

Newham Community Learning

(Previously known as Newham
Community Schools Trust)

Annual Report and Financial Statements

31 August 2023

Company Limited by Guarantee
Registration Number
09896221 (England and Wales)

Newham Community Learning

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Reference and administrative information

Members	Mr A Rahim Mr H Powell Mr D J Wood Mr S Loganathan Ms H Lam
Chairman of the Board of Trustees	Mr P A Leslie
Trustees	Ms T Alam Ms J Ballard Mr N Beighton Mrs P K Chadha Ms A S Hammond (resigned 20 May 2023) Mr P Leslie Ms C L Parry Dr K U Rahim Mr S Ramachandran Mr M L Sanyang Dr M Siddique Mr S Sidorov
Company Secretary	N Beighton (to 18 January 2023) Mrs A Ejiofor (from 19 January 2023)
Senior Leadership Team Chief Executive & Accounting Officer Chief Operating Officer Chief Financial Officer	Mr A Wilson Ms J Waine Mrs A Ejiofor
School Headteachers Sarah Bonnell School Eastlea Community School Lister Community School Rokeby School Portway Primary School Selwyn Primary School	Ms R Potter Ms S Morgan Mr K Vora Ms J Doyle Mr S Chudley Ms Helen Mawer
Registered address	Sarah Bonnell School Deanery Road London E15 4LP
Company registration number	09896221 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Trustees' report 31 August 2023

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 to 40 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

The Trust was incorporated on 1 December 2015 but remained dormant until the conversion of Sarah Bonnell School to Academy status within the Trust on 1 July 2018.

The Trust name changed from Newham Community Schools Trust (NCST) to Newham Community Learning as of 1 September 2022. This reflected the merger of NCST with a local primary Trust - the Leading Learning Trust - following the conclusion of a detailed due diligence process.

The principal activity of the company is the operation of a state-funded Multi Academy Trust, providing state education for students aged from 2 to 16 years. As at August 2023, the total number of students on roll were 5,613 as follows: 889 pupils on roll at Eastlea Community School, 1,593 pupils on roll at Lister Community School, 759 pupils on roll at Rokeby School, 1,338 pupils on roll at Sarah Bonnell School, 543 pupils on roll at Portway Primary School and 491 pupils on roll at Selwyn Primary School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Newham Community Learning is a company limited by guarantee with no share capital (registration no. 09896221) and an exempt charity. It comprises the following schools:

School	Converted /Transferred date
Sarah Bonnell School	1 July 2018
Eastlea Community School	1 January 2021
Lister Community School	1 December 2021 (previously part of the NCST Federation)
Rokeby School	1 December 2021 (previously part of the NCST Federation)
Portway Primary School	1 September 2022 (previously part of the Leading Learning Trust)
Selwyn Primary School	1 September 2022 (previously part of the Leading Learning Trust)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Constitution (continued)

The charitable company's Memorandum and Articles of Association are the primary governing documents of Newham Community Learning.

The Trustees of Newham Community Learning are also the Directors of the charitable company for the purposes of company law.

Details of Trustees who served during the year are shown in the Reference and Administrative section at the front of these accounts.

Members' liability

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

Trustees' indemnities

The Trust has joined the Risk Protection Arrangement for academies which provides up to £10million cover for Governors' and Trustees' liability in each membership year operating from 1 September annually. All six schools as well as the Trust are members of the RPA which automatically renews annually.

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association, the Trustees of the charitable company are the Directors. They are appointed as follows:

- a) Up to 10 Trustees, appointed by the Members
- b) Co-opted Trustees, subject to restrictions in number as regards employees of the Trust

In respect of those appointed by the Members, ((a) above), when a vacancy arises the Members seek to make an appointment that would maximise the relevant skills and experience on the Board as a whole.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where appropriate this will comprise induction and training on charity and educational legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. The Trust's website and secure Google Drive shared document management system ensures that all information is readily available and easily accessible, with appropriate access permissions.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Board of Trustees, who are all non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least six times a year and delegates specific responsibilities through the following Committees:

- ◆ Standards and Community Committee
- ◆ Finance and Resources Committee
- ◆ Audit and Risk Committee

In addition, the Trust Board is responsible for reviewing the pay and performance of the Chief Executive Officer. The Pay and Performance Committee of the Trust Board undertook this exercise in the autumn term.

Day to day leadership of the organisation is undertaken by the Chief Executive Officer, supported by key members of the newly established Trust Central Team and working in conjunction with Senior Leadership Team of the schools.

The Chief Executive Officer is the Accounting Officer of the Trust.

The Scheme of Delegation outlines the responsibilities at Board, Executive and Local Governing Body level. An overview is provided in the Trust's Leadership and Governance Decision Planner - and includes arrangements for designated 'supported schools' within the Trust. In addition, financial policies and procedures establish the operational authority for the Headteacher. Various performance monitoring and control responsibilities are delegated to the Local Governing Body - each of which meets at least three times a year.

Arrangements for setting pay and remuneration of key management personnel

The pay of the Chief Executive of the Trust has been determined by the Pay and Performance Committee of the Trust Board, having regard to performance against objectives set the previous year.

Pay and performance reviews of key Trust Central Team personnel is undertaken by the CEO. In the case of Headteachers, pay and performance reviews are undertaken by the Local Governing Bodies, with input from the CEO and with the oversight of the Trust Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant Union Officials during the year:	Full time equivalent employee number
0	0
Percentage of time spent on facility time	Number of employees
0%	0
Total cost of facility Time	0
Total pay bill	£35,057,000
Percentage of pay bill spent on facility time	0%
Time spent on paid Trade Union activities as a percentage of total paid facility time hours	0%

Related Parties and other Connected Charities and Organisations

The Sarah Bonnell Foundation (Charity number 312659) is a registered charity and raises funds to promote the education of girls under the age of 25 years who are resident in the London Borough of Newham. Details of the donations to the Trust from the Sarah Bonnell Foundation during the year are given in note 22.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the advancement of education in the United Kingdom. It achieves this objective through the operation of four non-selective Secondary schools and two non-selective primary schools within Newham Community Learning (NCL) in the Borough of Newham.

The six schools have a shared commitment to working together to provide a world-class education for young people in Newham, and to further develop as centres of excellence for teaching and learning.

The schools are highly ambitious for their students, and keen to develop their passion for learning. The schools seek to do this within inspiring and safe learning environments, where all members of the community treat each other with kindness and respect. The aim is to provide the highest possible standard of education and pastoral care, maximising the life chances of its students of different abilities between the ages of 2 and 16.

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

The schools believe that no child should be left behind, that every child can succeed regardless of their starting point, and that every child should have access to a broad and rich range of experiences at school which will support their development as an active member of our community.

The schools are highly ambitious for their staff, developing a strong culture of continuous professional development. The schools want the Trust to attract and retain the best teaching and non-teaching staff and be recognised as an organisation where staff at all levels receive outstanding support in developing their careers.

Objectives, strategies and activities

The main objectives of Newham Community Learning, articulated in the published Trust Improvement Plan and all of which were met, during the year were:

- 1) Supporting the highest possible Quality of Education in all our schools;
 - a) Development of our literacy strategy, informed by the literacy review undertaken at both predecessor Trusts in the previous year;
 - b) Undertaking of a Trust wide maths review, supported by external resource, to ensure that best practice is shared and that maths teaching is consistently good across all Trust schools;
 - c) Review of SEND provision across the Trust, to support higher quality provision for all SEND students. This included the deployment of a SEND Consultant one day a week from April to facilitate the sharing of best practice and to drive improvement;
 - d) The initiation of a Behaviour Working Group to ensure close monitoring of behaviour and exclusions; and
 - e) Development of the successful management of transition from primary to secondary school - leveraging the ability for primary and secondary colleagues to work in close partnership;
- 2) Working to support the wellbeing of our community
 - a) Trust wide Learning Day for teaching and support staff, where our schools were closed to students, to allow for staff training, development and collaboration;
 - b) Strengthening the mental health and wellbeing programmes for staff and students, working towards a consistent approach - with wellbeing reported to the Trust Board;
 - c) Establishment of structures to ensure proactive engagement with key stakeholders - such as the SEND Parent Forum and putting arrangements in place for the establishment of a Trust wide Staff Council;

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- d) Initiation of a programme of formal meetings with a Trust wide Joint Consultative Council of staff and local union representative;
 - e) Development of a secondary SCITT (School Centred Initial Teacher Training) programme for launch in the next year, in partnership with the Teach First charity, in order to help address recruitment needs and also to additionally forge strong relationships with our local community (and indeed alumni); and
 - f) Ongoing assessment of how digital tools which operate across the Trust can support workload management.
- 3) Developing the effectiveness of our Trust
- a) Significant development of Central Team structures and processes in order to be able to provide the best possible support to all schools - with a particular focus on governance and finance in this first year of operation of the merged Trust;
 - b) Active engagement with the borough regarding the setting up of an alternative provision at one of the Trust's primary schools (which was not followed through due to lack of funding commitment from the Borough);
 - c) Ongoing exploration of opportunities to further support our students through the operation of a sixth form provision - with a particular focus on vocational qualification;
 - d) Working to support local schools within Newham - culminating in the provision of a School Improvement Service Level Agreement being implemented with a local primary school;
 - e) Initiation of a significant Trust wide IT project designed to ensure that key systems operate at Trust rather than at school level - thereby enhancing security through central oversight and greatly facilitating partnership working across all Trust schools; and
 - f) Robust financial oversight has ensured that the Trust is in a strong financial position at the end of the reporting period.

Public Benefit

In setting the objectives and planning the associated activities, the Trustees confirm the charitable objectives of the Trust and have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Going concern

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

Financial review

The total income for the year was £88,192,000 (2022 - £43,609,000). This includes £3,819,000 of donated fixed assets (2022 - £7,743,000) and transfers upon acquisition of £30,059,000 (2022 - £2,188,000)

Total expenditure was £54,933,000 (2022 - £40,710,000) of which £36,047,000 was direct costs (2022 - £27,193,000) and £18,886,000 support costs (2022 - £13,517,000).

The statement of financial activities results for the year is shown on page 30.

At 31 August 2023 the net book value of tangible fixed assets was £124,922,000 (2022 - £89,780,000). The movements in intangible and tangible fixed assets are shown in notes 9 and 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

At 31 August 2023, the Trust had total funds of £129,964,000 (2022 - £93,672,000).

The fixed asset fund at £125,870 (2022 - £89,863,000) holds £948,000 of unspent capital grant at the balance sheet date (2022 - £83,000). Capital commitments of £893,000 (2022- £nil) are referenced in note 16 of these accounts.

The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £1,106,000 at 31 August 2023 (2022 - in deficit by £1,795,000).

The remaining reserves comprise restricted income funds of £nil (2021 - £208,000) and unrestricted income funds of £5,200,000 (2022 - £5,396,000).

Reserves policy

The Trustees have determined that the appropriate level of free reserves should be equivalent to 5% of total income with a range of not less than 3% or more than 8% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a contingency to deal with unexpected emergencies such as urgent maintenance. The free reserves as at 31 August 2023 amount to £5,200,000 (2022 - £5,604,000) and are in line with the policy.

STRATEGIC REPORT (continued)

Investment policy

Newham Community Learning will make limited investments of short term cash balances in excess of immediate requirements in order to generate the best returns without incurring undue risk. As such, the Trust may make cash deposits into fixed term or notice period interest bearing accounts. These deposit balances which are not immediately available should not exceed £5m with any one financial institution. The credit rating of the financial institutions holding Trust investments will be assessed annually.

Principal risks and uncertainties

The GEMS framework is used for compliance with vision strategy and financial oversight available for both trust level and school level awareness. Asbestos management is a key area for the audit and risk committee to ensure that school and the trust have clear oversight of this area.

The Trustees have assessed the major risks, in particular those relating to academic performance, finances, data protection and child welfare and safeguarding, to which the company is exposed. The Trustees have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains, they have ensured they have adequate insurance cover via the DfE's Risk Protection Arrangements. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by Newham Community Learning arises from ongoing pressure on funding, unfunded staff pay awards and the increasing cost of living and energy.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's Actuary, specifically with regard to the level of contributions payable, ensuring that annual budgets are drawn up to reflect the Actuary's advice.

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

STRATEGIC REPORT (continued)

Risk management

The Trust has a Risk Management Policy in place. The policy, together with the Trust's agreed key objectives, informs the Trust's Risk Register, which is regularly reviewed by both the newly constituted Audit and Risk Committee and by the Trust Board.

The Risk Register includes ALL risks to the Trust's operations, not only financial risks.

The Risk Register is held at Trust level, but risk management is supported at local school level through the use of a number of agreed policies and procedures.

The Trust's Operations Groups, led by the COO, meet regularly in order to review all non-teaching and learning risks. In order to better manage development of Trust operations and the management of non-teaching and learning risks, four operational sub-groups have been set up:

- ◆ Safer Recruitment, HR and Staff Wellbeing
- ◆ Finance and Budget
- ◆ IT, Cyber Security and Data Protection
- ◆ Estates and Health and Safety

Feedback from these meetings is minuted and is provided to the Executive Group. The work of the sub-groups ensures that all operations identified on the Risk Register are managed.

The Executive Group, supported by the Trust's Central Team, reviews and manages all risks to teaching and learning across the Trust. This includes management of specific risks to the Trust's priorities for the year as identified on the Trust's Improvement Plan and as noted on the Register.

FUNDRAISING

The Trust undertakes limited fundraising for its own resources. Schools invite contributions from parents and guardians to assist with both statutory and extra-curricular teaching and learning activities. The Trust works closely with the Sarah Bonnell Foundation, (refer to related party note 22) which works to support the Trust through fundraising and donations to the school.

A common charging and remissions policy, set at Trust level as part of the Finance Policy, is applied by all schools.

The Trust does not work with any professional fundraisers or commercial participants. Fundraising on behalf of other local and national charities raised £10,168 in the year (2022 - £2,886).

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not act as custodian Trustee on behalf of others.

AUDITOR

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, approved by order of the members of the Board of Governors on 8 February 2024 and signed on its behalf by:

Paul Leslie

Paul Leslie
Chairman

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Newham Community Learning and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. As part of the merger of the two predecessor Trusts, the Trust Board of Newham Community Learning was constituted to include all trustees who previously served on the board of Newham Community Learning, all trustees who previously served on the Federated Governing Body that oversaw the Foundation schools - Lister Community School and Rokeby School - and all trustees from the Leading Learning Trust who wished to continue in this capacity. The combination of this grouping of skills and experience, together with a clearly articulated commitment to support every school in the Trust, has resulted in a highly effective Board of the newly constituted Trust. The Board of Trustees has held 6 scheduled meetings during the year.

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

Board of Trustees	Meetings attended*	Out of a possible*
Mr Paul Leslie (Chair)	4	6
Ms Christina Parry	6	6
Ms Janette Ballard	6	6
Ms Kiran Rahim	3	6
Mr Mansoor Siddique	4	6
Mr Momodou Sanyang	6	6
Mr Neil Beighton	6	6
Ms Paramjit (Pam) Chadha	5	6
Mr Sarvesh Ramachandran	4	6
Mr Sergey Sidorov	6	6
Ms Tanveer Alam	6	6
Ms Ann (Sue) Hammond - unavailable	0	5

* scheduled only; no extraordinary meetings

Governance statement 31 August 2023

Governance (continued)

The Trust Board has four committees, which meet regularly. The summary of attendance at both scheduled meetings for the period, for each committee, are outlined below.

Finance and Resources Committee	Meetings attended	Out of a possible
Ms Tanveer Alam (Chair)	6	6
Mr Paul Leslie	4	6
Mr Mansoor Siddique	5	6
Mr Momodou Sanyang	4	6
Mr Neil Beighton	3	6
Mr Sergey Sidorov	6	6

Audit and Risk Committee	Meetings attended	Out of a possible
Ms Janette Ballard (Chair)	3	3
Ms Christina Parry	3	3
Mr Neil Beighton	1	3
Mr Sarvesh Ramachandran	1	3
Mr Sergey Sidorov	3	3
Mr David Lock (independent)	2	3

Standards and Community Committee	Meetings attended	Out of a possible
Ms Sarah Dignasse (Chair -independent) - unavailable	0	3
Ms Kiran Rahim	2	3
Ms Janette Ballard	2	3
Mr Momodou Sanyang	3	3
Ms Paramjit (Pam) Chadha	3	3
Ms Ann (Sue) Hammond	1	2
Mr Sarvesh Ramachandran	1	1

Growth Committee	Meetings attended	Out of a possible
Ms Christina Parry (Chair)	2	2
Mr Paul Leslie	2	2
Ms Janette Ballard	2	2
Ms Paramjit (Pam) Chadha	1	2
Mr Sarvesh Ramachandran	2	2

Governance (continued)

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

Board and Committee meetings have been well attended throughout the year. Agenda items have been carefully prepared and circulated using the Trust's secure electronic systems in advance. The meetings have debated each matter effectively leading to appropriate decision making by the Trust. There were a total of six Board meetings, six Finance and Resources committee meetings, three Audit and Risk committee meetings, three Standards and Community committee meetings and two Growth committee meetings during the last 12 months.

The Board of Trustees has ensured effective representation on each committee and the minutes of each future meeting will be circulated at the next available Board meeting. Trustees believe this structure currently enables effective oversight of the Trust.

Conflicts of interest

In order to manage conflicts of interest, the trust ensures that each year all members, trustees, governors of the local governing bodies and all relevant staff are required to complete a declaration of interests form listing the types of interest they should declare, following the specific guidance provided in the Academy Trust Handbook. This includes any gifts or hospitality received in connection with their role in the Trust. A register of interests is maintained by the Trust and updated when changes occur.

If an interest arises or is identified, the individual concerned must not be involved in managing or monitoring a contract or transaction in which they have an interest.

The Trust includes reference to the register of interests as part of the new supplier creation process.

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Trust has used relevant funding for condition surveys to ensure that the Trust has oversight of the priorities of the estate needs. The Trust recognises the importance of ensuring that its estates are effectively managed. It is noted that both Lister Community School and Rokeby School are PFI schools, meaning that the management systems and structures regarding the estates of those schools operate in a slightly different way from those at the other schools in the Trust. Notwithstanding, the Trust has been working towards a single model of estate management, and has procured the necessary personnel and operating systems in order to ensure effectiveness. These arrangements all follow the guidance in GEMS - the DfE's Good Estate Management for Schools.

Review of Value for Money (continued)

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

The Standards and Community Committee has met three times in this period to assess performance and offer challenge and guidance. The CEO has proposed to the Board (and been successful in securing) additional school improvement support personnel as part of the Central Team in order to better support school improvement. The Trust has a robust tracking system in all its schools for monitoring progress and ultimately achievement and is continually looking at how data can inform staff and support and extend the learning of all pupils and students. School improvement personnel and governance colleagues have worked to put in place a standard system of reporting and review for all school local governing bodies, enabling data sets to be collated and compared by the CEO and presented to the committee.

The Finance and Resources Committee has met six times in this period to assess the needs of the Trust. The work of the various Operations Groups, overseen by the COO, feeds into the reporting to this committee. The Trust has a rolling programme of review of all contracts for goods and services. Where an advantage can be gained the Trust will procure common suppliers to operate across all schools (e.g. Health and Safety advisory service and the negotiation of a shared HR advisory service for the following academic year). Our policy requires contracts to be re-tendered at the end of their term.

Financial monitoring reports are prepared routinely. They are provided to the Headteachers, the Chief Executive, and the Chief Finance Officer. Each term, these reports are scrutinised by the Finance and Resources Committee together with a rigorous financial appraisal of contracts recently agreed. Appropriate local and national benchmarking data is available to support decisions that are reached.

Management accounts are uploaded every period to a shared area within the Trust's electronic filing systems and are accessible to all Trustees.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Newham Community Learning up to the date of approval of the annual report and financial statements. The Trust uses an external provider, Schools Choice, to support this process across the schools. In the new academic year, the Trust will go out to tender for a new provider of internal control scrutiny and support.

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board, as is the published Risk Register.

The risk and control framework

The 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 which is reviewed and agreed by the Board of Trustees together with periodic monitoring of relevant financial reports
- ◆ regular financial monitoring by the Resources Committee of financial performance against the budget and forecasts of revenue expenditure and capital programmes
- ◆ setting targets to measure financial and other performance
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines
- ◆ delegation of authority and segregation of duties
- ◆ identification and management of risks

In line with the Academy Trust Handbook, an internal audit review was completed in the current academic year based on the perceived risks to the Trust.

During the financial year, internal assurance/scrutiny services were provided by Schools Choice. A provider that was independent of the Trust's external auditors was selected in line with best practice.

The internal assurance role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The scope of the work was guided by the Finance and Resources Committee and was taken to the Trust Board for approval. No material weaknesses were identified this year.

Review of effectiveness

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

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

The Accounting Officer has been assisted with his review of the system of internal control by the Resources Committee.

Should weaknesses be identified in the future, action plans will be developed to ensure the continuous improvement of the systems of control are put in place.

Approved by order of the members of the Board of Trustees on 8 February 2024 and signed on its behalf by

Paul Leslie

Paul Leslie
(Chairman)

Anthony Wilson

Anthony Wilson
(Accounting Officer)

Statement of regularity, propriety and compliance 31 August 2023

As Accounting Officer of Newham Community Learning, 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 ESFA terms and conditions of funding, including for estates safety and management, 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 2022 including responsibilities for estates safety and management.

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

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

Anthony Wilson

Anthony Wilson
Accounting Officer

Date: 8 February 2024

Statement of Trustees' responsibilities 31 August 2023

The Trustees (who are also the Directors of Newham Community Learning for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2022 to 2023
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8 February 2024 and signed on its behalf by:

Paul Leslie
Chairman



Independent auditor's report to the members of Newham Community Learning

Opinion

We have audited the financial statements of Newham Community Learning (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

Use of our report

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



12 February 2024

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent Reporting Accountant's Assurance Report on Regularity to Newham Community Learning and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 October 2022 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newham Community Learning during the year 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 Newham Community Learning and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Newham Community Learning and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newham Community Learning and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newham Community Learning accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Newham Community Learning's funding agreement with the Secretary of State for Education dated 1 July 2018 and the Academy Trust Handbook 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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.

Approach (continued)

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.



12 February 2024

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2023
(including income and expenditure account)

	Notes	Restricted funds			2023 Total funds £'000	2022 Total funds £'000
		Unrestricted funds £'000	General funds £'000	Fixed asset fund £'000		
Income from:						
Donations and capital grants	1	132	—	5,444	5,576	8,710
Transfer on conversion	20	—	—	—	—	(2,188)
Transfer on academies joining the Trust	21	825	(1,857)	31,091	30,059	—
Charitable activities						
. Funding for the Academy Trust's educational operations	2	—	51,964	—	51,964	36,540
Other trading activities	3	592	—	—	592	546
Investment income		1	—	—	1	1
Total income		<u>1,550</u>	<u>50,107</u>	<u>36,535</u>	88,192	<u>43,609</u>
Expenditure on:						
Charitable activities:						
. Academy Trust's educational operations	5	1,746	50,784	2,403	54,933	40,710
Total expenditure	4	<u>1,746</u>	<u>50,784</u>	<u>2,403</u>	54,933	<u>40,710</u>
Net income (expenditure)		(196)	(677)	34,132	33,259	2,899
Transfers between funds	14	—	(1,875)	1,875	—	—
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	19	—	3,033	—	3,033	11,237
Net movement in funds		<u>(196)</u>	<u>481</u>	<u>36,007</u>	36,292	<u>14,136</u>
Reconciliation of funds						
Total fund balances brought forward at 1 September		5,396	(1,587)	89,863	93,672	79,536
Total fund balances carried forward at 31 August	14	<u>5,200</u>	<u>(1,106)</u>	<u>125,870</u>	129,964	<u>93,672</u>

All of the Academy Trust's activities derive from continuing operations during the current financial year.

The Academy Trust has no recognised gains or losses other than those shown above.

Balance sheet 31 August 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Intangible assets	9		—		—
Tangible assets	10		<u>124,922</u>		<u>89,780</u>
					89,780
Current assets					
Debtors	11	2,158		2,500	
Cash at bank and in hand		<u>6,494</u>		<u>6,298</u>	
		8,652		8,798	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(2,504)</u>		<u>(3,100)</u>	
Net current assets			<u>6,148</u>		<u>5,698</u>
Total assets less current liabilities					
			131,070		95,478
Creditors: amounts falling due after more than one year	13		<u>—</u>		<u>(11)</u>
Net assets excluding pension scheme liability			131,070		95,467
Defined benefit pension scheme liability	19		<u>(1,106)</u>		<u>(1,795)</u>
Total net assets			<u>129,964</u>		<u>93,672</u>
Funds of the Academy Trust					
Restricted funds					
. Fixed assets fund	14		125,870		89,863
. Restricted income fund	14		—		208
. Pension reserve	14		<u>(1,106)</u>		<u>(1,795)</u>
Total restricted funds			<u>124,764</u>		<u>88,276</u>
Unrestricted funds					
. Unrestricted funds	14		<u>5,200</u>		<u>5,396</u>
Total funds			<u>129,964</u>		<u>93,672</u>

The financial statements on page 30 to 60 were approved by the Trustees, and authorised for issue on 8 February 2023 and are signed on their behalf by:

Paul Leslie, Chairman
 Newham Community Learning
 Company Limited by Guarantee
 Registration Number: 09896221 (England and Wales)

Paul Leslie

Statement of cash flows Year to 31 August 2023

		2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	1,558	1,770
Cash flows from investing activities			
	C	(1,321)	(159)
Cash flows from financing activities			
	B	(41)	(3)
Change in cash and cash equivalents in the year		196	1,608
Cash and cash equivalents at 1 September		6,298	4,690
Cash and cash equivalents at 31 August		6,494	6,298

A Reconciliation of net expenditure to net cash flow from operating activities

	2023 £'000	2022 £'000
Net expenditure for the year	33,259	2,899
Adjusted for:		
Inherited pension deficit	1,857	3,834
Inherited tangible assets	(30,779)	—
Depreciation charges	2,043	1,559
Capital grants from DfE and other capital income	(1,625)	(875)
Donated fixed asset	(3,819)	(7,743)
Interest receivable	(1)	1
Defined benefit pension scheme cost less contributions payable	350	1,522
Defined benefit pension scheme finance cost	137	174
(Increase)/decrease in debtors	342	(1,717)
Increase/(decrease) in creditors	(566)	2,116
Net cash provided by operating activities	1,558	1,770

B Cash flows from financing activities

	2023 £'000	2022 £'000
Repayments of borrowing	(41)	(3)
	(41)	(3)

C Cash flows from investing activities

	2023 £'000	2022 £'000
Dividends, interest and rents from investments	1	(1)
Purchase of tangible fixed assets	(2,947)	(1,033)
Capital grants from DfE/ESFA	1,625	875
Net cash used in investing activities	(1,321)	(159)

Statement of cash flows Year to 31 August 2023

D Analysis of cash and cash equivalents

	2023	2022
	£'000	£'000
Cash at bank and in hand	6,494	6,298
Total cash and cash equivalents	6,494	6,298

E Analysis of changes in net debt

	At 1 September 2022 £'000	Cash flows £'000	Transfer £'000	At 31 August 2023 £'000
Cash	6,298	196		6,494
Loans due within one year	(38)	38	(8)	(8)
Loans due more than one year	(11)	3	8	—
Total	6,249	237	—	6,486

Statement of accounting policies 31 August 2023

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are presented in sterling to the nearest thousand pounds.

The comparative figures are for the year ended 31 August 2022.

Going concern

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

Income

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

Grants

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

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

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

Income (continued)

Donations

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

Other income

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

Where assets are received by the Academy Trust on the conversion of Local Authority maintained school to an academy, or the transfer from an existing Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion or acquisition within income from donations and capital grants.

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 are attributable to a single activity and are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities

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

All resources expended are stated net of recoverable VAT.

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, from the date the asset is brought into use, as follows:

- ◆ Purchased computer software 3 years

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, from the date the asset is brought into use. Where there are specific conditions attached to the funding requiring the continued use of the asset, the required 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 land and buildings have transferred into the Academy Trust, they are recognised in the Statement of Financial Activities on the date of the transfer, with the equal value recognised as a fixed asset on the Balance Sheet.

Depreciation is provided on all tangible fixed assets other than freehold and leasehold 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 and long leasehold buildings include component additions which are deemed to have a lower useful economic life than the fabric of the buildings they relate to. As a result, these are depreciated based on their individual expected economic lives.

- ◆ Freehold buildings 15 - 50 years
- ◆ Long leasehold buildings 10 - 50 years
- ◆ Freehold and Leasehold improvements 15 years
- ◆ Fixtures, fittings & equipment 5 years
- ◆ Computer hardware 3 years

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

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

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 a straight-line basis over the lease term.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. 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 notes 12 and 13. 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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

Pension benefits (continued)

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 note 19, the TPS is a multi-employer scheme and there is insufficient information available to use the defined benefit accounting. The TPS is therefore 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 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 asset/liability 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 scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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.

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:

Critical accounting estimates and areas of judgement (continued)

◆ *LGPS defined benefit liability*

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 includes the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

◆ *Tangible Fixed Assets*

The net book value of tangible fixed assets is based on the original cost / value on transfer to the Trust of the asset less provision for depreciation, or the value on transfer into the Academy Trust. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

◆ *Buildings held under PFI contract*

Lister and Rokeby Schools joined the Trust on 1 December 2021, and are subject to contracts under the Private Finance Initiative (PFI). Under these contracts the Academy premises are maintained and managed by the PFI-Contractor subject to contractual annual fees paid by the Academy Trust. Upon expiry of the PFI contracts in August 2035, the residual benefit of the premises will pass to the Academy Trust.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000	2022 Total funds £'000
Capital grants	—	1,625	1,625	875
Donated fixed assets	—	3,819	3,819	7,743
Other donations	132	—	132	92
	132	5,444	5,576	8,710

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000
Capital grants	—	875	875
Donated fixed assets	—	7,743	7,743
Other donations	92	—	92
	92	8,618	8,710

2 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	—	41,434	41,434	30,940
Other DfE/ESFA grants				
· Pupil Premium	—	2,368	2,368	1,876
Other DfE Group grants				
· Others	—	4,385	4,385	1,171
	—	48,187	48,187	33,987
Other Government grants				
Local authority grants	—	2,178	2,178	1,701
	—	2,178	2,178	1,701
Other income from the Academy Trust's educational operations	—	558	558	389
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	639	639	231
Other DfE/ESFA COVID-19 funding	—	402	402	232
	—	1,041	1,041	463
2023 total funds	—	51,964	51,964	36,540

Notes to the financial statements Year to 31 August 2023

2 Funding for the Academy Trust's educational operations (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2022 Total funds £'000</i>
<i>DfE/ESFA revenue grants</i>			
<i>General Annual Grant (GAG)</i>	—	30,940	30,940
<i>Other DfE/ESFA grants</i>			
<i>. Pupil Premium</i>	—	1,876	1,876
<i>Other DfE Group grants</i>			
<i>. Others</i>	—	1,171	1,171
<i>Start Up Grant</i>	—	—	—
	<u>—</u>	<u>33,987</u>	<u>33,987</u>
<i>Other Government grants</i>			
<i>Local authority grants</i>	—	1,701	1,701
	<u>—</u>	<u>1,701</u>	<u>1,701</u>
<i>Other income from the Academy Trust's educational operations</i>	<u>389</u>	<u>—</u>	<u>389</u>
<i>COVID-19 additional funding (DfE/ESFA)</i>			
<i>Recovery premium</i>	—	231	231
<i>Other DfE/ESFA COVID-19 funding</i>	—	232	232
	<u>—</u>	<u>463</u>	<u>463</u>
<i>2022 total funds</i>	<u>389</u>	<u>36,151</u>	<u>36,540</u>

Notes to the financial statements Year to 31 August 2023

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Hire of facilities	97	—	97	268
Catering income	354	—	354	266
Trip income	25	—	25	12
Other income	116	—	116	—
	592	—	592	546

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Hire of facilities	268	—	268
Trip income	12	—	12
Catering income	266	—	266
Other income	—	—	—
	546	—	546

4 Expenditure

	Staff costs £'000	Non pay expenditure		2023 Total funds £'000	2022 Total funds £'000
		Premises £'000	Other costs £'000		
Academy's educational operations:					
. Direct costs	30,673	2,403	2,971	36,047	27,193
. Allocated support costs	7,018	7,262	4,606	18,886	13,517
	37,691	9,655	7,577	54,933	40,710

	Staff costs £'000	Non pay expenditure		2022 Total funds £'000
		Premises £'000	Other costs £'000	
Academy's educational operations:				
. Direct costs	23,706	1,559	1,928	27,193
. Allocated support costs	4,868	5,616	3,033	13,517
	28,574	7,175	4,961	40,710

Notes to the financial statements Year to 31 August 2023

4 Expenditure (continued)

	2023 Total funds £'000	2022 Total funds £'000
Net income (expenditure) for the period includes:		
Operating lease rentals	113	131
PFI lease commitments	2,992	1,892
Depreciation (note 11)	2,403	1,559
Fees payable to auditor for:		
- audit	30	18
- other services	2	—

5 Charitable activities - Academy's educational operations

	2023 Total funds £'000	2022 Total funds £'000
Direct costs	36,047	27,193
Support costs	18,886	13,517
	54,933	40,710

	2023 Total funds £'000	2022 Total funds £'000
Analysis of support costs		
Support staff costs	7,018	4,868
Technology costs	419	345
Premises costs	7,262	5,616
Other support costs	3,497	2,099
Governance costs	690	589
Total support costs	18,886	13,517

6 Staff

(a) Staff costs

Staff costs during the year were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	26,767	19,090
Social security costs	2,924	2,150
Pensions	5,250	5,177
Apprenticeship levy	110	84
	35,051	26,501
Staff supply costs	2,591	2,022
Staff restructuring costs	49	51
	37,691	28,574

Notes to the financial statements Year to 31 August 2023

6 Staff (continued)

(a) Staff costs (continued)

	2023 Total funds £'000	2022 Total funds £'000
Severance payments	49	51
	49	51

(b) Severance payments

The academy trust paid 2 (2022 – 5) severance payments in the year, disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	1	5
£25,001 - £50,000	1	—

(c) Staff numbers

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

	2023 No.	2022 No.
Teachers	332	264
Administration and support	297	241
Management	53	43
	682	548

(d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees, the senior leadership team and the school's headteachers as listed on page 3. The total cost of employment (including employer pension and national insurance contributions) in respect of key management personnel for their services to the Academy Trust was £1,297,033 (2022 - £700,687).

6 Staff (continued)

(e) Higher paid staff

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

	2023	2022
	No.	No.
£60,001 - £70,000	57	29
£70,001 - £80,000	23	15
£80,001 - £90,000	9	15
£90,001 - £100,000	8	4
£100,001 - £110,000	4	1
£110,001 - £120,000	—	1
£120,001 - £130,000	1	1
£140,001 - £150,000	1	—

7 Related party transactions – Trustees’ remuneration and expenses

During the year ended 31 August 2023, no Trustees were paid remuneration or received other benefits from an employment with the Academy Trust (2022 - none).

During the year ended 31 August 2023 no travel or subsistence expenses were reimbursed to Trustees (2022 - none).

Other related party transactions involving the Trustees are set out in note 22.

8 Trustees’ and officers’ insurance

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.

9 Intangible fixed assets

	Computer software £'000	Total £'000
Cost		
At 1 September 2022 and at 31 August 2023	<u>3</u>	<u>3</u>
Amortisation		
At 1 September 2022	3	3
Charge in year	<u>—</u>	<u>—</u>
At 31 August 2023	<u>3</u>	3
Carrying amount		
At 31 August 2022	<u>—</u>	<u>—</u>
At 31 August 2023	<u>—</u>	<u>—</u>

Notes to the financial statements Year to 31 August 2023

10 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost						
At 1 September 2022	69,093	18,005	6,215	411	1,033	94,757
Donated assets on acquisition	—	30,401	—	303	75	30,779
Additions	704	578	4,514	631	339	6,766
Transfers	646	—	(657)	11	—	—
At 31 August 2023	70,443	48,984	10,072	1,356	1,447	132,302
Depreciation						
At 1 September 2022	1,885	2,361	—	204	527	4,977
Charge in year	899	1,044	—	170	290	2,403
At 31 August 2023	2,784	3,405	—	374	817	7,380
Net book value						
At 31 August 2022	67,208	15,644	6,215	207	506	89,780
At 31 August 2023	67,659	45,579	10,072	982	630	124,922

Portway Primary School and Selwyn Primary School joined the Trust on 1 September 2022 after transferring from the Leading Learning Trust. The value of the land and buildings and other assets held by the school are included at their fair value as donated assets on acquisition in tangible fixed assets. Further details of this transfer are included in note 21.

11 Debtors

	2023 £'000	2022 £'000
Trade debtors	243	241
VAT recoverable	658	504
Prepayments and accrued income	1,257	1,755
	2,158	2,500

12 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	921	891
Taxation and social security	113	—
Loan	8	38
Other creditors	165	92
Accruals and deferred income	1,297	2,079
	2,504	3,100
Deferred income		
Deferred Income at 1 September 2022	1,444	227
Released during the year	(1,444)	(227)
Resources deferred in the year	77	1,444
Deferred Income at 31 August 2023	77	1,444

Notes to the financial statements Year to 31 August 2023

12 Creditors: amounts falling due within one year (continued)

At the balance sheet date, the Academy Trust was holding funds received in advance for Universal Infant Free School Meals of £70,000 (2022 – nil). In the prior year, the Academy Trust held funds received in advance for the transfer of Portway Primary School and Selwyn Primary School amounting to £1,385,000, which was recognised as income in the year.

13 Creditors: amounts falling due in greater than one year

	2023 £'000	2022 £'000
Loans	—	11
	—	11

Loans comprise a Condition Improvement Fund loan of £15,000 from the ESFA which is repayable over 5 years to 2024 and carries interest at Public Works Loan Board rate currently fixed at 2.01%.

14 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains (losses) and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
. General Annual Grant (GAG)	208	41,434	(39,767)	(1,875)	—
Other DfE / ESFA grants					
. Pupil Premium	—	2,368	(2,368)	—	—
Catch up premium	—	639	(639)	—	—
Other DfE/ESFA COVID-19 funding	—	402	(402)	—	—
. Other grants	—	4,385	(4,385)	—	—
. Pension reserve	(1,795)	(1,857)	(487)	3,033	(1,106)
	<u>(1,587)</u>	<u>47,371</u>	<u>(48,048)</u>	<u>1,158</u>	<u>(1,106)</u>
Other restricted funds					
Local authority grants	—	2,178	(2,178)	—	—
Other restricted funds	—	558	(558)	—	—
	<u>—</u>	<u>2,736</u>	<u>(2,736)</u>	<u>—</u>	<u>—</u>
Total restricted funds	<u>(1,587)</u>	<u>50,107</u>	<u>(50,784)</u>	<u>1,158</u>	<u>(1,106)</u>
Restricted fixed assets fund					
. Donated assets	80,206	34,910	(1,953)	—	113,163
. DfE group capital grants	8,787	1,625	(347)	—	10,065
. Capital expenditure from revenue funds	870	—	(103)	1,875	2,642
	<u>89,863</u>	<u>36,535</u>	<u>(2,403)</u>	<u>1,875</u>	<u>125,870</u>
Unrestricted funds					
Unrestricted funds	5,396	1,550	(1,746)	—	5,200
Total unrestricted funds	<u>5,396</u>	<u>1,550</u>	<u>(1,746)</u>	<u>—</u>	<u>5,200</u>
Total funds	<u>93,672</u>	<u>88,192</u>	<u>(54,933)</u>	<u>3,033</u>	<u>129,964</u>

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

The General Annual Grant (GAG) and other restricted funds are for the operational activities of the school. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023. Other funds relate to monies received for specific purposes such as pupil premium funding.

The pension reserve represents the Academy Trust's defined pension scheme liability.

The restricted fixed asset funds represent the net book value of the fixed assets held by the Academy Trust and unspent capital funding received to carry out works of a capital nature.

Notes to the financial statements Year to 31 August 2023

14 Funds (continued)

The Trust has no restricted general funds carried forward (excluding pension and restricted fixed asset fund) (2022 - £208,000) and £5,200,000 (2022 - £5,396,000) on unrestricted funds.

Comparative information

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

	<i>Balance at 1 September 2021 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains (losses) and transfers £'000</i>	<i>Balance at 31 August 2022 £'000</i>
<i>Restricted general funds</i>					
. <i>General Annual Grant (GAG)</i>	849	30,940	(31,340)	(241)	208
<i>Other DfE / ESFA grants</i>					
. <i>Pupil Premium</i>	—	1,876	(1,876)	—	—
. <i>Recovery premium</i>	—	232	(232)	—	—
. <i>Other DfE/ESFA COVID-19 funding</i>	—	231	(231)	—	—
. <i>Other grants</i>	—	1,171	(1,171)	—	—
. <i>Pension reserve</i>	(7,502)	(3,834)	(1,696)	11,237	(1,795)
	<u>(6,653)</u>	<u>30,616</u>	<u>(36,546)</u>	<u>10,996</u>	<u>(1,587)</u>
<i>Other restricted funds</i>					
. <i>Local authority grants</i>	—	1,701	(1,701)	—	—
	<u>—</u>	<u>1,701</u>	<u>(1,701)</u>	<u>—</u>	<u>—</u>
<i>Total restricted funds</i>	<u>(6,653)</u>	<u>32,317</u>	<u>(38,247)</u>	<u>10,996</u>	<u>(1,587)</u>
<i>Restricted fixed assets fund</i>					
. <i>Transfer on conversion</i>	80,206	—	—	—	80,206
. <i>DfE group capital grants</i>	1,588	8,618	(1,419)	—	8,647
. <i>Capital expenditure from designated funds</i>	769	—	(140)	241	1,010
	<u>82,563</u>	<u>8,597</u>	<u>(1,559)</u>	<u>241</u>	<u>89,863</u>
<i>Unrestricted funds</i>					
. <i>Unrestricted funds</i>	3,626	2,674	(904)	—	5,396
<i>Total unrestricted funds</i>	<u>3,626</u>	<u>2,674</u>	<u>(904)</u>	<u>—</u>	<u>5,396</u>
<i>Total funds</i>	<u>79,536</u>	<u>43,609</u>	<u>(40,710)</u>	<u>11,237</u>	<u>93,672</u>

14 Funds (continued)

Analysis of fund balance by academy

Fund balances at 31 August were as follows:	2023 £'000	2022 £'000
Sarah Bonnell	791	1,172
Eastlea Community School	2,459	3,079
Lister Community School	734	361
Rokeby School	913	693
Portway Primary School	167	—
Selwyn Primary School	(132)	—
Central trust	268	299
Total before fixed assets and pension reserve	5,200	5,604
Restricted fixed asset fund	125,870	89,863
Pension reserve	(1,106)	(1,795)
Total funds	129,964	93,672

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2023 £'000
Sarah Bonnell	6,059	1,862	794	1,937	10,652
Eastlea Community School	5,271	1,554	437	1,788	9,050
Lister Community School	8,327	2,265	762	3,956	15,310
Rokeby School	4,276	956	477	2,049	7,758
Portway Primary School	2,630	512	244	865	4,251
Selwyn Primary School	2,497	431	260	604	3,792
Central services	599	102	(5)	534	1,230
Total net assets	29,659	7,682	2,969	11,733	52,043

15 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2023 are:				
Tangible fixed assets	—	—	124,922	124,922
Current assets	5,200	2,504	948	8,652
Current liabilities	—	(2,504)	—	(2,504)
Pension scheme liability	—	(1,106)	—	(1,106)
Total net assets	5,200	(1,106)	125,870	129,964

15 Analysis of net assets between funds (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset funds £'000</i>	<i>Total funds £'000</i>
<i>Fund balances at 31 August 2022 are:</i>				
<i>Tangible fixed assets</i>	—	—	89,780	89,780
<i>Current assets</i>	5,396	3,319	83	8,798
<i>Current liabilities</i>	—	(3,100)	—	(3,100)
<i>Non-current liabilities</i>	—	(11)	—	(11)
<i>Pension scheme liability</i>	—	(1,795)	—	(1,795)
<i>Total net assets</i>	5,396	(1,587)	89,863	93,672

16 Capital commitments

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	893	—
	893	—

17 Commitments under operating leases

Operating leases

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

	2023 £'000	2022 £'000
Amounts due within one year	273	157
Amounts due between one and five years	308	259
	581	416

Academies with Private Finance Initiative (PFI)

Land and buildings leases below relate to Lister and Rokeby Schools, which are both held under PFI contracts. The Trust itself is not party to the service concession contracts, however the Academy Trust has entered into supporting agreements towards the costs of the local authority. The annual charges under the PFI agreements are subject to fixed agreements but will vary over time.

The agreements both run until 6 August 2035. In the year ended 31 August 2023, £2,991,600 (2022 - £1,891,600) of costs relating to this has been recognised in expenditure.

17 Commitments under operating leases (continued)

Academies with Private Finance Initiative (PFI) (continued)

At 31 August 2023, the estimated total of the Trust's future minimum payments under the PFI arrangements was as follows:

	2023	2022
	£'000	£'000
Amounts due within one year	3,262	3,080
Amounts due between one and five years	13,047	12,321
Amounts due after five years	22,832	24,643
	39,141	40,044

18 Members' liability

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

19 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 Newham County Council. Both are multi-employer defined-benefit schemes.

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £4,080,000 (2022 - £2,881,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme 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 (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the period ended 31 August 2023 was £1,597,000 (2022 - £1,006,000), of which employer's contributions totalled £1,217,000 (2022 - £774,000) and employees' contributions totalled £380,000 (2022 - £232,000). Net liabilities of £1,857,000 were inherited by the Academy Trust upon the transfer of the two schools from the Leading Learning Trust on 1 September 2022.

The agreed contribution rates for future years are 25.6% for employers and a variable % for employees.

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

Principal actuarial assumptions

	At 31 August 2023 p.a.	At 31 August 2022 p.a.
Rate of increase in salaries	3.85%	3.85%
Rate of increase for pensions in payment/inflation	2.85%	2.85%
Discount rate for scheme liabilities	5.30%	4.25%

The assumed life expectations on retirement age 65 are:

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	19.6	21.4
Females	23.0	24.1
<i>Retiring in 20 years</i>		
Males	21.0	23.0
Females	24.5	25.7

The approximate increase in the defined benefit liability given the below changes in actuarial assumptions is as follows:

Sensitivity analysis	At 31 August 2023 £	At 31 August 2022 £
Discount rate +0.1%	(312)	(298)
Discount rate -0.1%	322	306
Mortality assumption – 1 year increase	383	274
Mortality assumption – 1 year decrease	(373)	(266)
CPI rate +0.1%	298	317
CPI rate -0.1%	(288)	(308)

19 Pension and similar obligations (continued)

Principal actuarial assumptions (continued)

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	7,964	5,231
Gifts	3	624
Bonds	1,700	—
Property	1,313	1,453
Cash and other liquid assets	407	466
Other	1,620	1,137
Total market value of assets	13,007	8,911
Present value of scheme liabilities funded	14,113	(10,706)
Deficit in the scheme	(1,106)	(1,795)

The actual return on scheme assets was £139,000 (2022 - £263,000).

	2023 £'000	2022 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employer contributions)	350	1,522
Interest income	(540)	(122)
Interest cost	669	291
Admin expenses	8	5
Total amount recognised in the SOFA	487	1,696

	2023 £'000	2022 £'000
Changes in the fair value of the Academy's share of scheme assets:		
Fair value of scheme assets at 1 September 2022	8,911	3,546
Inherited assets from academies joining the trust	3,293	4,184
Interest income	540	122
Actuarial gain	(769)	146
Employer contributions	1,217	774
Employee contributions	380	232
Administrative expenses	(8)	(5)
Benefits paid	(557)	(88)
At 31 August 2023	13,007	8,911

19 Pension and similar obligations (continued)

Principal actuarial assumptions (continued)

Changes in the present value of the Academy's share of scheme liabilities:	2023 £'000	2022 £'000
Scheme obligations as at 1 September 2022	10,706	11,048
Inherited liabilities from academies joining the trust	5,150	8,018
Current service cost	1,567	2,296
Interest cost	669	291
Employee contributions	380	232
Actuarial (gain)/loss	(3,802)	(11,091)
Benefits paid	(557)	(88)
At 31 August 2023	14,113	10,706

20 Transfer from Local Authority on conversion

During the year ended 31 August 2022, Lister Community School and Rokeby School joined the MAT. At the date of conversion to Academy status under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration. The schools joining the group in the year ended 31 August 2022 included a transfer of assets when joining.

The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

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

On 1 December 2021, Lister Community School converted to academy status and joined the Trust.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<i>Budget surplus on LA funds</i>	846	—	—	846
<i>LGPS pension deficit</i>	—	(2,255)	—	(2,255)
<i>Net assets / (liabilities)</i>	846	(2,255)	—	(1,409)

20 Transfer from Local Authority on conversion (continued)

On 1 December 2021, Rokeby School converted to academy status and joined the Trust.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Budget surplus on LA funds	800	—	—	800
LGPS pension deficit	—	(1,579)	—	(1,579)
Net assets / (liabilities)	800	(1,579)	—	(779)

21 Transfer in of academies joining the Trust

On 1 September 2022, Leading Learning Trust joined the academy trust. This consisted of two schools, Portway Primary School and Selwyn Primary School. At the date of transfer, the operations and assets and liabilities were transferred to the group for £nil consideration. Both academies joining the Trust in the year ended 31 August 2023 included a transfer of assets when joining.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

Fair value adjustments totalling £10,450,000 were recognised in respect of the value of the Land and Buildings.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	30,401	30,401
. Other fixed assets	—	—	378	378
Net current assets	825	—	312	1,137
LGPS pension deficit	—	(1,857)	—	(1,857)
Net assets / (liabilities)	825	(1,857)	31,091	30,059

22 Related party transactions

Owing to the nature of the Academy Trust's operations 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 Trust has an interest. All transactions involving such organisations are in accordance with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Sarah Bonnell Foundation ("the Foundation") is a legally separate charity which is, nevertheless, closely associated to the Academy Trust. The Foundation exists to promote the education (including social and physical training) of girls under the age of 25 years. During the year, income of £33,750 (2022 - £25,492) has been accrued for by the Academy Trust in respect of trip expenditure for which a donation is expected from the Foundation. In year, a total of £25,492 (2022 - £18,441) was received from the Foundation, with the amount being the receipt of amounts previously accrued for.

Other than those disclosed in note 8, the Academy Trust did not enter into any related party transactions in the year.

23 Agency arrangements

There are no agency arrangements.

24 Comparative statement of financial activities for the year ended 31 August 2022

Analysis of income and expenditure in the period ended 31 August 2022 between restricted and unrestricted funds:

	Notes	Restricted funds			2022 Total funds £'000
		Unrestricted funds £'000	General funds £'000	Fixed asset fund £'000	
<i>Income from:</i>					
Donations and capital grants	1	92	—	8,618	8,710
Transfer on conversion	21	1,646	(3,834)	—	(2,188)
<i>Charitable activities</i>					
. Funding for the Academy Trust's educational operations	2	389	36,151	—	36,540
Other trading activities	3	546	—	—	546
Investment income		1	—	—	1
Total income		2,674	32,317	8,618	43,609
<i>Expenditure on:</i>					
<i>Charitable activities:</i>					
. Academy Trust's educational operations	5	904	38,247	1,559	40,710
Total expenditure	4	904	38,247	1,559	40,710
Net income (expenditure)		1,770	(5,930)	7,059	2,899
Transfers between funds	14	—	(241)	241	—
<i>Other recognised gains and losses</i>					
Actuarial gains/(losses) on defined benefit pension scheme	20	—	11,237	—	11,237
Net movement in funds		1,770	5,066	7,300	14,136
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September		3,626	(6,653)	82,563	79,536
Total fund balances carried forward at 31 August	14	5,396	(1,587)	89,863	93,672

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