482	67,482	45,759
COVID-19 additional funding (DfE/ESFA)s				
Other DfE/ESFA Covid-19 funding	-	17,383	17,383	2,018
Catch-up premium	-	-	-	27,560
	<u>-</u>	<u>84,865</u>	<u>84,865</u>	<u>75,337</u>
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	-	-	34,950
	<u>-</u>	<u>2,403,360</u>	<u>2,403,360</u>	<u>2,165,166</u>

All comparative amounts relate to the restricted general fund.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Fundraising events	-	623	623	731
Room and building hire	10,370	-	10,370	24,394
	<u>10,370</u>	<u>623</u>	<u>10,993</u>	<u>25,125</u>

The comparatives include unrestricted funds of £24,394 and restricted general funds of £731 giving a total of £25,125.

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Deposit account interest	52	-	52	18

All comparative amounts relate to the unrestricted fund.

6. EXPENDITURE

	Non-pay expenditure			31.8.22	31.8.21
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	1,357,073	48,185	368,582	1,773,840	1,610,533
Allocated support costs	478,762	154,723	212,682	846,167	584,009
	<u>1,835,835</u>	<u>202,908</u>	<u>581,264</u>	<u>2,620,007</u>	<u>2,194,542</u>

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

	31.8.22 £	31.8.21 £
Auditors' remuneration	12,250	10,250
Other non-audit services	900	1,180
Depreciation - owned assets	64,874	65,589
Operating leases	<u>25,576</u>	<u>22,422</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Direct costs	27	1,773,813	1,773,840	1,610,533
Support costs	-	846,167	846,167	584,009
	<u>27</u>	<u>2,619,980</u>	<u>2,620,007</u>	<u>2,194,542</u>

	31.8.22 Total £	31.8.21 Total £
Analysis of support costs		
Support staff costs	478,762	330,022
Depreciation	16,688	17,404
Premises costs	154,723	82,751
Other support costs	135,461	142,402
Governance costs	60,533	11,430
Total support costs	<u>846,167</u>	<u>584,009</u>

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

The comparatives include restricted fixed asset funds of £75,208 and restricted funds of £2,119,334 giving a total of £2,194,542.

8. STAFF COSTS

	31.8.22	31.8.21
	£	£
Wages and salaries	1,348,733	1,242,597
Social security costs	136,218	128,607
Operating costs of defined benefit pension schemes	338,969	318,568
	<u>1,823,920</u>	<u>1,689,772</u>
Supply teacher costs	11,915	22,034
	<u><u>1,835,835</u></u>	<u><u>1,711,806</u></u>

No non-statutory/non-contractual amounts are included in other staff costs.

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.22	31.8.21
Teachers	21	20
Administration and support	22	17
Management	4	4
	<u>47</u>	<u>41</u>

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

	31.8.22	31.8.21
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>2</u>

The key management personnel of the academy trust comprise the trustees and members of the senior management team as follows the Executive Headteacher, Head of School, Chief Financial Officer and Executive Leader for Safeguarding and Inclusion. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £344,509 (2021: £330,369).

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

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

			2022	2021
D Racic	Staff Gov	Remuneration	£45,000 - £50,000	£40,000 - £45,000
		Employers Pension Contributions	£10,000 - £15,000	£10,000 - £15,000
M Farmer	Headteacher	Remuneration	£90,000 - £95,000	£85,000 - £90,000
		Employers Pension Contributions	£20,000 - £25,000	£20,000 - £25,000

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2022 is included in the total insurance cost.

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	9,619	108,358	117,977
Charitable activities				
Funding for the academy's educational operations	-	-	2,165,166	2,165,166
Other trading activities	24,394	-	731	25,125
Investment income	18	-	-	18
Total	<u>24,412</u>	<u>9,619</u>	<u>2,274,255</u>	<u>2,308,286</u>
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	490	75,208	2,118,844	2,194,542
Total	<u>490</u>	<u>75,208</u>	<u>2,118,844</u>	<u>2,194,542</u>
NET INCOME/(EXPENDITURE)	23,922	(65,589)	155,411	113,744
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	49,000	49,000

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
Net movement in funds	23,922	(65,589)	204,411	162,744
RECONCILIATION OF FUNDS				
Total funds brought forward	166,722	3,132,176	(970,304)	2,328,594
TOTAL FUNDS CARRIED FORWARD	<u>190,644</u>	<u>3,066,587</u>	<u>(765,893)</u>	<u>2,491,338</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2021 and 31 August 2022	2,820,531	827,201	4,711
DEPRECIATION			
At 1 September 2021	469,806	111,484	4,711
Charge for year	48,186	16,544	-
At 31 August 2022	517,992	128,028	4,711
NET BOOK VALUE			
At 31 August 2022	2,302,539	699,173	-
At 31 August 2021	2,350,725	715,717	-
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2021 and 31 August 2022	128,381	67,760	3,848,584
DEPRECIATION			
At 1 September 2021	128,237	67,759	781,997
Charge for year	144	-	64,874
At 31 August 2022	128,381	67,759	846,871
NET BOOK VALUE			
At 31 August 2022	-	1	3,001,713
At 31 August 2021	144	1	3,066,587

Freehold property includes non depreciating land costing £411,269 (2021: £411,269).

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade debtors	9,939	7,929
VAT	11,503	7,042
Prepayments and accrued income	49,308	45,602
	<u>70,750</u>	<u>60,573</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade creditors	97,223	22,825
Social security and other taxes	72,197	65,347
Deferred income	18,400	63,361
Accrued expenses	83,205	4,257
	<u>271,025</u>	<u>155,790</u>

Deferred Income

	31.8.22	31.8.21
	£	£
Deferred income at 1 September	63,361	32,595
Resources deferred in the year	18,400	63,361
Amounts released from previous years	(63,361)	(32,595)
Deferred income at 31 August	<u>18,400</u>	<u>63,361</u>

Deferred income relates to monies collected in advance for trips taking place after the year end.

15. MEMBERS' LIABILITY

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.22
	Unrestricted	Restricted	Restricted	
	General	Fixed	General	
	fund	Asset	Fund	Total
	£	£	£	funds
Fixed assets	-	3,001,713	-	3,001,713
Current assets	201,040	-	288,937	489,977
Current liabilities	-	-	(271,025)	(271,025)
Pension liability	-	-	(102,000)	(102,000)
	<u>201,040</u>	<u>3,001,713</u>	<u>(84,088)</u>	<u>3,118,665</u>

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

	Unrestricted General fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.21 Total funds £
Fixed assets	-	3,066,587	-	3,066,587
Current assets	190,645	-	36,896	227,541
Current liabilities	-	-	(155,790)	(155,790)
Pension liability	-	-	(647,000)	(647,000)
	<u>190,645</u>	<u>3,066,587</u>	<u>(765,894)</u>	<u>2,491,338</u>

17. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Restricted general funds			
Restricted General Fund	(151,026)	147,435	(3,591)
Other DfE/ESFA grants	-	11,703	11,703
Restricted Pension Fund	(647,000)	545,000	(102,000)
DfE/YPLA Capital Grants	500,355	(11,973)	488,382
Conversion and depreciation	2,350,725	(48,185)	2,302,540
Capital expenditure from GAG	72,182	(1,730)	70,452
Capital expenditure from other donations	143,325	(2,986)	140,339
Other DfE/ESFA grants - Pupil premium	20,621	(10,821)	9,800
Other DfE/ESFA grants - Covid-19 funding	8,200	(8,200)	-
Other DfE/ESFA grants - Catch-up premium	3,311	(3,311)	-
	<u>2,300,693</u>	<u>616,932</u>	<u>2,917,625</u>
Unrestricted fund			
Unrestricted General fund	190,645	10,395	201,040
	<u>190,645</u>	<u>10,395</u>	<u>201,040</u>
TOTAL FUNDS	<u>2,491,338</u>	<u>627,327</u>	<u>3,118,665</u>

Three Counties Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted General Fund	2,062,950	(1,915,515)	-	147,435
Other DfE/ESFA grants	175,842	(164,139)	-	11,703
Other Restricted	304,287	(304,287)	-	-
Restricted Pension Fund	-	(42,000)	587,000	545,000
DfE/YPLA Capital Grants	9,745	(21,718)	-	(11,973)
Conversion and depreciation	-	(48,185)	-	(48,185)
Capital expenditure from GAG	-	(1,730)	-	(1,730)
Capital expenditure from other donations	-	(2,986)	-	(2,986)
Other DfE/ESFA grants - Pupil premium	79,705	(90,526)	-	(10,821)
Other DfE/ESFA grants - Covid-19 funding	17,383	(25,583)	-	(8,200)
Other DfE/ESFA grants - Catch-up premium	-	(3,311)	-	(3,311)
	<u>2,649,912</u>	<u>(2,619,980)</u>	<u>587,000</u>	<u>616,932</u>
Unrestricted fund				
Unrestricted General fund	10,422	(27)	-	10,395
	<u>2,660,334</u>	<u>(2,620,007)</u>	<u>587,000</u>	<u>627,327</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Restricted general funds			
Restricted General Fund	(301,351)	150,325	(151,026)
Restricted Pension Fund	(673,000)	26,000	(647,000)
DfE/YPLA Capital Grants	512,982	(12,627)	500,355
Conversion and depreciation	2,398,910	(48,185)	2,350,725
Capital expenditure from GAG	73,973	(1,791)	72,182
Capital expenditure from other donations	146,311	(2,986)	143,325
Other DfE/ESFA grants - Pupil premium	-	20,621	20,621
Other DfE/ESFA grants - Covid-19 funding	4,047	(4,047)	-
Other DfE/ESFA grants - Catch-up premium	-	3,311	3,311
Other COVID-19 funding	-	8,200	8,200
	<u>2,161,872</u>	<u>138,821</u>	<u>2,300,693</u>
Unrestricted fund			
Unrestricted General fund	166,722	23,923	190,645
	<u>2,328,594</u>	<u>162,744</u>	<u>2,491,338</u>

Three Counties Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted General Fund	1,848,803	(1,698,478)	-	150,325
Other DfE/ESFA grants	40,178	(40,178)	-	-
Other Restricted	154,849	(154,849)	-	-
Restricted Pension Fund	-	(23,000)	49,000	26,000
DfE/YPLA Capital Grants	9,619	(22,246)	-	(12,627)
Conversion and depreciation	-	(48,185)	-	(48,185)
Capital expenditure from GAG	-	(1,791)	-	(1,791)
Capital expenditure from other donations	-	(2,986)	-	(2,986)
Other DfE/ESFA grants - Pupil premium	76,215	(55,594)	-	20,621
Other DfE/ESFA grants - Covid-19 funding	2,018	(6,065)	-	(4,047)
Other DfE/ESFA grants - Teachers' pay	23,378	(23,378)	-	-
Other DfE/ESFA grants - Teachers' pension	66,304	(66,304)	-	-
Other DfE/ESFA grants - Catch-up premium	27,560	(24,249)	-	3,311
Other COVID-19 funding	34,950	(26,750)	-	8,200
	<u>2,283,874</u>	<u>(2,194,053)</u>	<u>49,000</u>	<u>138,821</u>
Unrestricted fund				
Unrestricted General fund	24,412	(489)	-	23,923
	<u>2,308,286</u>	<u>(2,194,542)</u>	<u>49,000</u>	<u>162,744</u>

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

- Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. General Annual Grant (GAG): must be used for the normal running costs of the Academy.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

18. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £37,872 were payable to the schemes at 31 August 2022 (2021 - £34,572) and are included within creditors.

18. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £237,192 (2021 - £225,869).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £118,067 (2021: £106,694), of which employer's contributions totalled £100,298 (2021: £91,192) and employees' contributions totalled £17,769 (2021: £15,502). The agreed contribution rates for future years are 18.5% for employers and between 5.5% and 12.5% 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.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

18. PENSION AND SIMILAR OBLIGATIONS - continued

The rates payable over a three year period will be the Future Service Rate of 18.5% of payroll plus phased lump sum deficit contributions starting at £43,500 for the year 2020/21 increasing by approximately 4% per annum. The rate payable from 1 April 2023 will be further revised following the valuation of the Pension Fund which will take place on 31 March 2022.

The estimated current recovery period is 18 years.
The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Present value of funded obligations	(1,270,000)	(1,739,000)
Fair value of plan assets	1,168,000	1,092,000
	<u>(102,000)</u>	<u>(647,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(102,000)</u>	<u>(647,000)</u>
Net liability	<u><u>(102,000)</u></u>	<u><u>(647,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Current service cost	133,000	104,000
Net interest from net defined benefit asset/liability	10,000	11,000
Past service cost	-	-
Admin expense	1,000	1,000
	<u>144,000</u>	<u>116,000</u>
Actual return on plan assets	<u>(26,000)</u>	<u>162,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening defined benefit obligation	1,739,000	1,510,000
Current service cost	133,000	104,000
Contributions by scheme participants	18,000	15,000
Interest cost	29,000	27,000
Actuarial losses/(gains)	(632,000)	97,000
Benefits paid	(17,000)	(14,000)
	<u>1,270,000</u>	<u>1,739,000</u>

18. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening fair value of scheme assets	1,092,000	837,000
Contributions by employer	102,000	93,000
Contributions by scheme participants	18,000	15,000
Expected return	19,000	16,000
Actuarial gains/(losses)	(45,000)	146,000
Benefits paid	(17,000)	(14,000)
Administration expenses	(1,000)	(1,000)
	<u>1,168,000</u>	<u>1,092,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Actuarial gains/(losses)	<u>587,000</u>	<u>49,000</u>
	<u>587,000</u>	<u>49,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Equities	857,000	909,000
Bonds - Other	32,000	1,000
Property	97,000	48,000
Cash/Liquidity	21,000	27,000
Other	161,000	107,000
	<u>1,168,000</u>	<u>1,092,000</u>

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

	31.8.22	31.8.21
Discount rate for scheme liabilities	4.30%	1.70%
Rate of increase in salaries	4.40%	4.20%
Inflation assumption (CPI)	2.90%	2.70%
Rate of increase in pensions	3.00%	2.80%

