

**KINGS NORTON GIRLS' SCHOOL
(A Company Limited by Guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2022

***Company Limited by Guarantee
Registration Number: 07563329
(England & Wales)***

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	J Abbott P Fellows I Griffiths (appointed 2 September 2021, resigned 5 September 2022) K Mack (resigned 5 September 2022) K Ward
Governors	J Abbott N Bi J Couperthwaite U Doerry (resigned 5 September 2022) P Fellows D Gilman (resigned 9 September 2022) D Longworth (appointed 16 December 2021) J Parmar N Raggett K Reynolds P Webb
Company secretary	D Wilson
Senior management team	N Raggett, Headteacher D Gunn, Deputy Headteacher L Shakespeare, Deputy Headteacher L Hawksworth, Assistant Headteacher G Woodward, Assistant Headteacher T Charlett, Assistant Headteacher C Skinner, Business Manager
Company registered number	07563329
Company name	Kings Norton Girls' School
Principal and registered office	Selly Oak Road Birmingham B30 1HW
Independent auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
Bankers	Lloyds Bank plc 798 Bristol Road South Birmingham B31 2NP
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust operates as an Academy Trust for pupils aged 11 to 19 serving a catchment area of Kings Norton and surrounding areas, with a pupil capacity of 1,075 and 1,071 pupils currently enrolled based on the May 2022 Census.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Kings Norton Girls' School & Sixth Form.

Details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

The academy trust maintains governors' and officers' liability insurance which give appropriate cover for any action against the governor which, by virtue of law, would otherwise attach them in respect of any negligence, default or breach of duty which they may be guilty in relation to the academy trust. Such indemnity will not apply to any act or omission which the governors knew to be in breach of trust or breach of duty which was committed by the governors in reckless disregard to whether it was a breach of duty or which was not nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the academy trust.

Method of Recruitment and Appointment or Election of Trustees

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

- up to 10 Trustees who are appointed by the Members;
- between 2 and 7 Parent Trustees who are elected by parents of registered pupils at the Academy Trust;
- up to 2 Staff Trustees and
- the Headteacher who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will consider the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates. As there are normally only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Policies and Procedures Adopted for the Induction and Training of Trustees (cont'd)**

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

Organisational Structure

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

The Board of Trustees normally meet 4 times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 Committees of the Board of Trustees as follows:

- Standards Committee
- Resources Committee
- Pay Committee
- Admissions Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint the Headteacher

The Trustees have devolved the day to day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Headteacher. The SLT comprises the Headteacher, two Deputy Headteachers, three Assistant Headteachers and the Business Manager. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 10 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Pay Committee in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and support staff and the annual performance management process adopted by the Academy.

Related Parties and Other Connected Charities and Organisations

The Kings Norton Girls' School Fund is an unrestricted fund operated by the Trust. The fund makes donations and contributions to support particular projects and facilities of the Academy Trust and its students and is therefore treated as a related party of the Academy Trust for the purposes of the financial statements.

The school has a reciprocal arrangement with Lordswood Girls' School to the curriculum for Sixth Form Students.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Related Parties and Other Connected Charities and Organisations (cont'd)**

The school has a reciprocal arrangement in place with St Teresa of Calcutta MAC to provide Internal Scrutiny/Responsible Officer services for both Trusts.

The school has strong links with the South Area Network of schools, South & City College, Birmingham University and Bishop Challoner and Bournville Teaching Schools Alliances. These relationships allow the school to be a provider of support for other institutions, primary and secondary, at leadership and subject management levels. Succession planning initiatives and wider opportunities for professional development and career progression are integral to the work of the school across these networks and provide mutual benefits for all involved.

Nicola Raggett, Headteacher and Accounting Officer acted as the Chair of Governors at REACH during the period. Clare Skinner, Business Manager and Chief Financial Officer acted as Chair of the Birmingham Association of School Business Management during the period up to 30 June 2022.

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

Engagement with Employees (including Disabled Persons)

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Trade Union Facility Time

Relevant union officials	Number of Employees
Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	93
Percentage of time spent on facility time	
Percentage of time	-
0%	-
1%-50%	2
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	
Total cost of facility time	£2,781
Total pay bill	£5,521,121
Percentage of total pay bill spent on facility time	0.05%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	Nil%

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Objects and Aims (cont'd)**

The aims of the Academy Trust during the year ending 31 August 2022 are summarised below:

Core purpose

- to provide an environment for learning in which everyone flourishes both personally and academically

At KNGS we will:

- open a world of opportunities, demonstrating respect and courage in order to flourish
- foster a joy of learning and respect for equality and diversity
- recognise and celebrate achievement and instil pride in success
- provide opportunities to become independent and resilient in the face of challenges
- cultivate a sense of own self-worth through involvement and enrichment
- contribute to and benefit from the richness of the community in which we belong

Objectives, Strategies and Activities

The Academy strives to "open a world of opportunities" for all students. It engages all students, staff and governors to embrace our values; demonstrating courage and respect in order to flourish. The key priorities for the period are contained in the Academy Trust's Development Plan which is available from the

The key activities of the Academy Trust for the year ended 31 August 2022 were focused as follows:

- Establishing high standards, expectations and quality of education reducing in school variation through accurate moderation and data with a focus on reading for all and improving outcomes in maths
- Implement a new Behaviour for Learning Policy being explicit with norms and routines, developing the skills of the Pastoral Team and the praise system through visibility of the school's vision and values
- Personal development of students through building confidence and resilience and re-establishing a broad, varied and inclusive curriculum and co-curriculum
- Instil a leadership mindset in all employees through CPD and self/peer review, considering workload and wellbeing at all times including the management of employee absence
- Continue to improve outcomes in the sixth form

Public Benefit

The Academy Trust aims to advance for the public benefit education in Kings Norton and the surrounding area, offering a broad curriculum and an excellent education environment for its students.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT**Achievements and Performance**

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its 12th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2022 was 1,071 but this has moved to 1,061 at the October 2022 census.

The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

- Applications to attend the school, both in the lower school and Sixth Form, continue to be strong. We received 871 applications for 160 places into Year 7 for September 2022 entry and 429 applications for 140 Year 12 places.
- GCSE and A Levels were completed through traditional exam methods for the first time since 2019.
- GCSE results saw 40.1% of students achieving grades of 7 and above (national 26%), 79% of students achieving grades 5 and above (national 58%) and 87.6% of students achieving grades 4 and above (national 73%).
- A Level results saw an APS was 42.85 or B+ against a national score of 38.66 or B. 49.4% of students achieved A*- A grades (national 35.92), 75.3% of students achieved A8-B grades (national 62.2%) and 99.5% achieved A*-E grades (national 98.4%).

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Achievements and Performance (cont'd)**

- Progress 8 for GCSE was +0.39. There are no published progress scores for A Levels due to the student cohort not sitting formal GCSE exams during the pandemic.
- Post 18 destinations saw 102 of our students going to their first-choice university, 3 students moving onto a conservatoire and a further 3 students going to Cambridge University.
- The school has worked to involving students in extra-curricular opportunities as we exit from COVID restrictions. 2022 saw 53 extra-curricular clubs operational in school covering various interests and activities engaging 526 students from all year groups.
- Trips and events restarted after the COVID imposed hiatus and there were many across all year groups. Yr7 went to the National Arboretum for an English visit, Yr8 visited Twycross Zoo on a Science trip, Yr9 visited the University of Birmingham for various events and took part in a Humanities Project at the Central Library. Students across the school took part in a performance at Symphony Hall and those not participating went to see the performance. Yr10 were busy with photography trips to the City Centre, drama visits to the Hippodrome and field trips around the Birmingham area. They also undertook their Duke of Edinburgh Award with the expedition taking place on one of the hottest weekends of the year. Yr11 attended a Forward Thinking event at the University of Birmingham and Yr12 visited the MAC for drama, some of our more able students went to Cambridge University, and a Stirchley gallery was visited for photography. Sixth Form students from art/photography/textiles went to galleries in London. We look forward to residential and foreign trips taking place in the next academic year.
- Year 10 and 12 were able to go out into the world of work and complete work experience for the first time in three years, a huge opportunity for them and we are grateful to the employers that supported their placements.
- We were able to welcome Year 6 students and their families for transition events to enable them to say hello to life at KNKS and we said goodbye to our wonderful Year 11 and 13 students at their respective Leavers' prom and ball.
- The school fete was instigated and saw all form groups running stall, a talent show and a Sixth Form vs Staff competition all raising over £950 towards the school fund – spending of which will be overseen by the Student Leadership Group.
- The school was successful in being awarded both of the Condition Improvement Funding grants that it applied for in the year. The £300k grant (plus a £150k contribution from school reserves) will see a full roof replacement over the kitchen, canteen, music, media and Food Tech classrooms as well as a modern replacement of the main electrical switchgear coming into the school.

Key Performance Indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £1,217,000 (2021: £954,000), which is after transfers of £56,000 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on student numbers, student numbers is also a key performance indicator. The total number of students during the year ended 31 August 2022 were 1,071, which is an increase of 11 students from the previous year taking the trust very close to its' capacity of 1,075.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 88.8% (2021: 86.6%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 86.2% (2021:

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Going Concern**

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

Promoting the Success of the Academy Trust

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our students, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance. This continued in spite of the uncertainty created by operating in the middle of a global pandemic and the school having to continually adapt to government guidance on local and national restrictions.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations wherever possible within the restrictions that the property presents.

Our stakeholders

In addition to our students, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Trust Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 140 staff, including agency and casual workers, and it is only through the combined effort of this workforce, together with our supporters, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

COVID continued to impact our staff as they readjusted to a new normal and then moved back to normal in the Spring of 2022. The learnings from COVID were reviewed and certain elements were retained at KNGS such as maintaining and actively encouraging the opportunity for permanent or flexible working from home opportunities to staff.

Our staff were impacted by the very sad and sudden passing of two long-serving staff members in the Autumn of 2021. Kevin Simms, Site Manager, and Marie Shanley, Cleaner & Midday Supervisor had both worked at KNGS for over twenty years and they are sorely missed.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Our Members**

The Trustees are committed and openly engaged with our Members through the active involvement and effective dialogue with them, including an Annual General Meeting. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for 12 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its student base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

FINANCIAL REVIEW

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants) was £6,278,000 (2021: £6,028,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £5,959,000 (2021: £5,649,000), resulting in a net surplus for the year of £319,000 (2021: £379,000 surplus).

The balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £1,217,000 (2021: £954,000).

The financial impact of Coronavirus on the school was minimal as the school continued to receive all budgeted government funding which forms the majority of its income. Expenditure was not materially disrupted due to continual operation across the school year whatever the national guidelines were.

The net book value of fixed assets at 31 August 2022 were £9,399,000 (2021: £5,445,000). The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £630,000 (2021: £3,156,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in note 27 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

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

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Reserves Policy (cont'd)**

The Trustees have determined that the appropriate level of free cash reserves should be approximately six weeks of staffing costs (equivalent to £600,000). The balance is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance along with contributions to CIF grants to planned maintenance requirements of the school.

The Academy Trust's current level of free reserves at 31 August 2021 is £1,217,000 (2021: £954,000,) that is, total funds less the amount held in fixed assets and LGPS liability.

Although the current level of free reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund the ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years. They will also be used to repay the CIF loan of £134,000 (2021: £151,000) in relation to the Sixth Form Block that opened in February 2020 and fund future contributions to capital projects as identified in the Estate Management Plan.

The value of the restricted fixed asset fund at 31 August 2022 is £9,128,000 (2021: £5,294,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the students of the Trust and loans from the ESFA received for the purchase of fixed assets. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2022 of £630,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

The school continues to operate a 32 day notice bank account to ring fence funds for any emergency capital expenditure requirements.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register.

Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually and was completely rewritten in 2021-22 for a more robust approach to risk management.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Educational (cont'd)

In light of the government's White Paper of 2022, the trustees have been considering the development of a multi-academy trust and have looked at and will continue to research potential partners for such an opportunity.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and behaviour for learning.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority). In the year, approximately 98% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including future unfunded pay awards, pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally at every Resources Committee meeting reviewing performance against budgets and overall expenditure with update reports at all full Trustees meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Brexit and the wider economic environment continue to represent a risk to the finances of school due to continuing uncertainty around trade deals. The resulting cost and availability implications to supplies and services sourced by the school particularly around energy will be extremely challenging over the next 12 months. The government's announcement that any teacher pay award for September 2022 will have to be funded by schools can be managed through the use of school reserves but will have to be reviewed for 2023/2024 and beyond.

Staffing

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

The trust has also reviewed policies relating to wellbeing this year and has seen a full suite of family friendly policies being introduced to ensure that explicit information is available to staff on the benefits available to them. We have also introduced a policy around the menopause due the makeup of our staffing body.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Collette Burge, Chief Finance Officer from St Teresa of Calcutia MAC as responsible officer to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Fundraising**

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or students, no professional fundraisers or commercial participators work with the Trust currently.

Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust. The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the Trust would be applicable if so.

PLANS FOR FUTURE PERIODS

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are focussed around:

Quality of education

- to ensure all staff and students can confidently articulate curriculum Intent.
 - to ensure consistency of implementation by embedding principles and actions.
 - progress and attainment of disadvantaged and SEND students
 - ensure corporate responsibility for Reading
 - academic interventions are timely impactful, recorded, analysed and evaluated to inform next steps.
- Support for the HOY academic lead in developing her new role to impact on the learning skills of all students.

Behaviour & attitudes

- Improve attendance.
- Ensure the BFL policy is clear to all and consistently applied and recorded.
- Pastoral interventions are timely impactful, recorded, analysed and evaluated to inform next steps.

Personal Development

- All students have a sense of belonging to KNGS.
- Increase the profile of CEIAG with all stakeholders.
- Re-established opportunities to engage with the community
- To ensure all staff and students can confidently articulate curriculum Intent in personal development and PSHE
- Extend the focus of equality and diversity
- Participation in enrichment, student leadership and co-curricular activity continues to grow

Leadership & management

- Leaders have a clear and ambitious vision and a focus on improvement.
- Actively seek opportunity to participate in Peer reviews and explore wider cross school collaborations.
- Embed the new self-review processes
- Strengthen Governor faculty links

Sixth Form

- Data led priorities to be confirmed in June/September 2022 following year 12 and public exams
- Provide expanded Pastoral and SEMH support to 6th form students.
- Develop and implement strategic approach to enrichment to build a culture of 'everyone's involved'

These priorities are subject to change in light of any future Coronavirus related events.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 8 December 2022 and signed on its behalf by:



.....
John Abbott
Chair of Trustees

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**Scope of responsibility**

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

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kings Norton Girls' School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the statement of governors' responsibilities. The Board of Governors has formally met 4 times during the year ended 31 August 2022.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	4	4
N Bi	1	4
J Couperthwaite	3	4
U Doerry	3	4
D Gilman	2	4
D Longworth	-	2
J Parmar	3	4
N Raggett	4	4
K Reynolds	3	4
K Ward	2	4
P Webb	3	4

Governance Reviews

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Resources Committee as detailed further below. This is a sub-Committee of the Board of Trustees and they met 5 times during the year. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

The Resources Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. Attendance at meetings of the Finance Committee during the year was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	5	5
J Parmar	4	5
N Raggett	5	5
K Reynolds	5	5
K Ward	4	5

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**Governance Reviews (cont'd)**

The key issue dealt with by the Finance Committee during the year was the review of the academy trust's 3-year financial forecasts and the actions required to address the reduced funding expected over this period the review of the reports received from the Responsible Officer in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified. Attendance at meetings of the Standards Committee during the year was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	5	5
N Bi	5	5
J Couperthwaite	3	5
U Doerry	4	5
D Gilman	4	5
D Longworth	2	4
N Raggett	5	5

The Standards Committee is also a sub-committee of the Board of Governors. Its purpose is to hold the Board of Governors to account for the curriculum offer, to review the impact of curriculum provision ensuring that requirements and relevant legislation are met including SEND requirements. They ensure that SEND needs are met as per the Code of Practice with an annual report from the SENCo. They also monitor and evaluate enrichment activities, extended provision and extra-curricular activities. Attendance at meetings of the Pay Committee during the year was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	2	2
J Couperthwaite	1	1
J Parmar	1	1
N Raggett	2	2
K Reynolds	2	2

The Pay Committee is also a sub-committee of the Board of Governors. Its purpose is to achieve the aims of the whole school pay policy in a fair and equal manner and apply the criteria set by the whole school pay policy in determining the pay of each member of staff at the annual review within all statutory and contractual obligations. The committee has to recommend to the Board of Governors the annual budget needed for pay, bearing in mind the need to ensure the availability of monies to support any exercise of discretion and keep abreast of relevant developments and to advise the Board of Governors when the School's pay policy needs to be revised. Finally, it must carry out the appraisal of the Headteacher and work with the Headteacher in ensuring that the Board of Governors complies with the Appraisal Regulations.

Governor	Meetings attended	Out of a possible
J Abbott	1	1
J Couperthwaite	1	1
N Raggett	1	1
K Reynolds	1	1

The Admissions Committee is a further sub-committee of the Board of Trustees. Its purpose is to determine the number of students to be admitted to Kings Norton Girls' School and Sixth Form and the criteria for admissions, in line with the National Admissions and Appeals Code.

Conflicts of Interest

In order to manage the risk of conflicts of interests, each Trustee completes a declaration on an annual basis or at the time of appointment to state where conflicts could arise between their role as Trustees/Members and their personal interests or loyalties. This is to ensure that Trustees/Members are able to make decisions in the best interest of the Academy. For each meeting of Trustees/Members, including the committees, there is a standing agenda point in place so that Trustees/Members can declare any new interest that have arisen or interests that relate to the business in hand at the meeting being attended.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**Conflicts of Interest (cont'd)**

Should conflict be identified at that point, then decision making powers could be removed from the individual and they may be asked to leave the meeting for the relevant agenda point. Any decisions to remove those powers would be made on the specific circumstances relating to the conflict and the reputational risk associated to the decision to ensure that the Academy's values and ethos is not undermined.

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic period, 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 value for money during the year by:

- Reviewing staffing profiles and employing newly qualified teachers where appropriate to balance the profile and generate payroll savings
- Reviewing all year support staff contracts and amending them to term time only as appropriate
- Assessing vacancies and long-term absences and using supply agency staff in lieu of direct employment contracts as appropriate
- Reviewing all SLAs and changing providers to deliver improved value including early termination due to poor service
- Making use of public buying frameworks to deliver savings on various items such as IT, furniture, electrical services and to source new auditors
- Using consultants/market experts to tender electricity supply and catering provision for the school

The purpose of the system of internal control

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

The system of internal control has been in place in Kings Norton Girls' School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**The risk and control framework (cont'd)**

The Board of Governors has decided set up a reciprocal agreement with St Teresa of Calcutta MAC to carry out a programme of internal checks and perform a peer review.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current year included:

- review of and testing of income recognition and recording systems and procedures
- review of and testing of payroll systems and procedures
- review of and testing of procurement systems and procedures
- review of and testing of bank control procedures
- review of management information preparation procedures, including information prepared for and presented to the Board of Trustees
- review of key school policies and procedures
- review of governance

On a termly basis, the Responsible Officer reports to the Board of Governors through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Responsible Officer has delivered their program of work during the year ended 31 August 2022 as planned. While no significant internal control weaknesses were identified from the work completed, the Governors and management have developed an action plan to continue to strengthen and improve internal controls over the next 12 months.

Review of effectiveness

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

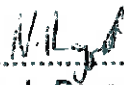
- the work of the Responsible Officer;
- the work of the External Auditor;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on their behalf by:



J Abbott
Chair of Governors



Nicola Raggett
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Kings Norton Girls' School I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 Financial Handbook 2021.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2021.

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



.....
Nicola Raggett
Accounting Officer
8 December 2022

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

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

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

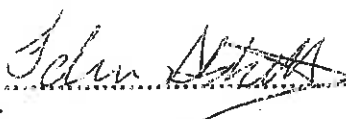
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 will continue in business.

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

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

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

Approved by order of the members of the board of governors on 8 December 2022 and signed on its behalf by:


.....
J Abbott
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS NORTON GIRLS' SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**Opinion**

We have audited the financial statements of Kings Norton Girls' School (the charitable company) for the year ended 31 August 2022 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Kings Norton Girls' School's affairs as at 31 August 2022 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 governors' use of the going concern basis of accounting in the preparation of the financial statement 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 Kings Norton Girls' School's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS NORTON GIRLS' SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the governors' report (incorporating the Strategic Report, and the Governors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' 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 governors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 20, the governors 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 governors 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 governors are responsible for assessing the Kings Norton Girls' School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors 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:

Based on our understanding of the Kings Norton Girls' School and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Kings Norton Girls' School, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2021 and 2022. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the Kings Norton Girls' School's net income for the year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS NORTON GIRLS' SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Auditor's responsibilities for the audit of the financial statements (cont'd)**

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the governors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS NORTON GIRLS' SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)****Use of our report**

This report is made solely to the Kings Norton Girls' School'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 Kings Norton Girls' School'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 Kings Norton Girls' School's and the Kings Norton Girls' School's members as a body, for our audit work, for this report, or for the opinions we have formed.



Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

8 December 2022

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO KINGS NORTON GIRLS' SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 16 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Kings Norton Girls' School and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Kings Norton Girls' School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kings Norton Girls' School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kings Norton Girls' School funding agreement with the Secretary of State for Education dated 9 December 2011, and the Academies Financial Handbook extant from 1 September 2021 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2021 to 2022. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and 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 Accountants issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON
REGULARITY TO KINGS NORTON GIRLS' SCHOOL AND THE EDUCATION AND SKILLS
FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**

Approach (con't)

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the Academy Trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the Academy Trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy Trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

Conclusion

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



Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

8 December 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(Including Income and Expenditure Account)

		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2022 £'000	Total 2021 £'000
	Note					
Income from:						
Donations and capital grants	3	13	-	98	111	40
Charitable activities:						
- Funding for the Academy Trust's educational		-	6,214	-	6,214	5,995
Other trading activities	5	51	-	-	51	15
Investment income	6	-	-	-	-	-
Total		64	6,214	98	6,376	6,050
Expenditure on:						
Raising funds	7	43	-	-	43	-
Charitable activities:						
- Academy Trust's educational operations	7 & 8	-	6,302	205	6,507	6,214
Total	7	43	6,302	205	6,550	6,214
Net income/(expenditure)		21	(88)	(107)	(174)	(164)
Transfers between funds	16	-	(56)	56	-	-
Other recognised gains and losses						
Revaluation of land and buildings	28	-	-	3,885	3,885	-
Actuarial gain/(loss) on defined benefit pension schemes	27	-	2,912	-	2,912	(234)
Net movement in funds		21	2,768	3,834	6,623	(398)
Reconciliation of funds						
Total funds brought forward	16	548	(2,750)	5,294	3,092	3,490
Total funds carried forward	16	569	18	9,128	9,715	3,092

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

BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	12	<u>9,399</u>	<u>5,445</u>
		<u>9,399</u>	<u>5,445</u>
Current assets			
Debtors	13	148	139
Cash at bank and in hand		<u>1,473</u>	<u>1,036</u>
		<u>1,621</u>	<u>1,175</u>
Liabilities			
Creditors: Amounts falling due within one year	14	<u>(556)</u>	<u>(240)</u>
Net current assets		<u>1,065</u>	<u>935</u>
Total assets less current liabilities		<u>10,464</u>	<u>6,380</u>
Creditors: Amounts falling due after more than one year	15	(119)	(132)
Net assets excluding pension liability		<u>10,345</u>	<u>6,248</u>
Defined benefit pension scheme liability	27	(630)	(3,156)
Total Net Assets		<u><u>9,715</u></u>	<u><u>3,092</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	16	9,128	5,294
- Restricted income fund	16	648	406
- Pension reserve	16	(630)	(3,156)
Total restricted funds		<u>9,146</u>	<u>2,544</u>
Unrestricted income fund	16	<u>569</u>	<u>548</u>
Total unrestricted funds		<u>569</u>	<u>548</u>
Total Funds		<u><u>9,715</u></u>	<u><u>3,092</u></u>

The financial statements on pages 27 to 48 were approved by the governors and authorised for issue on 8 December 2022 and signed on their behalf by:



.....
J Abbott
 Chair of Governors

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided by operating activities	20	627	390
Cash flows from investing activities	21	(176)	(142)
Cash flows from financing activities	22	(14)	(19)
Change in cash and cash equivalents in the reporting period	24	<u>437</u>	<u>229</u>
Cash and cash equivalents at 1 September	23	1,036	807
Cash and cash equivalents at 31 August	23	<u>1,473</u>	<u>1,036</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**1 Statement of Accounting Policies**

A summary of 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kings Norton Girls' School meets the definition of a public benefit entity under FRS 102.

Going Concern

The governors 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 governors 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 incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• Grants

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

Capital grants are recognised in full when there is an 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 sheet in the restricted fixed asset fund.

• Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

• Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

• Other income

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

• Donated goods, facilities and services

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

- **Donated goods, facilities and services (continued)**

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

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Freehold buildings	2%
Furniture and equipment	20%
Computer equipment	20%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Tangible Fixed Assets (continued)**

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

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

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 13. 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 instrument, and are measured at amortised cost as detailed in notes 14 and 15. 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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. The TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Pensions Benefits (cont'd)**

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Deprecation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust cannot use any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

2 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 2022 (See note 16).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Devolved formula capital grant	-	23	23	22
CIF grant	-	43	43	-
ESFA fixed asset donation	-	32	32	-
Voluntary donations	13	-	13	18
	<u>13</u>	<u>98</u>	<u>111</u>	<u>40</u>

The income from donations and capital grants was £111,000 (2021 : £40,000) of which £13,000 (2021 : £18,000) was unrestricted, £Nil (2021 : £Nil) restricted and £98,000 (2021 : £22,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	5,743	5,743	5,308
Rates relief grant	-	12	12	21
Other DfE/ESFA Grants				
Pupil premium grant	-	209	209	203
Year 7 catch up grant	-	-	-	42
Teachers pay grant	-	19	19	71
Teachers pension grant	-	54	54	199
National training programme	-	5	5	-
Supplementary grant	-	64	64	-
Early careers framework	-	3	3	-
Free school meals supplementary grant	-	-	-	-
	<u>-</u>	<u>6,109</u>	<u>6,109</u>	<u>5,844</u>
Other Government grants				
Special educational needs grant (BCC)	-	32	32	32
Pupil premium grant	-	13	13	12
	<u>-</u>	<u>45</u>	<u>45</u>	<u>44</u>
COVID-19 DfE/ESFA additional funding				
Catch up premium	-	-	-	64
Other DfE/ESFA COVID-19 funding	-	60	60	-
	<u>-</u>	<u>60</u>	<u>60</u>	<u>64</u>
Other income from the academy trust's educational operations	-	-	-	43
	<u>-</u>	<u>-</u>	<u>-</u>	<u>43</u>
	<u>-</u>	<u>6,214</u>	<u>6,214</u>	<u>5,995</u>

The income from the academy trust's educational operations was £6,214,000 (2021 : £5,995,000) of which £Nil (2021 : £43,000) was unrestricted and £6,214,000 (2021 : £5,952,000) restricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Other income	51	-	51	15
	<u>51</u>	<u>-</u>	<u>51</u>	<u>15</u>

The income from the Academy Trusts's other trading activities was unrestricted for both 2022 and 2021.

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
6 INVESTMENT INCOME				
Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the Academy Trusts's investment income was unrestricted for both 2022 and 2021.

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2022 £'000	Total 2021 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	-	43	-
Academy's educational operations					
- Direct costs	4,366		335	4,701	4,444
- Allocated support costs	1,155	435	216	1,806	1,770
	<u>5,521</u>	<u>435</u>	<u>551</u>	<u>6,507</u>	<u>6,214</u>
	<u>5,521</u>	<u>435</u>	<u>551</u>	<u>6,550</u>	<u>6,214</u>

The expenditure was £6,550,000 (2021 : £6,214,000) of which £43,000 (2021 : £38,000) was unrestricted, £6,302,000 (2021 : £5,875,000) restricted and £205,000 (2021 : £301,000) restricted fixed assets.

	Total 2022 £'000	Total 2021 £'000
Net (income)/expenditure for the year includes:		
Operating lease rentals	33	31
Depreciation	205	301
Fees payable to auditor for:		
- audit	10	10
- other services	<u>2</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

8 CHARITABLE ACTIVITIES	Total 2022 £'000	Total 2021 £'000
Direct costs - educational operations	4,701	4,444
Support costs - educational operations	1,806	1,770
	<u>6,507</u>	<u>6,214</u>
Analysis of Support Costs		
Support staff costs	1,155	920
Depreciation	205	301
Technology	66	68
Premises costs	230	280
Catering	56	55
Recruitment	-	9
Legal costs - other	2	-
Other support costs	44	107
Governance	48	30
	<u>1,806</u>	<u>1,770</u>
9 STAFF COSTS	2022	2021
a Staff costs during the year were:	£'000	£'000
Wages and salaries	3,759	3,638
Social security costs	404	365
Pension costs	1,240	1,034
	<u>5,403</u>	<u>5,037</u>
Agency staff costs	118	114
Staff restructuring costs	-	5
	<u>5,521</u>	<u>5,156</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>
b Staff severance contractual payments		
The academy trust paid Nil severance payments in the year, disclosed in the following bands:		
	2022	2021
0 - £25,000	-	-
£25,001 - £50,000	-	-
£50,001 - £100,000	-	-
£100,001 - £150,000	-	-
£150,000+	-	-
	<u>-</u>	<u>-</u>
c Special staff severance non contractual payments		
Included in staff restructuring costs are special severance payments totalling £Nil (2021 : £Nil).		
d Staff numbers		
The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2022 expressed as whole persons was as follows:		
	2022	2021
Charitable Activities	No	No
Teachers	67	61
Administration and support	43	46
Management	7	7
	<u>117</u>	<u>114</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

e Higher paid staff

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

	No	No
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1

f Key management personnel

The key management of the Academy Trust comprise the governors and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £663,557 (2021 : £658,000).

10 RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

One or more governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteacher and other staff governors receive remuneration in respect of their contracts of employment as headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors. The value of trustee's remuneration and other remuneration was as follows:

	2022	2021
V Walsh (resigned 11 May 2021)		
Remuneration	N/A	£30,000 - £35,000
Employers pension contributions	N/A	£5,000 - £10,000
N Bi		
Remuneration	£25,000 - £30,000	£25,000 - £30,000
Employers pension contribution	£Nil	£Nil
N Raggett		
Remuneration	£85,000 - £90,000	£85,000 - £90,000
Employers pension contributions	£20,000 - £25,000	£20,000 - £25,000

During the year ended 31 August 2022 or 31 August 2021 there were no travel and subsistence expenses reimbursed to the governors in their role as governors.

Other related party transactions including governors are set out in note 28.

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the year ended 31 August 2022 cannot be disaggregated and is included in the total insurance cost (2021: was disaggregated and cost £159).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

12 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1 September 2021	6,158	189	450	-	6,797
Additions	11	12	73	178	274
Disposals	-	-	-	-	-
Revaluations	3,107	-	-	-	3,107
At 31 August 2022	<u>9,276</u>	<u>201</u>	<u>523</u>	<u>178</u>	<u>10,178</u>
Depreciation					
At 1 September 2021	778	165	409	-	1,352
Charged in year	127	26	52	-	205
Disposals	(778)	-	-	-	(778)
At 31 August 2022	<u>127</u>	<u>191</u>	<u>461</u>	<u>-</u>	<u>779</u>
Net book value					
At 31 August 2022	<u>9,149</u>	<u>10</u>	<u>62</u>	<u>178</u>	<u>9,399</u>
At 31 August 2021	<u>5,380</u>	<u>24</u>	<u>41</u>	<u>-</u>	<u>5,445</u>

Land is included in the total freehold land and buildings valuation at a value £385,000 (2021: £385,000) and is not depreciated.

	2022 £'000	2021 £'000
13 DEBTORS		
Trade debtors	10	-
VAT recoverable	26	15
Other debtors	-	-
Prepayments and accrued income	112	124
	<u>148</u>	<u>139</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
CIF loan	17	19
Other taxation and social security	96	90
Accruals	352	104
Other creditors	47	-
Deferred income	44	27
	<u>556</u>	<u>240</u>
Deferred Income		
	2022 £'000	2021 £'000
Deferred income at 1 September 2021	27	37
Resources deferred in the year	44	27
Amounts released from previous years	(27)	(37)
Deferred income at 31 August 2022	<u>44</u>	<u>27</u>

At the balance sheet date the academy was holding funds received in advance for 2022/23 for Covid 19 Catch Up Premium £22,078, and Local Authority SEN income £22,255, Music tuition £13,752, Education trips £35,245 and school fund £32,669.

For terms of the CIF loan please see note 15.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

15 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

	2022	2021
	£'000	£'000
CIF loan	117	132
	<u>117</u>	<u>132</u>

Included within other loans due after more than one year is a 10 year CIF loan on 9 October 2019 totalling £134,000 (2021:£151,000) at an interest rate payable of 1.85% a year. The loan has funded the capital works on the sixth form building.

16 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2022
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General annual grant (GAG) (note i)	373	5,743	(5,412)	(56)	648
Rates relief grant	-	12	(12)	-	-
Pupil premium grant (note ii)	-	222	(222)	-	-
Year 7 catch up grant (note iii)	-	-	-	-	-
Teachers pay (note vi)	-	19	(19)	-	-
Teachers pension (note vi)	-	54	(54)	-	-
Other DfE / ESFA grants - (note vi)	-	72	(72)	-	-
Catch up premium	33	-	(33)	-	-
Other DfE/ESFA COVID-19 funding	-	60	(60)	-	-
Free school meals supp grant (note vi)	-	-	-	-	-
Special needs grant - BCC (note iv)	-	32	(32)	-	-
School fund (note v)	-	-	-	-	-
	<u>406</u>	<u>6,214</u>	<u>(5,916)</u>	<u>(56)</u>	<u>648</u>
Restricted fixed asset funds					
Fixed assets donation (note viii)	2,735	-	(37)	2,032	4,730
Devolved formula capital grant (note vii)	1,806	23	(67)	1,342	3,104
Capital expenditure from GAG (note ix)	753	-	(95)	567	1,225
CIF Grant	-	43	-	-	43
ESFA fixed asset donation	-	32	(6)	-	26
	<u>5,294</u>	<u>98</u>	<u>(205)</u>	<u>3,941</u>	<u>9,128</u>
Restricted pension scheme liability					
Pension reserve (note xii)	(3,156)	-	(386)	2,912	(630)
	<u>(3,156)</u>	<u>-</u>	<u>(386)</u>	<u>2,912</u>	<u>(630)</u>
Total restricted funds	<u>2,544</u>	<u>6,312</u>	<u>(6,507)</u>	<u>6,797</u>	<u>9,146</u>
Unrestricted funds					
Unrestricted funds (notes xi and xi)	548	64	(43)	-	569
BCC prior years surplus b/fwd	-	-	-	-	-
Total unrestricted funds	<u>548</u>	<u>64</u>	<u>(43)</u>	<u>-</u>	<u>569</u>
Total funds	<u>3,092</u>	<u>6,376</u>	<u>(6,550)</u>	<u>6,797</u>	<u>9,715</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**16 FUNDS (cont'd)****Notes**

- i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2022. (see note 2)
- ii) Pupil Premium grant has been used to support children from low income families placed at the School.
- iii) Pupil Premium catch-up money was used for individual and small-group tuition for year 7 pupils to promote improvements with literacy and numeracy.
- iv) Special needs grant from WCC has been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- v) School funds are contributions received from parents which are used to support the Academy Trust's activities.
- vi) Teachers pay, teachers pension and free school meal supplementary grants have been used to improve skills for employment and behaviour in school.
- vii) Devolved formula capital has been used for redecoration, furniture purchases; CIF for roof replacement and electrical switchgear upgrade.
- viii) Restricted fixed assets were funded by government grants and a transfer from General Annual Grant (GAG) and by BCC donating Academy land and buildings.
- ix) The gross transfer from the restricted general fund to the restricted fixed asset fund of £56,000 (2021: £161,000) represents the total capital expenditure from GAG during the year and contribution to the repayment of a CIF loan.
- x) A gross transfer from the restricted school fund to the restricted fixed asset fund was used to contribute to the finance of the new 6th Form building.
- xi) An unrestricted funds transfer of £Nil (2021: £Nil) has been used to contribute to the repayment of a CIF loan.
- xii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 27).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

16 FUNDS (cont'd)

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

	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2021
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General annual grant (GAG) (note i)	224	5,308	(4,998)	(161)	373
Rates relief grant	-	21	(21)	-	-
Pupil premium grant (note ii)	-	203	(203)	-	-
Year 7 catch up grant (note iii)	-	42	(42)	-	-
Teachers pay (note vi)	-	199	(199)	-	-
Teachers pension (note vi)	-	71	(71)	-	-
Other DfE / ESFA grants - (note vi)	-	-	-	-	-
Catch up premium	-	64	(31)	-	33
Other DfE/ESFA COVID-19 funding	-	-	-	-	-
Special needs grant - BCC (note iv)	-	44	(44)	-	-
School fund (note v)	-	-	-	-	-
	<u>224</u>	<u>5,952</u>	<u>(5,609)</u>	<u>(161)</u>	<u>406</u>
Restricted fixed asset funds					
Fixed assets donation (note viii)	2,805	-	(70)	-	2,735
Devolved formula capital grant (note vii)	1,816	22	(32)	-	1,806
Capital expenditure from GAG (note ix)	791	-	(199)	161	753
	<u>5,412</u>	<u>22</u>	<u>(301)</u>	<u>161</u>	<u>5,294</u>
Restricted pension scheme liability					
Pension reserve (note xiii)	(2,656)	-	(266)	(234)	(3,156)
	<u>(2,656)</u>	<u>-</u>	<u>(266)</u>	<u>(234)</u>	<u>(3,156)</u>
Total restricted funds	<u>2,980</u>	<u>5,974</u>	<u>(6,176)</u>	<u>(234)</u>	<u>2,544</u>
Unrestricted funds					
Unrestricted funds (notes xi and xii)	510	76	(38)	-	548
BCC prior years surplus b/fwd	-	-	-	-	-
Total unrestricted funds	<u>510</u>	<u>76</u>	<u>(38)</u>	<u>-</u>	<u>548</u>
Total funds	<u>3,490</u>	<u>6,050</u>	<u>(6,214)</u>	<u>(234)</u>	<u>3,092</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	9,399	9,399
Current assets	569	-	1,187	(135)	1,621
Current liabilities	-	-	(539)	(17)	(556)
Non current liabilities	-	-	-	(119)	(119)
Pension scheme liability	-	(630)	-	-	(630)
	<u>569</u>	<u>(630)</u>	<u>648</u>	<u>9,128</u>	<u>9,715</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

Comparative information in respect of the preceding period is as follows:
Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	5,445	5,445
Current assets	548	-	627	-	1,175
Current liabilities	-	-	(221)	(19)	(240)
Non current liabilities	-	-	-	(132)	(132)
Pension scheme liability	-	(3,156)	-	-	(3,156)
	<u>548</u>	<u>(3,156)</u>	<u>406</u>	<u>5,294</u>	<u>3,092</u>

18 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

Authorised by trustees, but not yet contracted

2022 £'000	2021 £'000
172	Nil
<u>Nil</u>	<u>Nil</u>

19 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 Other £'000	2021 Other £'000
Operating leases which expire:		
- Within one year	32	22
- Within two to five years	33	46
	<u>65</u>	<u>68</u>

20 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £'000	2021 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(174)	(164)
Adjusted for:		
Depreciation (note 12)	205	301
Capital grants from DfE and other capital income	(98)	(22)
Capital funding received from sponsors and others	-	-
Interest receivable (note 6)	-	-
Defined benefit pension scheme cost less contributions payable (note 27)	331	224
Defined benefit pension scheme finance cost (note 27)	55	42
Increase in debtors	(9)	(44)
Increase in creditors	317	53
Net cash provided by operating activities	<u>627</u>	<u>390</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (cont'd)

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £'000	2021 £'000
Interest received	-	-
Purchase of tangible fixed assets	(274)	(164)
Capital grants from DfE/ESFA	98	22
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
Net cash used in investing activities	(176)	(142)

22 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	(19)	(19)
Interest on borrowing	5	-
Cash inflows from new borrowing	-	-
Net cash used in financing activities	(14)	(19)

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2022 £'000	At 31 Aug 2021 £'000
Cash in hand and at bank	1,473	1,036
Total cash and cash equivalents	1,473	1,036

24 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £'000	Cash Flows £'000	At 31 Aug 2022 £'000
Cash at bank	1,036	437	1,473
Overdraft	-	-	-
	1,036	437	1,473
Loans within one year	(19)	2	(17)
Loans within more than one year	(132)	15	(117)
	885	454	1,339

25 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to :

- the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

26 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

27 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 Warwickshire County Council Pension Fund. Both are defined multi employer benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2022 was £1,240,000 (2021: £1,034,000) of which £672,000 (2021 : £638,000) relates to the TPS and £568,000 (2021: £369,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £Nil were payable to the scheme at 31 August 2022 (2021: £Nil) and are included within accruals.

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employers pension costs paid to TPS in the period amounted to £672,000 (2021: £638,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2022 was £231,000 (2021: £217,000) of which employers contributions totalled £182,000 (2021: £171,000) and employees contributions totalled £49,000 (2021: £46,000). The agreed contributions for future years are 18.8% (2021: 18.8%) for employers and 5.5% to 12.5% (2021: 5.5% to 12.5%) for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Principal Actuarial Assumptions

	At 31 August 2022	At 31 August 2021
	% per annum	% per annum
The major assumptions used by the actuary were:		
Discount rate	4.3%	1.7%
Salary increases	4.1%	3.9%
Pension increase	3.1%	2.9%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2022	At 31 August 2021
	Approx £'000	Approx £'000
Discount rate reduced by 0.1% per annum	91	168
Salary growth increased by 0.1% per annum	6	-
Pension increased by 0.1% CPI rate	86	162

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

	2022 years	2021 years
Longevity at age 65 retiring today		
- Men	21.2	21.6
- Women	23.6	24.0
Longevity at age 65 retiring in 20 years		
- Men	22.9	23.4
- Women	25.4	25.8

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)

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

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equity instruments	2,433	2,171
Debt instruments	763	512
Property	291	250
Cash	145	131
Other	-	499
Total market value of assets	3,632	3,563
Present value of scheme liabilities		
- Funded	(3,632)	(3,563)
- Unfunded	(630)	(3,156)
Total liabilities	(4,262)	(6,719)
Deficit in the scheme	(630)	(3,156)

The actual return on the scheme assets in the year was a deficit of £111,000 (2021: £523,000 surplus).

Amounts recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Current service cost	513	395
Interest income	(60)	(47)
Interest cost	115	89
Total amount recognised in the SoFA	568	437

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

27 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2022	2021
	£'000	£'000
Movement in deficit during the period		
Deficit in the scheme at 1 September 2021	3,156	2,656
Movement in year:		
- Employer service cost (net of employee contributions)	513	395
- Employer contributions	(182)	(171)
- Expected return on scheme assets	(60)	(47)
- Interest cost	115	89
- Actuarial (gain)/loss	(2,912)	234
Deficit in the scheme at 31 August 2022	<u>630</u>	<u>3,156</u>

Changes in the present value of defined benefit obligations were as follows:

	2022	2021
	£'000	£'000
Scheme liabilities at 1 September 2021	6,719	5,544
Current service cost	513	395
Interest cost	115	89
Contributions by scheme participants	49	46
Benefits paid	(51)	(65)
Actuarial (gain)/loss	(3,083)	710
Scheme liabilities at 31 August 2022	<u>4,262</u>	<u>6,719</u>

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

	2021	2021
	£'000	£'000
Fair value of scheme assets at 1 September 2021	3,563	2,888
Expected return on scheme assets	60	47
Actuarial (loss)/gain	(171)	476
Contributions by employer	182	171
Benefits paid	49	46
Contributions by scheme participants	(51)	(65)
Fair value of scheme assets at 31 August 2022	<u>3,632</u>	<u>3,563</u>

The estimated value of employers contributions for the year ended 31 August 2023 is £183,000 (2022 : £171,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**28 RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain governors' remuneration already disclosed in note 10. In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2021.

29 AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period 31 August 2022 the academy received £17,559 (2021: £16,000) and disbursed £30,432 (2021: £19,000) from the fund. An amount of £14,441 (2021: £27,314) is included in creditors relating to the undistributed funds that are repayable to the ESFA.