

New Vision Trust

Annual Report and Financial Statements

31 August 2023

Company Limited by Guarantee
Registration Number
11086415 (England and Wales)

Contents

Reports

Reference and administrative information	1
Trustees' report	3
Governance statement	15
Statement on regularity, propriety and compliance	20
Statement of Trustees' responsibilities	21
Independent auditor's report on the financial statements	22
Independent reporting accountant's report on regularity	27

Financial statements

Statement of financial activities	29
Balance sheet	30
Statement of cash flows	31
Principal accounting policies	33
Notes to the financial statements	39

Legal and administrative information

Sponsor	None
Members	C French K Golla S Hussain (Appointed 22 September 2022) Q Peppiatt M Rai
Trustees	S Ahmed N Abbott M Browne F Coats A Layole J Lucas – Vice Chair Q Peppiatt – Chair E Prior E Rice
Registered office	Elmhurst Primary School Upton Park Road Forest Gate London United Kingdom E7 8JY
Company registration number	11086415 (England and Wales)
Key management personnel	Shahed Ahmed OBE, Chief Executive Officer/ Executive Head-Elmhurst Primary School Claire Ormerod Head Gallions Primary School (from 1 September 2022) Sukwinder Samra, Head Elmhurst Primary School Fiona Cullen, Head Nelson Primary School Shabana Khan, Head Vicarage Primary School Downshall Primary to add in
Independent Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Legal and administrative information

Bankers Lloyds Bank Commercial
Client Relationship Team
4th Floor
125 London Wall
London, EC2Y 5AJ

Solicitors Stone King LLP
Boundary House
91 Charterhouse Street
London EC1M 6HR

Trustees' report Year to 31 August 2023

The Trustees of New Vision Trust present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 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 on pages 33 to 38 of the attached financial statements and comply with the Memorandum and Articles of Association, the Companies Act 2006, the Financial Reporting and Accounts Requirements issued by the Education and Skills Funding Agency, 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).

New Vision Trust consists of 5 large primary schools with a total of 3,730 pupils. Three of the schools are rated Outstanding by Ofsted and two are rated good. The schools are located in the London boroughs of Newham and Redbridge.

Notable Achievements and Announcements

We are pleased to report that Downshall Primary School, situated in the London Borough of Redbridge, formally joined the Trust in January 2023. We welcome the Downshall community to the New Vision Trust family of schools.

Vicarage Primary School had a full section 5 Ofsted inspection in June 2023 and received an Outstanding judgement in all areas with a glowing report highlighting the excellent practice at the school.

A new building for children with Special Educational Needs at Elmhurst Primary School is almost at completion at an approximate cost of £1.2m.

A new extension for Vicarage Primary school at a cost of circa £700k is also almost complete. It will have dedicated teaching spaces and a soft play room to cater for children with Special Educational Needs.

Extensive development of outdoor play areas have taken place at Gallions Primary School costing over £600k. This includes new play areas for Nursery, Reception, SEND and Year 1, a dedicated sports pitch and athletics track for KS2 and an eco-garden.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The New Vision Trust is a company limited by guarantee with no share capital (registration no 11086415) and an exempt charity.

New Vision Trust was incorporated on 28 November 2017 and formed in March 2018 when four large primary schools came together to work collaboratively in a Trust structure to further improve the quality of teaching and learning and opportunities for development in each school. Elmhurst, Nelson and Vicarage primary schools are four form entry schools and Gallions is two/three form entry. The date of conversion to Academy Trust for Elmhurst, Nelson and Vicarage primary schools was 1 March 2018, and the date of conversion for Gallions primary school was 1 April 2018. All four schools have been graded by Ofsted as either good or outstanding so there are strengths and expertise in many areas within the Trust. The schools within the Trust have been working very well together which means that there are clear improvements in school provision, policy and procedure. Also within the Trust, based at Elmhurst Primary School, is North East London Maths Hub, New Vision English Hub. These two DfE funded organisations provide additional support and training to a wide range of primary and secondary schools across an extensive geographical region.

Members' Liability

Every 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' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost is included in the RPA insurance the Academy has opted into.

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall be not less than 3 but shall not be subject to a maximum. The first set of Trustees shall be those named in the initial memorandum. The Trust shall have the following Trustees; up to 11 Trustees appointed by Members, including the Chief Executive Officer. The parental representation at the Trust is through 2 parent governors at each of the Local Governing Bodies.

Each Trust school shall have a local governing body that will consist of the following Governors; Governors appointed by Academy Trust, the Headteacher, at least two and no more than four elected Parent Governors and at least one and no more than three elected staff Governors. The number of MAT Governors will be at least equal to the total of parent and staff governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Trustees (continued)

The term of office for any Trustee or Member shall be 4 years, save that this time limit shall not apply to the Headteacher or Chief Executive Officer subject to remaining eligible to be a particular type of Trustee, any Trustee or member may be re-appointed or re-elected.

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 necessary, induction will provide training on charity and educational legal financial matters. All new Trustees will be given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents that they will need to undertake their role as Trustees.

Organisational Structure

New Vision Trust's governance structure consists of four levels:

1. The Trustees and the CEO
2. Trust Committees
3. Local Governing Bodies
4. Headteachers and their Senior Leadership Teams of the four Academy schools in the Trust

The management structure aims to delegate responsibility and encourage involvement in decision making at all levels. The Board of Trustees has established three committees and four Local Governing Bodies. The three Trust committees comprise a Finance and Audit Committee, a Human Resources Committee and a CEO Performance Management Committee.

The Board has set out powers delegated to each of these committees and the school Local Governing Bodies in a Scheme of Delegation. The Trust Board has set out in this document and in its Terms of Reference those areas over which each level of governance has complete discretion or control. It is the Board that is accountable to the Secretary of State. The Board has sought to retain as much decision-making as possible at a local level.

The Local Governing Bodies receive management reports, monitor performance and recommend budgets for adoption by the Trust Board.

Shahed Ahmed OBE is the CEO of New Vision Trust.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of key personnel including the CEO, key Trust central personnel and Headteachers are set under the Scheme of Delegation approved by the Board of Trustees of New Vision Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the period.

Engagement with employees (including disabled persons)

Our Trust schools have comprehensive systems in place to engage with all staff. This includes regular staff meetings at different levels to gather their views. Frequent discussions take place with staff to involve, support and monitor the quality of teaching and learning and pupil progress so that teacher expertise and performance and that of pupils are optimised. Surveys are carried out to gather evidence on well-being issues so that appropriate action can be taken. Applications from disabled persons are dealt with sensitively and all staff are supported for any physical or mental needs by taking advice from occupational health service where appropriate so that suitable adjustments can be made to roles and working conditions.

Engagement with suppliers, customers and others in a business relationship with the Trust

The customers of the Trust are essentially the parents and their children. Meeting the needs of pupils academically and pastorally is at the heart of the work of the Trust. The schools involve parents as much as possible so that they feel schools are listening to their suggestions or concerns. This is done informally in playgrounds, formal parents' evenings, curriculum evenings and parent-teacher associations. Where possible, parents are given space in schools to meet their needs and foster a sense of community e.g. for exercise classes and baking club. The CEO supports and coaches the schools' Headteachers and parents in dealing with any disputes that are not resolved at school level. Headteachers also use procedures and policies and give guidance to ensure that all staff behave with the highest professional standards. This has led to school communities having high regard for the school in their local area.

Through the activities of the Maths Hub and English Hub within the Trust, there has been excellent engagement with a wide range of schools across the region.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The five schools in the Trust have large pupil numbers and are all either Ofsted rated Good or Outstanding. As part of the Trust, schools are actively collaborating in many areas including teaching and learning and the curriculum so that strengths can be shared and areas of development can be improved further. The CEO supports the school Headteachers to organise their school budgets prudently and efficiently. The CEO has established mechanisms at different levels to facilitate this collaboration and school improvement. The Trust schools and their local governing bodies are committed to the below:

OBJECTIVES AND ACTIVITIES (continued)

Key principles

- ◆ New Vision Trust exists to provide our pupils with learning opportunities of the highest calibre, through the collaborative working of ambitious, nurturing and academically successful schools.
- ◆ We are a group of local schools working in close partnership, through a Trust structure.
- ◆ This partnership should grow organically, building capacity for school improvement and for the maintenance of high attainment.
- ◆ Schools in the Trust share a common ethos of collaboration, ambition and commitment to continual self-improvement.
- ◆ Our family of schools support each other to build on each other's strengths and to support each other's on-going development.
- ◆ Each school in the Trust proudly retains its uniqueness, and this autonomy enriches the collaborative work of all members.

Agreed Vision and Values

- ◆ Our collaboration will enable us to build effective relationships for the betterment of our pupils.
- ◆ The individuality and creativity of member schools will allow us to build constructively from our different approaches, identifying best practice.
- ◆ We shall foster the resilience, wellbeing and achievements of our member schools.
- ◆ We will become an excellent Trust - truly at the vanguard of educational innovation and high-quality learning - leading school improvement at a local, national and international level.
- ◆ We will work with a collaborative spirit, making decisions together for the benefit of all members of the Trust, and through this, for the benefit of all pupils in our schools.

The Role of the Trust

- ◆ To promote, share and curate contemporary research findings so that all staff within the Trust are well informed about current thinking on best practice.
- ◆ To create a culture of continuous improvement to ensure that high standards are present across all areas of the Trust schools.
- ◆ To foster dynamic leadership to create effective schools and to build a legacy of future leaders.
- ◆ To offer enrichment opportunities for pupils, parents and staff and the wider school communities.

OBJECTIVES AND ACTIVITIES (continued)

The Role of the Trust (continued)

- ◆ To recruit, train and retain talented teachers across the Trust.
- ◆ To drive innovation within and between Trust schools through seeking creative solutions.
- ◆ To provide a vibrant curriculum and learning opportunities for pupils through the benefits of cross-school pupil collaborative projects, performances, and challenges.
- ◆ To embrace challenge to support school improvement in the local area.
- ◆ To support schools facing challenges.
- ◆ To develop and promote a coherent pathway for teacher development, to foster brilliant teaching and strong leadership.
- ◆ To share insights in sustainable school management, to promote financial resilience and best value for money.
- ◆ To actively and proudly promote the values of inclusivity, diversity, and equality in all elements of the work of the Trust.

Contribution to the partnership

All partnership members actively support the partnership principles, are committed to implementing its vision and values, and are committed to supporting the development of an effective, ambitious and outward-facing Multi-Academy Trust.

Supporting Others

Within the Trust are the North East London Maths Hub and the New Vision English Hub. These are DfE funded organisations to improve the quality of teaching and learning in a wide range of schools from the ages of 3-19. This means that through the activities of these organisations the Trust is uniquely placed to provide excellent support in teaching and learning to the pupils and teachers within the Trust, as well as to pupils and teachers across London and beyond. Many hundreds of schools have directly benefitted from this support. Both Hubs are based at Elmhurst Primary School.

Furthermore, the CEO is actively involved in supporting the Department for Education (DfE) as a member of key government expert advisory committees.

Public benefit

In setting the Trust's objectives and planning its activities, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees consider that the trust's aims and activities are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and performance

New Vision Trust - Statutory KS data 2022-23

End of Key Stage assessments and Phonic results were high and above or well above national standards. Detailed results are available on the school websites.

Charitable Achievements

Our family of Trust schools have contributed to the following Charities:

Supporting local vulnerable families during Covid

NSPCC

Children in Need

Red Nose Comic Relief

Meningitis Trust

Unicef

MacMillian

The National Autistic Society

The Royal British Legion

British Dyslexia Association

Save the Children

St. Luke's Hospice

Bangladesh Flood Appeal

Bonny Downs Community Association (Food Bank)

Community Fridge

Going concern

After making appropriate enquiries, the Trustees have 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 Principal Accounting Policies.

STRATEGIC REPORT (continued)

Promoting the success of the Trust

Our schools work collaboratively to achieve the vision and values of the Trust. This is through regular sharing of effective strategies for teaching and learning, working together on common priorities, joint training of staff, and reflecting and adapting so that there is continual improvement.

Financial review

Financial and risk management objectives and policies

Principal risks and uncertainties

The Trust has considered the wide range of risks it is exposed to and identified appropriate procedures for all risks where the likelihood and/or impact of the risk are sufficiently high. The most significant risks facing the trust are considered to be:

a) Governance and oversight:

Trustees fail to deliver effective strategic leadership to the Trust as it grows in size, or there is a lack of corporate vision that results in reputational damage for the Trust. This is mitigated by annual review by members of the Trustees performance, removing underperforming Trustees and recruiting additional Trustees as required.

b) Key staff recruitment and retention:

Difficulty in recruiting teaching staff to fill roles across Trust. This is mitigated by monitoring recruitment and retention rates, advertising and recruiting early, advertising and recruiting teachers at Trust level, providing opportunities for career progression and increasing the number of trainees engaged via the Teach First programme.

c) Financial stability of schools:

Many schools across London are experiencing a fall in admission numbers and this includes Gallions, Nelson and Downshall. The CEO is supporting these schools in implementing strategies to attract more pupils and helping the Headteachers to manage their budgets more efficiently. Additionally with the agreement of the Local Authority, admissions in certain year groups have been capped so that staffing numbers can be reduced over time.

There is additional financial pressure due to some unfunded annual pay awards. This is being mitigated by the CEO supporting Headteachers to manage their budgets prudently, particularly in terms of staffing decisions. Despite these challenges, the Trust has healthy financial reserves which means that the Trust as a whole is in a strong financial position.

d) Reinforced Autoclaved Aerated Concrete (RAAC):

Initial surveys carried out in house that have been required by the Dfe have been completed and returned. It seems unlikely that RAAC is present in any of our schools and we await further guidance from the Dfe regarding if further investigation is needed.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial and risk management objectives and policies (continued)

Financial position and reserves policy

Financial position

During the year ended 31 August 2023, total income was £36,237,000 (year ended 31 August 2022 - £22,728,000). Total expenditure was £27,095,000 (2022 – £24,896,000).

At 31 August 2023 the net book value of fixed assets was £52,694,000 (2022 – £42,880,000) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Academy Trust held fund balances at 31 August 2023 of £56,740,000 (2022 – £44,519,000) comprising £54,592,000 (2022 – £42,094,000) of restricted funds including a pension reserve deficit of £1,302,000 (2022 – £3,304,000), unrestricted funds of £2,148,000 (2022 – £2,425,000).

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to a minimum of 5% of annual income, with an additional central contingency of £100,000 to fund any short-term resource needs. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The relatively high levels of reserves in the Trust provide a useful buffer given that pupil numbers remain volatile across the borough. In addition, the Trust currently requires reserves to manage the current uncertainty regarding funding levels in the sector and to ensure that adequate funds are available for ongoing capital projects and maintenance. Considering the level of reserves at the period end, the Trustees deem these to be more than adequate.

Investment Policy

The Academy holds no investments. Surplus cash is deposited in UK banks.

FUNDRAISING

The Trust does not employ a professional fundraiser. The Trust does not actively fundraise.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)		
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption		
Owned transport – mini-buses		
<u>Total scope 1</u>	320.398	321.368
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	147.776	122.136
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel employee owned vehicles	—	—
<u>Total gross emissions in metric tonnes CO₂e</u>	468.174	443.504
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.12	0.15

Quantification and reporting methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Comparison with 2023

The intensity ratio was 0.15 in 2022 and there has been a decrease to 0.12 in 2023.

PLANS FOR FUTURE PERIODS

- ◆ Maintaining and improving the KS2 SATS Reading, Writing and Maths combined figures remain high. Continuing with the measures to address the gaps in pupils' learning due to Covid-19 measures.
- ◆ Supporting the Trust schools to review their curriculum offer in light of the new Ofsted inspection framework.
- ◆ Looking at ways to reduce teacher workload, for example by reviewing marking and feedback policies.
- ◆ Supporting the Trust schools to improve/maintain high Ofsted ratings.
- ◆ Supporting Trust schools to use their reserves for capital building projects or enhancing outdoor play provision
- ◆ Supporting Trust Schools to improve provision for the increasing number of SEND pupils
- ◆ Supporting the Trust schools to manage their budgets prudently and efficiently.
- ◆ Continue to work collaboratively across the Trust schools to further improve teaching and learning and standards.
- ◆ Continuing to work together to provide high-quality Continuous Professional Development for all Academy schools staff.
- ◆ Continuing to provide enriched opportunities of learning for pupils by organising inter Trust schools activities and competitions.
- ◆ Utilising the Maths and English Hubs to benefit the staff and pupils in the Trust schools as well as providing support to schools outside of the Trust.
- ◆ Support Downshall Primary School to benefit from and contribute to the Trust.

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.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company's directors, on _____ and signed on the board's behalf by:

Trustee

Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and under the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the governing body 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. During the pandemic, all meetings went ahead as planned albeit remotely. The Trust Board has formally met 3 times during the period. Attendance during the period at meetings was as follows:

Trustee	Number of meetings attended	Out of a possible
Q Peppiatt	3	3
J Lucas	2	3
S Ahmed	3	3
M Browne	3	3
N Abbott	3	3
A Layole	3	3
E Rice	2	3
F Coats	2	3
E Prior	2	3

The Board met less than six times in 2022/2023. It has maintained effective oversight of funds by delegating certain areas to a sub-committee, which is described below. There were also meetings for the HR committee and of the Local Governing Bodies (LGBs).

Finance Committee attendance was as follows:

Finance and Audit committee attendance

Trustee	Number of meetings attended	Out of a possible
Q Peppiatt	3	3
S Ahmed	3	3
A Layole	2	3
F Coats	0	3
E Prior	1	3

Conflicts of interest

Trustees provide an annual declaration confirming any interest they may have that could result in a conflict of interests. They are asked to provide updates whenever this changes. If any item of business on the agenda of a Trustees' meeting may prove a conflict, the Governor concerned is asked to excuse themselves. The list of Trustees' interests is reviewed along with the agenda of each Trustee meeting.

Governance reviews

The governance arrangements of New Vision Trust were reviewed as part of the process of becoming a Multi-Academy Trust. A self-evaluation was completed during the last financial period.

Review of value for money

Adhering to principles recommended in PPN02/20 and 04/20 notices issued during 2021 due to Covid-19, the Trust continued to pay suppliers who were able to continue to deliver services and allowed reasonable adjustments to be implemented to service delivery during the year.

School reserves have been used to significantly develop the estate and premises for the schools in the Trust to benefit pupils and staff. This includes:

- ◆ new buildings at Vicarage and Elmhurst to improve provision for the increasing numbers of Special Needs pupils
- ◆ development of outdoor play areas at Gallions, Elmhurst and Vicarage
- ◆ Conditions Improvement funding (CIF) to improve fire safety and associated works as well as roof works at Nelson

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

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

- ◆ Joint advertising and recruitment of teachers have led to costs savings. Joint Trust staff training for all staff has enabled the Trust to provide a higher quality of training as costs and facilities are shared across the four schools
- ◆ The CEO has continued to work with the Headteachers to compare and evaluate the Academy schools budgets, review spending and improve value for money across different budget areas. This has led to Trust schools being in a stable financial position with healthy reserves

Review of value for money *(continued)*

- ◆ The CEO has supported the Headteachers to review and where appropriate reduce and/or make better use of numbers of staff in Leadership roles and support roles so that inefficient bureaucracy is minimised
- ◆ In previous years, a comprehensive list of service level agreements in the Trust schools was compiled which identified some unnecessary ongoing purchases which when eliminated led to significant further cost savings across the Trust. These savings have continued to be made
- ◆ All four Trust schools are in a fixed energy contract from October 2020 to October 2024. The fixed energy prices are substantially lower than the current energy increases and will remain insulated from rises till the end date

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the period ended 31 August 2023 and up to the date of approval of the Trustees' report and financial statements.

Capacity to handle risk

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

The risk and control framework

The Trust adheres to the newly revised FRC Ethical Standards as the Audit firm for external audit does not provide any internal audit or scrutiny.

The Trust has in place a Gift and Hospitality policy.

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 and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

The risk and control framework (continued)

- ◆ regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Tridan Business Concepts as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The auditor regularly reports to the Board of Trustees, through the Trust Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit report does not highlight any significant control issues and the recommendations within the report are being acted upon to ensure improvement in all the overall financial controls across all the Trust schools.

Review of effectiveness

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

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

Governance statement Year to 31 August 2023

Review of effectiveness (continued)

The Accounting Officer has advised the Finance Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

(Trustee)

(Chief Executive Officer and Accounting Officer)

Approved on:

Statement on regularity, propriety and compliance Year to 31 August 2023

As Accounting Officer of the New Vision Trust, I have considered my responsibility to notify the Academy Trust governing body and the Education and Skills Funding Agency 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. As part of my consideration I have had due regard to the requirements of the Academies 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 Academies 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.

Accounting Officer

Date:

Statement of Trustee's responsibilities 31 August 2023

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of 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 FRS102 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 Academy Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust 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 Academy Trust 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 have been applied for the purposes intended.

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

Chair of Trustees

Date:

Independent auditor's report to the members of New Vision Trust

Opinion

We have audited the financial statements of New Vision Trust (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 FRS102) 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 FRS102 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.

Conclusions relating to going concern (continued)

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

Matters on which we are required to report by exception (continued)

- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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;

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

- ◆ 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 FRS102, the Academies Accounts Direction 2022 to 2023, the Academies Financial 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.
- ◆ 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;

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

- ◆ 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.

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.

for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's assurance report on regularity to New Vision Trust and the Education and Skills Funding Agency

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

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

Respective responsibilities of New Vision Trust's accounting officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of New Vision Trust funding agreement with the Secretary of State for Education dated 27 February 2018 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

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

	Notes	Unrestricted general funds £'000	Restricted funds		2023 Total funds £'000	2022 Total funds £'000
			General funds £'000	Fixed asset funds £'000		
Income from:						
Donations and capital grants	1	27	—	1,365	1,392	206
Transfer on conversion		309	(610)	8,592	8,291	—
Charitable activities						
. Funding for the Academy Trust's educational operations	3	—	24,996	—	24,996	21,457
. Maths and English Hub	3	—	1,369	—	1,369	891
Other trading activities	2	150	38	—	188	173
Investments	4	1	—	—	1	1
Total income		487	25,793	9,957	36,237	22,728
Expenditure on:						
Charitable activities						
. Academy's educational operations	6	764	24,092	1,084	25,940	24,384
. Maths and English Hub	6	—	1,155	—	1,155	512
Total expenditure	5	764	25,247	1,084	27,095	24,896
Net income (expenditure)		(277)	546	8,873	9,142	(2,168)
Transfers between funds	14	—	(1,498)	1,498	—	—
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	19	—	3,079	—	3,079	10,763
Net movement in funds		(277)	2,127	10,371	12,221	8,595
Reconciliation of funds						
Total fund balances brought forward at 1 September 2022		2,425	(786)	42,880	44,519	35,924
Total fund balances carried forward at 31 August 2023		2,148	1,341	53,251	56,740	44,519

All of the Academy's activities derived from continuing operations during the above two financial periods.

The Academy 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					
Tangible fixed assets	11		52,694		42,880
Current assets					
Debtors	12	1,246		767	
Cash at bank and in hand		6,259		<u>5,543</u>	
		7,505		<u>6,310</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(2,157)		<u>(1,367)</u>	
Net current assets			5,348		4,943
Total assets less current liabilities			58,042		47,823
Defined benefit pension scheme liability	19		(1,302)		(3,304)
Total net assets			56,740		<u>44,519</u>
The funds of the Academy Trust:					
Restricted funds					
. Fixed assets fund	14		53,251		42,880
. Restricted income fund	14		2,643		2,518
. Pension reserve	14		(1,302)		(3,304)
Total restricted funds			54,592		<u>42,094</u>
Unrestricted income funds					
. General funds	14		2,148		2,425
Total funds			56,740		<u>44,519</u>

The financial statements on page 29 to 56 were approved by the Trustees, and authorised for issue on _____ and are signed on their behalf by:

Chair of Trustees

New Vision Trust
Company Limited by Guarantee
Registration Number: 11086415 (England and Wales)

Statement of cash flows Year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Cashflows from/(used in) operating activities	A	1,658	(380)
Cash flows used by investing activities	B	(942)	(915)
Change in cash and cash equivalents in the period		716	(1,295)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2022		5,543	6,838
Cash and cash equivalents at the end of the year	C	6,259	5,543

A Reconciliation of net expenditure to net cash provided by operating activities

	2023 £'000	2022 £'000
Net income/(expenditure) for the period (as per the statement of financial activities)	9,142	(2,168)
Adjusted for:		
Inherited tangible assets	(8,592)	—
Inherited pension deficit	610	—
Depreciation charges (note 11)	1,084	1,053
Capital grants from DfE and other capital income	(1,365)	(206)
Interest receivable	1	1
Defined benefit pension scheme cost less contributions payable (note 19)	324	1,383
Defined benefit pension scheme finance cost (note 19)	143	200
(Increase) in debtors	(479)	(255)
Increase/(decrease) increase in creditors	790	(388)
Net cash provided by/(used in) operating activities	1,658	(380)

B Cash flows from investing activities

	2023 £'000	2022 £'000
Dividends, interest and rents from investments	(1)	(1)
Purchase of tangible fixed assets	(2,306)	(1,120)
Capital grants from DfE/ESFA	1,365	206
Net cash used in investing activities	(942)	(915)

C Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	6,259	5,543
Total cash and cash equivalents	6,259	5,543

Statement of cash flows Year ended 31 August 2023

D Analysis of changes in net debt

	At 1 September 2022 £'000	Cash flows £'000	At 31 August 2023 £'000
Cash	5,543	716	6,259
Total	5,543	716	6,259

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Trust and the cash and cash equivalents.

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

The 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.

Income (continued)

Grants (continued)

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.

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.

Transfer on conversion

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

Donated tangible fixed assets

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. 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.

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 12. 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 note 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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 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 liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

Restricted income funds comprise all other grants received from the Education and Skills Funding Agency, the Local Authority or other revenue funds that are given for specific purposes.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

◆ 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 include 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency Arrangements

There are no agency arrangements.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2023 Total funds £'000
Capital grants	—	—	1,365	1,365
Assets donated on conversion	309	(610)	8,592	8,291
Other donations	27	—	27	27
	336	(610)	9,984	9,683

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2022 Total funds £'000
Capital grants	—	—	206	206
Other donations	—	—	—	—
	—	—	206	206

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
Hire of facilities	25	—	25
Income from other charitable activities	125	—	125
Catering income	—	2	2
Trip income	—	36	36
	150	38	188

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Hire of facilities	25	—	25
Income from other charitable activities	94	—	94
Catering income	—	9	9
Trip income	—	45	45
	119	54	173

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
DfE / ESFA grants			
General Annual Grant (GAG)	—	18,146	18,146
Other DfE / ESFA grants			
. UIFSM	—	406	406
. Pupil Premium	—	1,340	1,340
. Others	—	1,353	1,353
	<u>—</u>	<u>21,245</u>	<u>21,245</u>
Other Government grants			
Local authority grants	—	3,034	3,034
	<u>—</u>	<u>3,034</u>	<u>3,034</u>
Other income from the academy trust's educational operations	—	578	578
Coronavirus additional funding (DfE/ESFA)			
Other DfE/ESFA Coronavirus funding	—	139	139
	<u>—</u>	<u>139</u>	<u>139</u>
Total funding for the Academy Trust's educational operations	<u>—</u>	<u>24,996</u>	<u>24,996</u>
Teaching school hub			
Maths and English Hub grants	—	1,369	1,369
2023 total funds	<u>—</u>	<u>26,365</u>	<u>26,365</u>

3 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 grants</i>			
<i>General Annual Grant (GAG)</i>	—	16,232	16,232
<i>Other DfE / ESFA grants</i>			
<i>. UIFSM</i>	—	554	554
<i>. Pupil Premium</i>	—	1,152	1,152
<i>. Others</i>	—	568	568
	<u>—</u>	<u>18,506</u>	<u>18,506</u>
<i>Other Government grants</i>			
<i>Local authority grants</i>	—	2,657	2,657
	<u>—</u>	<u>2,657</u>	<u>2,657</u>
<i>Other income from the academy trust's educational operations</i>	173	—	173
<i>Coronavirus additional funding (DfE/ESFA)</i>			
<i>Other DfE/ESFA Coronavirus funding</i>	—	121	121
	<u>—</u>	<u>121</u>	<u>121</u>
<i>Total funding for the Academy Trust's educational operations</i>		<u>21,457</u>	<u>21,457</u>
<i>Teaching school hub</i>			
<i>Maths and English Hub grants</i>	—	891	891
<i>2022 total funds</i>	<u>173</u>	<u>22,175</u>	<u>22,348</u>

The trust received £121,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £121,000.

4 Investment income

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	2023 Total funds £'000	<i>2022 Total funds £'000</i>
Bank interest	1	—	1	1
	<u>1</u>	<u>—</u>	<u>1</u>	<u>1</u>

5 Expenditure

	Staff costs £'000	Non pay expenditure		2023 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Academy's educational operations:</i>				
. Direct costs	17,120	1,084	1,461	19,665
. Allocated support costs	2,191	1,706	2,378	6,275
<i>Maths and English Hub costs</i>				
. Direct costs	292	—	—	292
. Allocated support costs	73	—	790	863
	19,676	2,790	4,629	27,095

	Staff costs £'000	Non pay expenditure		2022 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Academy's educational operations:</i>				
. Direct costs	15,018	1,053	1,105	17,176
. Allocated support costs	2,907	1,389	2,905	7,201
<i>Maths and English Hub costs</i>				
. Direct costs	239	—	63	302
. Allocated support costs	50	—	160	210
	18,214	2,442	4,233	24,889

	2023 £'000	2022 £'000
Net income (expenditure) for the period includes:		
Operating lease rentals	18	6
Depreciation	1,084	1,053
Fees payable to auditor		
. Statutory audit	25	19
. Other services	5	5

6 Charitable activities - Academy trust's educational operations

	2023 Total funds £'000	2022 Total funds £'000
Direct costs	19,665	17,176
Direct costs - Maths and English	292	302
Support costs	6,275	7,201
Support costs - Maths and English	863	210
	27,095	24,889

6 Charitable activities - Academy trust's educational operations (continued)

Analysis of support costs	Maths and English Hub costs £'000	Support costs £'000	2023 Total funds £'000	2022 Total funds £'000
Support staff costs	73	2,192	2,265	2,957
Technology costs	—	159	159	135
Premises costs	—	1,706	1,706	1,389
Other support costs	790	2,189	2,979	2,899
Governance costs	—	29	29	31
Total support costs	863	6,275	7,138	7,411

7 Staff

(a) Staff costs

Staff costs during the period were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	15,050	12,826
Social security costs	1,542	1,343
Pension costs	2,619	3,731
	19,211	17,900
Supply teacher costs	420	321
Staff restructuring costs	45	—
	19,676	18,221

(b) Severance payments

The academy trust paid 2 severance payment in the year, disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	1	—
£25,001 - £50,000	1	—
	2	—

(c) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy Trust during the period was as follows:

Charitable activities	2023 No.	2022 No.
Teachers	173	152
Administration and support	335	303
Management	29	26
	537	481

7 Staff (continued)

(c) Higher paid staff

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

Charitable activities	2023 No.	2022 No.
£60,001 - £70,000	11	12
£70,001 - £80,000	4	1
£80,001 - £90,000	3	1
£90,001 - £100,000	—	1
£100,001 - £110,000	1	2
£110,001 - £120,000	1	—
£190,001 - £200,000	—	1
£210,001 – £220,000	1	—

(d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy Trust in the period was £900,160 (2022 – £797,683).

8 Trustees' remuneration and expenses

The CEO only receives remuneration in respect of services he provides undertaking the role of CEO and Executive Headteacher and not in respect of his services as a Trustee. Trustees not mentioned below did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2023 £'000	2022 £'000
Shahed Ahmed, CEO, Headteacher and Trustee		
. Remuneration	200-205	190-195
. Employer's pension contributions/salary in lieu of pension contribution	45-50	55-60

During the period ended 31 August 2023 no travel and subsistence expenses were reimbursed to Trustees (2022 – none).

9 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost is included in the RPA insurance the Academy has opted into.

10 Central Services

The Academy Trust has provided the following central services to its Academies during the period:

- ◆ Human resources;
- ◆ Financial services;
- ◆ Legal services;
- ◆ Educational support services;
- ◆ IT services
- ◆ Career's support; and
- ◆ Post 17.

The central charges for these services on the following basis: Between 3.7% and 5.5% (2022 – 3.7% and 5.5%) of School Budget Share and LACSEG income. The actual amounts charged during the period were as follows:

	2023 £'000	2022 £'000
Downshall Primary School	51	—
Elmhurst Primary School	135	129
Gallions Primary School	80	79
Nelson Primary School	136	131
Vicarage Primary School	139	137
Total	541	476

11 Tangible fixed assets

	Leasehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer Equipment £'000	Total funds £'000
Cost/valuation					
At 1 September 2022	46,439	—	319	305	47,063
Donated assets on conversion	8,592	—	—	—	8,592
Additions	849	1,455	—	2	2,306
At 31 August 2023	55,880	1,455	319	307	57,961
Depreciation					
At 1 September 2022	3,911	—	77	195	4,183
Charge in period	942	—	65	77	1,084
At 31 August 2023	4,853	—	142	272	5,267
Net book value					
At 31 August 2023	51,027	1,455	177	35	52,694
At 1 September 2022	42,528	—	242	110	42,880

12 Debtors

	2023	2022
	£'000	£'000
Trade debtors	52	52
VAT recoverable	472	392
Other debtors	453	281
Prepayments and accrued income	269	42
	1,246	767

13 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	547	231
Other taxation and social security	361	346
Other creditors	429	341
Accruals and deferred income	820	449
	2,157	1,367

Accruals and deferred income above includes the following deferred income balance:

	Total	Total
	2023	2022
	£'000	£'000
Deferred income at 1 September 2022	216	692
Released during the year	(216)	(692)
Resources deferred in the year	294	216
Deferred income at 31 August 2023	294	216

Deferred income at 31 August 2023 related to monies in advance for UIFSM for the period Sept 23 – March 2024.

Notes to the Financial Statements Year ended 31 August 2023

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)	2,139	18,146	(16,737)	(1,498)	2,050
<u>Other DfE/ESFA grants</u>					
UIFSM	—	406	(406)	—	—
Pupil Premium	—	1,340	(1,340)	—	—
Other DfE/ESFA Coronavirus funding	—	—	—	—	—
Other grants	—	2,108	(2,108)	—	—
Local authority grants	—	3,034	(3,034)	—	—
Maths and English Hubs	379	1,369	(1,155)	—	593
Pension reserve	(3,304)	(610)	(467)	3,079	(1,302)
Total restricted funds	(786)	25,793	(25,247)	1,581	1,341
Restricted fixed asset funds					
Transfer on conversion	39,643	8,592	(942)	1,498	48,791
DfE/ESFA capital grants	3,237	1,365	(142)	—	4,460
	42,880	9,957	(1,084)	1,498	53,251
Unrestricted funds					
General funds	2,425	487	(764)	—	2,148
Total unrestricted funds	2,425	487	(764)	—	2,148
Total funds	44,519	36,237	(27,095)	3,079	56,740

Notes to the Financial Statements Year ended 31 August 2023

14 Funds (continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<i>Restricted general funds</i>					
General Annual Grant (GAG)	2,779	16,232	(15,972)	(900)	2,139
<i>Other DfE/ESFA grants</i>					
UIFSM	—	554	(554)	—	—
Pupil Premium	—	1,152	(1,152)	—	—
Other DfE/ESFA Coronavirus funding	—	121	(121)	—	—
Other grants	—	622	(622)	—	—
Local authority grants	—	2,657	(2,657)	—	—
Maths and English Hubs	—	891	(512)	—	379
Pension reserve	(12,484)	—	(1,583)	10,763	(3,304)
Total restricted funds	(9,705)	22,229	(23,173)	9,863	(786)
<i>Restricted fixed asset funds</i>					
Transfer on conversion	40,496	—	(853)	—	39,643
DfE/ESFA capital grants	2,331	206	(200)	900	3,237
	42,827	206	(1,053)	900	42,880
<i>Unrestricted funds</i>					
General funds	2,802	293	(670)	—	2,425
Total unrestricted funds	2,802	293	(670)	—	2,425
Total funds	35,924	22,728	(24,896)	10,763	44,519

Analysis of fund balance by academy	2023 £'000	2022 £'000
Fund balances at 31 August 2023 were allocated as follows:		
. Downshall Primary School	177	—
. Elmhurst Primary School	1,036	1,574
. Gallions Primary School	568	1,012
. Nelson Primary School	547	353
. Vicarage Primary School	1,824	1,552
. Central Trust	641	452
Total before fixed assets and pension reserve	4,793	4,943
Restricted fixed asset fund	53,251	42,880
Pension liability	(1,302)	(3,304)
	56,740	44,519

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

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.

14 Funds (continued)

Fixed asset fund

The fixed assets fund was set up to recognise the tangible fixed assets gifted to the Academy Trust upon conversion by the local authority. Depreciation charged on those inherited assets is charged to the fund.

Designated funds

Designated funds have been set aside by the Trustees for a capital project to develop a performance theatre at Elmhurst Primary School.

Analysis of academies by cost

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
Downshall Primary School	1,710	221	66	245	2,242
Elmhurst Primary School	4,396	434	611	1,694	7,135
Gallions Primary School	2,715	362	267	769	4,113
Nelson Primary School	3,990	788	292	905	5,975
Vicarage Primary School	4,024	506	185	940	5,655
Central Trust	165	365	40	321	891
	17,000	2,676	1,461	4,874	26,011

	Teaching and Educational Support Staff costs £'000	Other Support Staff costs £'000	Educational Supplies £'000	Other Costs (Excluding Depreciation) £'000	Total 2022 £'000
Elmhurst Primary School	4,324	388	571	1,559	6,842
Gallions Primary School	2,641	354	251	666	3,912
Nelson Primary School	3,979	643	169	903	5,694
Vicarage Primary School	3,835	469	249	855	5,408
Central Trust	162	1,426	10	389	1,987
	14,941	3,280	1,250	4,372	23,843

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2023 £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	—	—	52,964	52,964
Current assets	2,148	4,000	558	7,505
Current liabilities	—	(2,157)	—	(2,157)
Pension scheme liability	—	(1,302)	—	(1,302)
Total net assets	2,148	1,341	53,251	56,740
	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000
<i>Fund balances at 31 August 2022 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	42,880	42,880
<i>Current assets</i>	2,425	3,885	—	6,310
<i>Current liabilities</i>	—	(1,367)	—	(1,367)
<i>Pension scheme liability</i>	—	(3,304)	—	(3,304)
Total net assets	2,425	(786)	42,880	44,519

16 Capital commitments

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	1,126	87

17 Commitments under operating leases

Operating leases

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

	2023 £'000	2022 £'000
Amounts due within one year	18	30
Amounts due between one and five years	20	3
	38	33

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 London Borough of Newham. Both are multi-employer defined benefit schemes.

Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Contributions amounting to £285,215 were payable to the schemes at 31 August 2023 (2022 – £188,702) and are included within creditors.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- ◆ 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. 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 £2,367,000 (2022: £2,153,000).

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 scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the period ended 31 August 2023 was £1,132,000 (2022 – £853,000), of which employer's contributions totalled £870,000 (2022 – £656,000) and employees' contributions totalled £262,000 (2022 – £197,000). The agreed contribution rates for future years are 20% from employers and up to 11.7% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. 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.

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.0%	3.9%
Rate of increase for pensions in payment / inflation	3.5%	2.9%
Discount rate for scheme liabilities	5.3%	4.2%
Inflation assumption (CPI)	3.5%	2.9%

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	20.5	21.4
Females	23.6	24.1
<i>Retiring in 20 years</i>		
Males	21.6	23.0
Females	25.0	25.7

Sensitivity analysis – the approximate increase in the defined benefit liability given the below changes in actuarial assumption is as follows:

	At 31 August 2023 £'000	At 31 August 2022 £'000
Discount rate +0.1%	122	306
Mortality assumption – 1 year increase	176	279
Salary increase +0.1%	12	31

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	6,605	4,896
Gilts	2	—
Bonds	1,281	584
Property	1,179	1,360
Cash	288	436
Alternative Assets	1,158	1,064
Total market value of assets	10,513	8,340
Present value of scheme liabilities		
. Funded	(11,815)	(11,644)
Deficit in the scheme	(1,302)	(3,304)

	2023 £'000	2022 £'000
Amounts recognised in statement of financial activities		
Current service cost	(1,186)	(2,032)
Pension finance costs	(143)	(200)
Admin expenses	(8)	(7)
Total amount recognised in the SOFA	(1,337)	(2,239)

	2023 £'000	2022 £'000
Analysis of pension finance costs		
Expected return on pension scheme assets	407	127
Interest on pension liabilities	(550)	(327)
Pension finance costs	(143)	(200)

	2023 £'000	2022 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2022	(11,644)	(19,852)
Transfers into the scheme	(1,760)	—
Current service cost	(1,186)	(2,032)
Interest cost	(550)	(327)
Employee contributions	(262)	(197)
Actuarial gain (loss)	3,255	10,545
Benefits paid	332	219
At 31 August 2023	(11,815)	(11,644)

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy Trust's share of scheme assets:	2023 £'000	2022 £'000
At 1 September 2022	8,340	7,368
Transfers into the scheme	1,150	—
Administration expenses	(8)	(7)
Actuarial (Loss)/gain	(176)	218
Expected return on assets	407	127
Employer contributions	870	656
Employee contributions	262	197
Benefits paid	(332)	(219)
At 31 August 2023	10,513	8,340

20 Related party transactions

Owing to the nature of the Academy'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 a member of the Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance

There were no other related party transactions, other than those disclosed in note 8.

21 Comparative statement of financial activities for the 31 August 2022

	Notes	Restricted funds		2022 Total funds £'000	
		Unrestricted general funds £'000	General funds £'000		Fixed asset funds £'000
<i>Income from:</i>					
Donations and capital grants	1	—	—	206	206
<i>Charitable activities</i>					
. Funding for the Academy Trust's educational operations	3	173	21,284	—	21,457
. Maths and English Hub	3	—	891	—	891
Other trading activities	2	119	54	—	173
Investments	4	1	—	—	1
Total income		293	22,229	206	22,728
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
. Academy's educational operations	6	670	22,661	1,053	24,384
. Maths and English Hub	6	—	512	—	512
Total expenditure	5	670	23,173	1,053	24,896
Net income (expenditure)		(377)	(944)	(847)	(2,168)
Transfers between funds		—	(900)	900	—
<i>Other recognised gains and losses</i>					
Actuarial losses on defined benefit pension scheme	19	—	10,763	—	10,763
Net movement in funds		(377)	8,919	53	8,595
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2022		2,802	(9,705)	42,827	35,924
Total fund balances carried forward at 31 August 2022		2,425	(786)	42,880	44,519