

**THE VILLAGES' MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2023**

***Company Limited by Guarantee***  
***Registration Number: 10765135***  
***(England & Wales)***

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	M Bunn D Cooksey K Dallow
<b>Trustees</b>	M Rea, Chairman, Chair K Bailey M Hayward (resigned 31 August 2023) P Jackson, Executive Officer S Salisbury K Kavanagh V Lee G Scott S Tenga-Duley (appointed 16 May 2023) S Turner
<b>Company registered number</b>	10765135
<b>Company name</b>	The Villages Multi-Academy Trust
<b>Principal and registered office</b>	Ankerage Green Worcester WR4 0DZ
<b>Company secretary</b>	A Thomas
<b>Chief executive officer</b>	P Jackson
<b>Senior management team</b>	P Jackson, Chief Executive Officer R Thorp, Principal (Lyppard Grange Primary) R Higgins, Principal (Nunnery Wood Primary) D Groves, Deputy Principal (Lyppard Grange Primary) R Bidwell, Deputy Principal (Nunnery Wood Primary) A Thomas, Company Secretary
<b>Independent auditors</b>	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
<b>Bankers</b>	Lloyds Bank 4 The Cross The Avenue Worcester WR1 3PY

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

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

This is the Trustees' fifth annual report; the company was incorporated in May 2017. The Lyppard Grange Primary School converted and opened as an academy on 1 September 2017 with Nunnery Wood Primary School joining the Trust as an academy on 1 July 2018.

Both academy schools are within the city of Worcester, serving diverse communities. At the January 2022 census, a total of 832 (2022: 826) pupils aged 4 years to 11 years were on roll.

### Structure, governance and management

#### Constitution

The Villages' Multi-Academy Trust (the Trust) is a company limited by guarantee and an exempt charity (the Company). The Company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees are also the directors of the Company for the purposes of company law. The Company operates as The Villages' Multi-Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Trustees' indemnities

The Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.

#### Method of recruitment and appointment or election of Trustees

The members are entitled to appoint 11 Trustees. Trustees are selected according to the expertise and skills required by the Trust. The Board completes an annual skills audit of its trustees and uses this as a basis to identify any shortfalls in expertise in the Board's composition. Existing trustees draw on their wide network of professional contacts to source new trustees with the appropriate skills and expertise. For example, the two most recent appointees to the Board have been recruited because of their experience in risk management and quality assurance, and business development. All trustees are appointed rather than elected. The Chief Executive Officer (CEO) is also a Trustee.

#### Policies adopted for the induction and training of Trustees

Training and induction for Trustees will depend on their prior experience and/or knowledge. Most induction is carried out 'in-house' but external trainers may be brought in, and Trustees may attend external training provision where this is appropriate. All trustees take responsibility for keeping themselves up to date with developments in the sector. The CEO provides briefings and updates on developments in education and associated matters.

#### Organisational structure

The full board of the Trust (the Board) meets at least six times per year. During the year there has been a further restructuring of the Board's committees and the Trust has reverted to its previous structure of four main committees of the Board : Business; Audit and Risk; Human Resources; and School Improvement.

Previous changes were temporary and driven by necessity. The Trust has a desire to operate in a lean and efficient manner. The reestablishment of its previously successful structure enables detailed discussions, understanding and scrutiny. Each committee reports on its meetings to the full board. The scope and remit of each committee is set out in the Trust's Scheme of Delegation and associated terms of reference.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Organisational structure (cont'd)**

Although some interim decisions are made within these committees, with full ratification being required by the Board, each committee has a range of delegated decision-making powers. Governance of each academy is delegated to Local Governing Bodies (LGBs). It is for each LGB to determine the most effective governance structure for their academy.

The day-to-day operation of each academy is delegated to the Head Teacher and Senior Leadership Team of each academy which report back to their LGB as appropriate. The Head teachers and Senior Leadership Teams work with the support and collaboration of the CEO. The day-to-day operation of the Trust is delegated to the CEO, who reports directly to the Board. The CEO is the accounting officer. The CEO was absent for a three-month period during the reporting year.

This was the first full year of the Trust's new executive structure in operation, providing for a dedicated Chief Executive Officer rather than the dual role of headteacher/CEO which was in place previously. In line with the objectives set when this new structure was introduced, focus has been on ensuring both Lyppard Grange and Nunnery Wood continue to provide good education for the children in each school. As well ensuring the Trust meets its statutory obligations, the CEO's other key objective is to further grow the Trust with additional schools. This in turn, will increase our capacity to support each

**Arrangements for setting pay and remuneration of key management personnel**

The Board has set a separate Pay Policy for Teaching Staff and another for Support Staff. These are based on national models, agreed with trade union representatives and apply to both schools within the Trust. These policies include information relating to the setting of pay and remuneration for senior leadership as well as the CEO. No other Trustees are remunerated for their work. The Pay Policies are closely linked to the Trust's Performance Management (Teachers) Policy and Non- Teaching Staff Appraisal Policy.

Pay progression for teachers, including senior leaders, is directly linked to performance and pupil outcomes. Performance reviews for the CEO and headteachers is completed by a dedicated committee of Trustees, with input from LGBs and an appropriately experienced external advisor. The final decisions on senior staff remuneration are taken by the full Board. Performance management and pay progression of deputy head teachers and all other staff is delegated to the LGBs, who act on the recommendations of the respective headteacher in each school.

**Trade Union Facility Time**

As the Trust contracts into trade union facilitation through Worcestershire County Council's arrangement with local trade union officials, no employees of the Trust acted as trade union officials during the period.

Total cost of trade union facilitation	£1,605
Total pay bill	£3,906,065
Percentage of pay bill spent on trade union facilitation	0.04%

**Related Parties and Other Connected Charities and Organisations**

The Trust had two related party relationships; spouses of two of the Trusts' directors are employed by the Trust. They were employed prior to conversion as an Academy and are remunerated in accordance with the normal pay scales for their roles. The related directors play no role in their performance reviews or salary considerations.

These relationships are acknowledged in the Trustees' declarations of interest forms annually and these are published on the Trust's website.

Additionally, one of the Trust directors, Mr S Salisbury, is an architectural designer. During this period, Mr Salisbury provided design services associated with the renovation and refurbishment of the former caretaker's bungalow at Nunnery Wood Primary School. These services were provided at cost. Charges for work completed in 2022-2023 were notified in advance by the full Trust Board and notified to the ESFA as required by the ATH; approval was not required as the total value was below the £20,000 threshold.

Any financial transactions are disclosed in the notes to the accounts.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Objectives and aims**

The principal activity of the Company is the operation of two academies, The Lyppard Grange Primary School and Nunnery Wood Primary School, to provide education for pupils aged four years to eleven years.

The Trust has a central over-riding aspiration: to provide children with the very best possible start by 'empowering children to be secure, engaged and equipped for life.'

In empowering children to be secure, the Trust seeks to ensure they are:

- Self-aware; knowing their own strengths and weaknesses
- Self-disciplined and hard working
- Content in themselves with high self-esteem and a good sense of self-worth
- Confident in their own abilities
- Able to recognise right and wrong, with a sound moral compass
- Fit, healthy and active

In empowering children to be engaged, the Trust seeks to ensure they:

- A sense of responsibility
- Awareness of their community – locally, nationally & globally
- A willingness to participate in those communities
- Awareness of and empathy with others
- The willingness and ability to keep learning
- Strong communication and social skills

In empowering children to be equipped for life, the Trust seeks to ensure they are:

- Numerate & Literate
- Ready for the changing technological world
- Positive in their outlook
- Prepared to broaden their horizons
- Committed, tenacious and resilient
- Adaptable, independent and good team players
- Polite, respectful and courteous

Implicit in the vision of the Trust are core principles which govern the way in which each school operates and underpins decision making against which each school's performance and outcomes are

- The needs of children are the highest priority – securing excellent outcomes for children is the raison d'être of our schools
- Each school is best placed to make the right decisions for the children in that school
- Effective collaboration between schools can have a significantly positive impact on raising standards
- Honest, open and transparent relationships between all stakeholders in schools – Members, Trustees, Governors, senior leaders, staff, children and parents – underpin effective collaboration. Positive, active partnerships are fundamental to sustained success

This has been another exciting and engaging year for children in our schools. Operationally, the challenges of the pandemic are long since passed and it has been 'business as usual' for our schools.

Undoubtedly, however, the legacy of the pandemic continues to be apparent as schools address the impact of the various measures imposed during that period. Notably, attendance at both schools is considerably lower than pre-pandemic levels although pupil absence in schools nationally is markedly higher than the levels seen before the pandemic.

**Good Schools**

As touched upon in our last annual report, during this reporting period Nunnery Wood Primary School underwent a full Section 5 inspection by Ofsted and was once again judged to be a good school, with inspectors noting that, *"The school is a close-knit community and staff know the pupils well. Pupils feel safe and enjoy coming to school. Pupils are proud of their school... Leaders, governors and trustees have high expectations of staff and pupils. Leaders have introduced changes across the school that have improved the quality of education. Leaders do not rest on their laurels... Parents are positive about the school."*

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Good Schools (cont'd)**

Recommendations for improvement are similar to those given to Lyppard Grange when it was inspected six months earlier and focus on curriculum monitoring and ensuring teaching assistants are always effective in supporting children. Significant work has been undertaken to address these areas for improvement and progress has been good.

The Trustees continue to be hugely grateful to the whole staff teams at both Lyppard Grange Primary School and Nunnery Wood Primary School for their ongoing hard work and achievement of these positive inspection outcomes.

**Curriculum Provision**

Throughout the year, both schools continued to provide meaningful, interesting, and relevant curriculum experiences and opportunities for the children in our schools. Provision focused heavily on ensuring that any gaps in knowledge, skills and understanding arising from the pandemic were addressed. And whilst progress has been good, this continues to be work in progress.

Opportunities to provide enhance the curriculum and provide enrichment activities were wide ranging – after school clubs, educational visits, residential visits and visitors to school - and clearly enhanced provision in all year groups across both schools. Milestone events such as Harvest Festivals, Carol Concerts and Young Voices are firmly reestablished in the schools' calendars.

**Support for Disadvantaged Children**

Supporting disadvantaged children has continued to be a priority. Specific funding streams have been carefully managed to ensure maximum impact. Pupil Premium continues to fund a range of provision and opportunity. Leaders used this funding stream to provide additional support for children individually and in small group activity. The funding has also enabled us to provide additional teaching assistant support, and the provision of a pastoral support worker as well as a family liaison officer. Additionally, Pupil Premium funding was used to support disadvantaged children to participate in educational visits with single-day visits fully funded and residentials 50% funded by each school.

Additional funding provided through the National Tutoring Programme and the Covid Recovery Premium enabled schools to provide targeted academic support.

**Governance**

At Board level, work has continued to focus on consolidating the effective leadership and governance of the Company and its schools, further refining the Trust's business functions, and supporting the work of both academies. Changes resulting from the restructured leadership team at both schools, supported by the revised CEO's role is already proving to be beneficial.

Trustees, together with the Governors and senior leaders of the academies, have developed a framework for enhancing the quality of teaching and learning within both schools: promoting the sharing of best practice; sharpening the focus on pupil outcomes still further.

The Trust continues to invest in its staff, seeking to recruit the best teachers and support staff, providing high- quality, professional development, and establishing effective succession planning to secure excellent outcomes for pupils going forward.

**Promoting the health and welfare of children**

Both academies have maintained their strong commitment to promoting the safety and welfare of all pupils within the Trust. The Trust has well-established and effective child protection policies and procedures. It works proactively with other agencies to support children and their families. The recent Ofsted inspections identified that safeguarding of pupils was robust, rigorous and effective in both schools.

**Trust Growth**

The Trust's ambitions for growth were hampered significantly both by the pandemic and by the absence of the CEO for a large part of the period. The Trust's determination to grow in order to increase capacity for further school improvement has driven the restructuring of its executive leadership with the goal of producing even better outcomes for pupils. This is reflected in the Trust's expectations of its CEO with clear goals set for the recruitment of new academies in coming years.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Trust Growth (cont'd)**

The Trust's ability to grow will depend on its business and administrative capacity to support that growth. Accordingly, the CEO continues to focus on improving the quality of both personnel and systems such that they scale as we grow, ensuring we can deliver services which promote and support excellent education for all pupils.

**Public benefit**

In setting Trust objectives, The Board has considered the Charity Commission's guidance on public benefit carefully. The primary purpose of the Trust is the advancement of effective education of pupils attending the two academies.

Both academies have the aspiration of providing the very best education to all pupils regardless of family background and circumstances, aiming to ensure all fulfil their potential and are fully ready for the next stage of their education.

**Achievements and Performance****Key performance indicators**

The Trust uses the attainment, progress, attendance, and behaviour of pupils in each academy as KPIs for the delivery of its primary objective. These are compared with the local authority and national averages where this data is available.

<b>Aspect</b>	<b>Lyppard Grange</b>		<b>Nunnery Wood</b>		<b>National</b>	
Whole school attendance	95.2		91.6		92.5	
% achieving a good level of development at the end of Reception	72		64		67	
% meeting phonics threshold at the end of Year 1	80		69		79	
% meeting phonics threshold at the end of Year 2	95		93		Not yet available LA = 89%	
<b>% reaching the standard at the end of KS1:</b>	Expected	Greater Depth	Expected	Greater Depth	Expected	Greater Depth
Reading	67	17	58	17	68	19
Writing	63	10	48	0	60	8
Maths	70	18	62	15	70	16
Re, <u>Wr</u> & Ma combined	55	8	45	0	56	6
<b>% reaching the standard at the end of KS2 :</b>	Expected	Greater Depth	Expected	Greater Depth	Expected	Greater Depth
Reading	83	45	60	10	72	29
Writing	68	10	71	7	71	13
Maths	82	35	55	9	73	24
Re, <u>Wr</u> & Ma combined	65	7	45	3	59	8
English, Grammar & Punctuation	80	45	62	12	72	30

**Going concern**

The Board has a reasonable expectation that the Trust has adequate resources to continue its 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 accounting policies notes to the financial statements.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Promoting the success of the company**

The Trust remains true to its founding principles of promoting the best interests of children; as stated in earlier, the needs of children are the highest priority – securing excellent outcomes for children is the *raison d'être* of our schools.

The attainment outcomes detailed above indicate that across a range of KPI's the Trust's schools compare favourably with national averages. Notably, attendance at Lyppard Grange is well above national averages; the proportion of children meeting the phonics threshold at the end of year 2 is above the national average in both schools; and outcomes at both KS1 and KS2 at Lyppard Grange are at least in line with national averages and above in several areas. Where outcomes compare less favourably in terms of attainment, progress measures suggest children in our schools make similar levels of progress as their peers nationally.

More importantly than these statistical outcomes, the majority of children leaving our schools for the next stage of their education, do so equipped with the positive learning characteristics that will enable them to be successful at high school and beyond. Anecdotal feedback from receiving schools is overwhelmingly positive.

Similarly, the results of surveys of parents of children attending our schools, show that almost all – in excess of 98% in each school – say their children are happy in school and that they would recommend the school to others. These endorsements are testament to the positive impact our staff have on children and families.

The trust board continues to ensure that its core vision underpins decision making at all levels. Multiple elements, including ensuring statutory compliance, maintaining effective control of the trust's finances, supporting the leadership, including local governors, of each school, developing the skills and knowledge of our staff team together with keeping a critical eye on the attainment and progress of children, drive the work of trustees' strategic thinking. Continuing to secure positive outcomes in each of these elements ensures the long-term viability and sustainability of the Trust.

**Financial review**

The accounting period runs from 1 September 2022 to 31 August 2023. The majority of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities. All expenditure supports the activities of both academies within the Trust and is monitored carefully by both the local governing bodies and the Board, specifically through its Business Committee.

There was a single incident of external fraud affecting the Trust in this period, involving the apparent cloning of a Trust credit card by an employee of one of suppliers. As the fraud was not due to error or fault by the Trust, the total value of the fraud was reimbursed to the Trust by our bankers. As the value of the fraud was less than the £5,000 threshold, it was not reported to the ESFA.

Trust schools have continued to make best use of Covid and National Tutoring funds to help those pupils worst affected by the epidemic. Highly focused targeting of this support has enabled the Trust to exceed national averages as can be seen in the earlier performance tables. It is hoped that this support can be continued into the medium-term as the need is still there.

This year has presented the greatest challenges to the financial health of the Trust since its inception in May 2017. There were several reasons for this but the fundamental one was inadequate core funding. Being in a poorly funded county (in the bottom quartile in the country in this respect), both schools in the Trust are on the funding floor.

Pupils in both schools have significant levels of additional need (low prior attainment, EAL, deprivation etc.) but the funds provided for these areas simply go to meet that additional need, not to help with other inflationary pressures. Core funding (the age-weighted pupil unit – AWPU, and lump sum) is effectively all the Trust has to meet the pressures of staff pay increases and general inflation.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Financial review (cont'd)**

The funding floor only rose by 2% in 2022-23, reducing our core funding increase to 6.7% overall (when the Supplemental Grant ("SSG") and Mainstream Additional Grant ("MSAG") were taken into account). This was barely enough to pay for the centrally negotiated teachers' pay increases. However, the flat rate increase for support staff of around 8% plus additional holiday entitlement in consequence of a court decision (which ultimately had to be settled in cash) on top of the back-dated previous year's wage settlement, together effectively pushed the increased cost for those members of staff to 12%. Meanwhile inflation has remained above 10% for much of the year (particularly in respect of food and energy). Accordingly, a central funding increase of 6.7% was simply insufficient to meet in-year expenditure.

The Trust had very healthy reserves at the start of 2022-23. Long before flat rate increases for support staff were discussed or the Harper-Brazel court case added costs for holiday entitlement, the Trust therefore committed to major capital projects: LED lighting throughout at Lyppard Grange (£39K) and the renovation of the Caretaker's bungalow and conversion into a new teaching space at Nunnery Wood (£160K). Consequently it materialised that the level of reserves were significantly diminished at a time of severe budgetary pressure.

In this context the Board has agreed the 2023-24 budget and submitted it to the ESFA, as required. With core funding being capped by the funding floor, and in the absence of the SSG (now withdrawn), the Trust anticipates core revenue growth of approximately 4.6% in the coming year. This will clearly be insufficient to fund the 6.5% centrally agreed teachers' salary rise, let alone any further pay increases that materialise or other costs that increase at a standard rate of inflation.

The Trust has managed the budget assiduously and through careful monitoring and the collective efforts of the Board and senior leadership teams to reduce 2023-24 spend to where any cut backs will do least damage, these challenges have been temporarily mitigated. In particular, capital spending (including on IT equipment) has had to be pared back to an absolute minimum and both schools have set a modest in-year deficit budget for 2023-24.

Through careful financial management, the Trust Board is confident that it has sufficient funds to see it through these difficult times and it remains on a secure financial footing. However, unless government addresses core funding issues for Trusts on the funding floor, these difficult decisions will become a perennial issue.

The Board will continue to monitor the financial performance of the academies within the Trust. In the medium to long term, further economies can be found through collaborative planning and purchasing arrangements, particularly for the provision of core services such as HR, payroll and other financial services. The Board considers opportunities for making use of central government's National Deals for Schools.

- In the year there was a deficit of £3,274,000 (2022: deficit £310,346) and after movements in the pension fund and fixed asset fund the net operating deficit was £262,000 (2022: surplus £97,620).
- Closing reserves at 31 August 2023 totalled £5,447,000 (2022: £7,948,662). The closing LGPS pension deficit was £1,120,000 (2022: £1,878,000) and the restricted fixed asset reserve was £6,193,000 (2022: £9,190,967).

**Reserves policy**

The Trust's policy is to maintain an adequate level of reserves to provide a stable basis for the continued operation of the Trust and the academies within it, whilst ensuring that excessive funds are not accumulated. Notionally this equates to reserves of at least one month's average salary costs. This ensures that in the event of system errors causing delays to funding payments (GAG), the Trust is able to meet its obligations to pay staff.

**Investment policy**

It is anticipated that the Trust will have surplus cash available, both as a result of cash flow planning and the implementation of the reserves policy. Such surplus cash should be invested to ensure that the Trust receives an acceptable income stream without putting the funds at risk.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Investment policy**

The Board judges that risk-free bank deposit accounts are the most appropriate place to invest surplus cash at the current time. Advice should be taken from the Trust's bankers and funds invested as follows:

- Working capital to be held in a Lloyds Bank current account or equivalent. A balance of at least 1 month's salary costs should be maintained. It is recognised that a small amount of interest is payable on this balance but that Lloyds also offer academies free banking which results in this lower interest rates on savings.
- Surplus cash should be invested in a mixture of 30-day, 90-day and 12 months' notice accounts with Lloyds Bank or a similar provider. The goal being to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cash flow requirements. Investment in any single institution will be limited to the value of the indemnity provided by the Financial Authority overseeing that institution.
- Any interest earned should be paid into the Trust's central budget.

Balances invested should be reported to the Board on a termly basis.

The Board has agreed not to invest reserves in stocks and shares or other volatile investments as these are deemed to represent an unacceptable level of risk to the Trust. Should the Board consider investing funds in anything other than risk-free bank deposit accounts, then it must seek appropriate professional financial advice.

**Principal risks and uncertainties**

The Board maintains an effective, graded and up-to-date risk register which is reviewed by the Audit and Risk Committee as a standing item on every agenda. This is subsequently reported to the full board. The principal risks are related to accurate financial management and reporting, as well as future funding developments, not least because of a shifting political and economic landscape, particularly as a result of the legacy of financial costs of the pandemic nationally.

The small decline in pupil numbers on roll due to a lower birth rate within their own and surrounding catchment areas, has already had an impact within Nunnery Wood. Small declines in pupil numbers together with growing uncertainty about the security of full and fair funding for schools is routinely modelled as budgets are forecast for the years ahead. The Board maintains a watchful eye on individual academy performance in terms of pupil outcomes together with future funding indicators and forecast pupil numbers. Trustees are pleased to note an uplift in pupils on roll at the most recent census.

The Risk Register also references management of the school estate. Through the use of Good Estate Management for Schools guidance, Condition Surveys, Facilities Management specialists and construction consultants, the Trust is proactive in its management of the Trust's estate. Investments made in developing and maintaining the estate over the reporting period are testament to the attention this is given.

The Board is acutely aware that poor outcomes for pupils could lead to a decline in pupil numbers and this would have an adverse impact on future funding. The Trust's School Improvement committee, local governing bodies and senior leaders are focused clearly on securing good outcomes for all pupils.

**Fundraising**

Both schools participate in low-level fundraising activities, largely attracting funds from its parent body through traditional means, ranging from fireworks events to summer fayres and bingo nights. Occasional sponsorship for sports kit has been secured but beyond this there are no formal commercial fundraising relationships.

Neither school has received any complaints in relation to fundraising activity. None of the fundraising ventures of either school could be seen to intrude or place undue pressure on vulnerable people.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**Streamlined Energy and Carbon Reporting**

	Lyppard	Nunnery
Pupil Numbers	420	403
Energy consumption used to calculate emissions (kwh)	201352	159759
Energy consumption break down (kwh) (optional)		
• gas	124880	105187
• electricity	76472	54572
• transport fuel	-	-
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	25	21
Owned transport – mini-buses		
Total scope 1	25	21
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	19	13
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0	0.0
Total gross emissions in metric tonnes CO2e	43	34
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.1	0.08

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have:

- spent £39,000 to install LED lighting across the entire Lyppard Grange site, reducing energy consumption.
- installed new sensors/timers for external lighting.
- secured £500 000 of CIF funding to complete the reroofing of a substantial part of the Nunnery Wood building, which has introduced significantly upgraded insulation which will deliver reduced energy consumption.
- conversion of the dilapidated caretaker lodging at Nunnery Wood to new teaching space to the latest building regulations and energy efficiency.
- maintained solar (PVs) panels at Nunnery Wood Primary School.
- explored the feasibility of installing further PVs at Lyppard Grange.

**Plans for future periods**

There are several strands to the Board's future plans:

- Build on the good outcomes achieved by both schools in their respective Ofsted inspections by addressing the recommendations for improvement around curriculum monitoring and the effective deployment of teaching assistants.
- Continue to address all legacy issues arising from the Covid pandemic – pupils' attendance, pupils' readiness to learn, pupils' social, emotional and mental health, and further narrowing the gaps in attainment and achievement between disadvantaged pupils and their peers.
- Extending and further strengthening collaborations in teaching and learning between the two existing academies within the Trust, because we know that school-to-school support leads to improved outcomes for pupils.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Plans for future periods**

- Rigorously pursue opportunities to grow the number of academies within the Trust to bolster expertise and enhance capacity to improve. The Trustees continue to work with the local governing bodies to ensure governance of the Trust and each school is fit for purpose and effective in supporting senior leaders to ensure children have the very best possible start in life.

**Funds held as custodian on behalf of others**

No funds are held by the Trust as custodian trustees on behalf of others.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 8 December 2023 and signed on its behalf by:



.....  
**M Rea, Chairman  
Chair of Trustees  
8 December 2023**

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023****Scope of responsibility**

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

The Board of Trustees (the Board) has delegated the day-to-day responsibility to the Executive Officer, 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 The Villages' Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

The composition of the board of trustees was broadly stable during the year with just one resignation. The Board continues to have appropriate experience and expertise, notably within finance, HR, education and property management, as well as business growth and development, and education risk management and quality assurance. The Board continues to seek additional trustees to support its activities.

A trustee with legal expertise would be welcome. In the absence of successfully appointing a trustee with such expertise, the chief executive has identified a suitable source for sector specific legal advice to support the Board and wider company as necessary. Additionally, further non-executive primary sector education experience would be welcomed too.

During the period the Board has revised its committee structure to ensure its committees remain focused and the remit of each is manageable. There are four committees supporting the work of the full Board: a Business Committee, a Risk and Audit Committee, a Human Resources Committee and a School Improvement Committee. In a further refinement of the structure, Directors from the School Improvement Committee attend Local Governing Body meetings at each school to gather information and quality assure the work of those bodies.

To aid their work, Directors have received regular internal management reports on the Trust's finances both at individual academy level and in consolidated format. The Trust has completed the School Resource Management Self-Assessment Tool and is compliant in all areas. The Board has received detailed information on pupil outcomes for both academies via internal monitoring by senior leaders, governors and directors. Where available, this information is supplemented by external data sets provided by DfE/Ofsted and through a service level agreement with the Data Analysis team at Worcestershire County Council. Both academies and the Board also make use of an external education consultant. The Board is confident that the quality of information is accurate and reliable and has aided effective decision making.

Trustees consider that the Board and its committees have been effective in discharging their responsibilities and point to the following evidence in support of this assertion:

- All meetings were above the agreed threshold for quoracy (stated as a majority of members)
- Full Board as well as committee meeting attendance is good.
- Actions are, in the majority of cases, completed. No committee stands out as performing less well than others.
- All meetings show evidence of discussion, challenge, and support.

During a period of continued challenge and disruption, the governance arrangements continue to be agile and responsive; Directors have convened extraordinary meetings where needed. Briefing notes and preparatory documents have been issued to aid preparation and ensure that the Directors make informed decisions.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023****Governance (cont'd)**

The Business Committee is a sub-committee of the main Board. It is chaired by a senior qualified accountant. Its purpose is to provide scrutiny and oversight of the Trust's financial position and activity, with lead responsibility for considering funding and budget setting and management. The committee also sets the Trust's financial procedures as well as having responsibility for the Trust's estate and asset management.

The Audit and Risk Committee keeps under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports.

In addition, the Audit and Risk Committee also keeps under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts and statements.

The Audit and Risk Committees also sets and reviews the internal audit programme and ensures that the internal audit function is adequately resourced and has appropriate standing within the Trust. It reviews reports and recommendations of the internal audit, together with the appropriateness of management's response and monitors the implementation of action agreed by management in response to reports from the auditor including the annual management letter.

Attendance during the period at meetings of the full Board was as follows:

	<b>Meetings attended</b>	<b>Out of a Possible</b>
M Rea, Chairman, Chair	6	6
K Bailey	1	6
P Jackson, Chief Executive	4	6
M Hayward	4	6
S Salisbury	5	6
V Lee	4	6
S Turner	6	6
G Scott	3	6
K Kavanagh	2	5
S Tenga-Duley	2	2

**Review of value for money**

As Accounting Officer, the Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. For six months of the reporting period, the role of the Accounting Officer was undertaken by Mrs R Higgins (Headteacher at Nunnery Wood Primary School) in the absence of the CEO who ordinarily acts as the Accounting Officer. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- keeping the staffing structure in both academies under review and deploying staff efficiently to support the curriculum and reflecting the intake of both schools within the Trust
- continuing to ensure expenditure is closely aligned to securing good outcomes for pupils
- ensuring that specified funding, such as Pupil Premium, Catch-Up and PE Sports grants, is spent as intended achieving desired impact
- continuing to engage with other academies and maintained schools to share good practice
- ensuring services and contracts are appraised and renegotiated to ensure they are fit for purpose
- ensuring the Trust has robust internal controls to monitor all financial processes

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023****Review of value for money (cont'd)**

- having suitably qualified and experienced staff working within the financial departments of the
- seeking advice and support from other professionals to ensure regulations within the Academy Trust Handbook are adhered to and outcomes for children maximised
- having strong Local Governing Bodies with relevant skill sets able to both support and challenge
- benchmarking costs against similar organisations to identify areas for making savings

Three specific examples will help to show how Trust activity is maximising value for pupils, parents, and the wider community:

- The Trust undertook a refurbishment of what was previously an on-site 'Caretaker's Bungalow' at Nunnery Wood Primary School. The building had been unoccupied for a number of years; rather than allow the facility to become derelict, incurring the cost of demolition, the building was renovated and refurbished. Using the expertise on the Trust Board, designs were created and building work completed. As well as having an additional multi-purpose space used for teaching and learning activity during the day, the school now has further accommodation for its income generating wraparound provision at the start and end of the day.

Although attached to the main building, it can be accessed independently and used in isolation. This will enable the school to remain open when being used as a polling station in future, which in previous years has required a full school closure resulting in a negative impact on children and families.

The £160,000 is a relatively modest cost given the multiple benefits and is undoubtedly an effective use of the Trust's reserves.

- During the period, the Trust successfully bid for funding through the Condition Improvement Fund for substantial reroofing of Nunnery Wood Primary School. This £500,000 investment ensures that the building remains fit for purpose and protects the school from having to divert revenue funding into capital expenditure on the roof for at least 25 years as the works are subject to a warranty for this period. Associated internal repairs and redecoration ensured that maximum value was secured from the funding. The successful bid was made in collaboration with MAC Construction Consultants Ltd and required no additional funding from the Trust.
- An extensive project was completed to replace all lighting, internally and externally, at Lyppard Grange with ultra-modern LED lighting. Although this was significant expenditure from the Trust's reserves, it has ensured that the learning environment is suitably bright and well lit, and external areas are safe for use throughout the year. There will also be a significant saving on electricity costs as LED lighting is less costly to run.
- Further investment, albeit at lower cost, was made in Lyppard Grange Primary School, in response to its most recent Fire Risk Assessment. All remedial actions on the FRA were addressed and the school is compliant with the most recent legislative requirements.

**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; therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing significant risks to the Trust, that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly and robustly reviewed by the Board.



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023****The risk and control framework**

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

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

The Board has considered the need for a specific internal audit function and will appoint an internal auditor. Their audit function includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. There were no checks carried out in the current period of purchase systems and processes.

The external auditors report to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The external auditors have delivered their schedule of work as planned, provided details of any material control issues arising and, if relevant, described what remedial action is being taken to rectify the issues.

**Review of effectiveness**

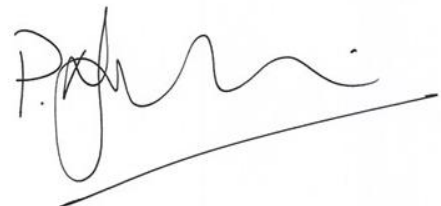
As Accounting Officer, the Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the school resource management self-assessment tool
- the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- Good Estate Management for Schools

The Accounting Officer has acted on the above advice, implementing a plan to address weaknesses identified, and continued monitoring helps to ensure continuous improvement of the system.



**Marcus Rea - Chair of Trustees**  
8 December 2023



**Philip Jackson - Accounting Officer**  
8 December 2023

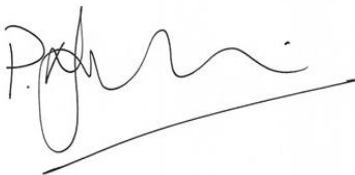
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

- The trust has not undertaken an internal scrutiny report in 2022/23 as required by section 3.1 of the Academy Trust Handbook (ATH);
- The trust did not report all the agreements with a related party to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form as required by section 5.41 of the academy trust handbook;
- The trust has not had a clerk in position since December 2022, this is a breach of section 1.49 of the ATH;



.....  
**Philip Jackson**  
**Accounting Officer**  
**8 December 2023**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees (who act as trustees of The Villages' Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 8 December 2023 and signed on its behalf by:



.....  
**Marcus Rea**  
**Chair of Trustees**  
**8 December 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VILLAGES' MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023****Opinion**

We have audited the financial statements of The Villages' Multi-Academy Trust (the 'trust') for the year ended 31 August 2023 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 2022 to 2023 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 Trust's affairs as at 31 August 2023 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 2022 to 2023

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial 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 The Villages' Multi-Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VILLAGES' MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Other information**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the The Villages' Multi-Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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 The Villages' Multi-Academy Trust 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 The Villages' Multi-Academy Trust 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VILLAGES' MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

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 2022 to 2023.

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 The Villages' Multi-Academy Trust's net income for the year.

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 trustees 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 trustees.
- Conclude on the appropriateness of the trustees' 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 THE VILLAGES' MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Use of our report**

This report is made solely to the The Villages' Multi-Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the The Villages' Multi-Academy Trust'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 The Villages' Multi-Academy Trust's and the The Villages' Multi-Academy Trust'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 2023**

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE VILLAGES' MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023**

In accordance with the terms of our engagement letter dated 6 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Villages' Multi-Academy Trust 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 The Villages' Multi-Academy Trust's and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Villages' Multi-Academy Trust's accounting officer and the**

The accounting officer is responsible, under the requirements of The Villages' Multi-Academy Trust funding agreement with the Secretary of State for Education dated 27 July 2012, and the Academy Trust Handbook extant from 1 September 2022 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2022 to 2023. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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.

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
- 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;



**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE VILLAGES' MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023****Approach (con't)**

- 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them, except for the following items:

- The trust has not undertaken an internal scrutiny report in 2022/23 as required by section 3.1 of the Academy Trust Handbook (ATH);
- The trust did not report all the agreements with a related party to ESFA in advance of the contract or agreement commencing, using ESFA's related party on-line form as required by section 5.41 of the academy trust handbook;
- The trust has not had a clerk in position since December 2022, this is a breach of section 1.49 of the ATH;

*UHY Hacker Young (Birmingham) LLP*

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

**8 December 2023**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023**  
**(Including Income and Expenditure Account)**

		Restricted				
		Unrestricted	Restricted	Fixed	Total	Total
	Note	Funds	General	Asset	2023	2022
		£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>						
Donations and capital grants	3	-	-	437	437	22
Charitable activities:						
- Funding for the Academy Trust's educational operations	4	-	4,620	-	4,620	4,338
Other trading activities	5	12	-	-	12	-
Investment income	6	2	-	-	2	-
<b>Total</b>		<b>14</b>	<b>4,620</b>	<b>437</b>	<b>5,071</b>	<b>4,360</b>
<b>Expenditure on:</b>						
Raising funds	7	6	-	-	6	-
Charitable activities:						
- Academy Trust's educational operations	7	-	4,713	175	4,888	4,671
- Impairment	7	-	-	3,451	3,451	-
<b>Total</b>		<b>6</b>	<b>4,713</b>	<b>3,626</b>	<b>8,345</b>	<b>4,671</b>
<b>Net income/(expenditure)</b>		<b>8</b>	<b>(93)</b>	<b>(3,189)</b>	<b>(3,274)</b>	<b>(311)</b>
Transfers between funds	17	-	(191)	191	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	26	-	772	-	772	1,905
<b>Net movement in funds</b>		<b>8</b>	<b>488</b>	<b>(2,998)</b>	<b>(2,502)</b>	<b>1,594</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>	17	221	(1,463)	9,191	7,949	6,355
<b>Total funds carried forward</b>	17	<b>229</b>	<b>(975)</b>	<b>6,193</b>	<b>5,447</b>	<b>7,949</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 45 form part of these financial statements.

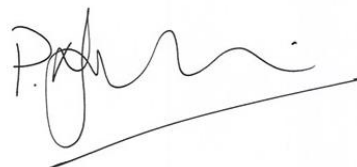
## BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Tangible assets	13	<u>6,189</u>	<u>9,191</u>
		<u>6,189</u>	<u>9,191</u>
<b>Current assets</b>			
Debtors	14	317	173
Cash at bank and in hand		<u>840</u>	<u>768</u>
		<u>1,157</u>	<u>941</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(776)</u>	<u>(302)</u>
		<u>(776)</u>	<u>(302)</u>
<b>Net current assets</b>		381	639
<b>Total assets less current liabilities</b>		6,570	9,830
Creditors: Amounts falling due after more than one year		(3)	(3)
<b>Net assets excluding pension liability</b>		<u>6,567</u>	<u>9,827</u>
Defined benefit pension scheme liability	26	(1,120)	(1,878)
<b>Total Net Assets</b>		<u><u>5,447</u></u>	<u><u>7,949</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	17	6,193	9,191
- Restricted income fund	17	145	415
- Pension reserve	17	<u>(1,120)</u>	<u>(1,878)</u>
<b>Total restricted funds</b>		<u>5,218</u>	<u>7,728</u>
<b>Unrestricted income fund</b>		<u>229</u>	<u>221</u>
<b>Total unrestricted funds</b>	17	<u>229</u>	<u>221</u>
<b>Total Funds</b>		<u><u>5,447</u></u>	<u><u>7,949</u></u>

The financial statements on pages 24 to 45 were approved by the trustees and authorised for issue on 8 December 2023 and signed on their behalf by:



.....  
**Marcus Rea**  
**Chair of Trustees**  
**8 December 2023**



.....  
**Philip Jackson**  
**Accounting Officer**  
**8 December 2023**

The notes on pages 27 to 45 form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	258	204
Cash flows from investing activities	22	(185)	(38)
Cash flows from financing activities	23	(1)	(1)
Change in cash and cash equivalents in the reporting period		<u>72</u>	<u>165</u>
Cash and cash equivalents at 1 September	24	768	603
Cash and cash equivalents at 31 August	24	<u>840</u>	<u>768</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Villages' Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of 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.

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

Capital grants are recognised in full when there is an 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'.

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

**Income (cont'd)**

- **Donated goods, facilities and services**

Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

**Expenditure**

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

- **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.

**Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 Years
Furniture and equipment	- 20% Straight line
Plant and machinery	- 20% Straight line
Computer equipment	- 33% Straight line

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****Tangible fixed assets (cont'd)**

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.

**Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Pensions**

Retirement benefits to employees of the 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

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

**Pensions (cont'd)**

The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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 Trust at the discretion of the Trustees.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**Critical accounting estimates and areas of judgment**

Estimates and judgments 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**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 2023 (See note 16).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Devolved formula capital grant	-	17	17	19
Other ESFA capital grant		37	37	-
CIF grant	-	383	383	-
Donations	-	-	-	3
	-	437	437	22

The income from donations and capital grants was £437,000 (2022 : £22,055) of which £Nil (2022 : £19,309) was unrestricted, £Nil (2022 : £Nil) restricted and £437,000 (2022 : £2,746) restricted fixed assets.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	3,510	3,510	3,453
Rates relief grant	-	8	8	14
<b>Other DfE/ESFA grants</b>				
Pupil Premium	-	192	192	176
PE and Sports grant	-	40	40	-
UFSM grant	-	138	138	132
Supplementary Grant	-	96	96	84
Mainstream Schools Additional Grant	-	50	50	-
Other DfE/ESFA grants	-	7	7	-
	-	4,041	4,041	3,859
<b>Other Government grants</b>				
Special educational needs grant	-	233	233	151
LA Pupil premium	-	22	22	9
Other LA grants	-	-	-	-
	-	255	255	160
<b>COVID-19 DfE/ESFA additional funding</b>				
Recovery Premium	-	30	30	33
	-	30	30	33
<b>Other income from the academy trust's educational operations</b>				
Pupil catering & trips	-	294	294	286
	-	294	294	286
	-	4,620	4,620	4,338

The income from funding for the Academy Trust's Educational Operations was restricted for both 2023 and 2022.

## 5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Other Income	12	-	12	-
	12	-	12	-

The income from other trading activities was £12,000 (2022 : £Nil) of which £12,000 (2022 : £Nil) was unrestricted, £Nil (2022 : £Nil) restricted.

## 6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Bank interest received	2	-	2	-
	2	-	2	-

The income from the Academy Trusts's investment income was unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

7 EXPENDITURE	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2023	2022
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure on raising funds</b>					
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	6	6	-
<b>Academy's educational operations</b>					
- Direct costs	3,339	-	345	3,684	3,319
- Allocated support costs	567	3,785	303	4,655	1,352
	<b>3,906</b>	<b>3,785</b>	<b>648</b>	<b>8,339</b>	<b>4,671</b>
	<b>3,906</b>	<b>3,785</b>	<b>654</b>	<b>8,345</b>	<b>4,671</b>

The expenditure was £8,339,000 (2022 : £4,671,000) of which £6,000 (2022 : £Nil) was unrestricted, £4,713,000 (2022 : £4,442,000) restricted and £3,626,000 (2022 : £229,000) restricted fixed assets.

	Total	Total
	2023	2022
	£'000	£'000
<b>Net (income)/expenditure for the year includes:</b>		
Operating lease rentals	3	8
Depreciation	175	229
Impairment	3,451	-
Fees payable to auditor for:		
- audit	8	9
- other services	6	4

On 1 September 2022 based on desk top valuations from the ESFA the buildings of Nunnery Wood Primary School were valued at £2,115,000 which resulted in an impairment of £3,450,774.

8 CHARITABLE ACTIVITIES	2023	2022
	£'000	£'000
Direct costs - educational operations	3,684	3,319
Support costs - educational operations	4,655	1,352
	<b>8,339</b>	<b>4,671</b>
<b>Analysis of Direct Costs</b>		
Teaching and educational support staff costs	3,339	3,013
Staff development	11	12
Technology costs	46	47
Educational supplies	70	54
Educational consultancy	101	93
Other direct costs	117	100
	<b>3,684</b>	<b>3,319</b>
<b>Analysis of Support Costs</b>		
Support staff costs	567	726
Depreciation	175	229
Premises	159	140
Technology	14	15
Governance	81	91
Impairment	3,451	-
Other support costs	208	151
	<b>4,655</b>	<b>1,352</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**9 STAFF COSTS**

	Total 2023 £'000	Total 2022 £'000
a Staff costs during the year were:		
Wages and salaries	2,836	2,562
Social security costs	241	217
Pension costs	744	845
	<u>3,821</u>	<u>3,624</u>
Agency staff costs	85	57
Staff restructuring costs	-	-
	<u><u>3,906</u></u>	<u><u>3,681</u></u>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

**b Staff severance contractual and non contractual payments**

The academy trust paid £Nil (2022: £Nil) severance payments in the year, disclosed in the following bands:

	2023	2022
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 (2022 : £Nil). Individually, the payments were £Nil.

**d Staff numbers**

The average number of persons (including senior management team) employed by the academy during the period ended 31 August 2023 expressed as whole persons was as follows:

	Total 2023 No	Total 2022 No
<b>Charitable Activities</b>		
Teachers	40	37
Administration and support - including Teaching Assistants	84	93
Management	5	5
	<u>129</u>	<u>135</u>

**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	1	1
£70,001 - £80,000	1	1
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

**f Key management personnel**

The key management of the Academy Trust comprise the trustees 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 £516,659 (2022 : £439,085).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**10 CENTRAL SERVICES**

No central services were provided by the Trust to its academies during the year and no central charges arose.

**11 TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

<b>P Jackson, Executive Officer</b>	<b>2023</b>	<b>2022</b>
Remuneration	£85,000 - £90,000	(£80,000 - £85,000)
Pension contributions paid	£20,000 - £25,000	(£15,000 - £20,000)

During the year ended 31 August 2023, expenses totalling £Nil were reimbursed or paid directly to no Trustees (2022 - £Nil).

**12 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £Nil (2022 - £NIL). The cost of this insurance is included in the total insurance cost.

**13 TANGIBLE FIXED ASSETS**

	<b>Leasehold</b>					<b>Total</b>
	<b>Land &amp; Buildings</b>	<b>Furniture &amp; Fixtures</b>	<b>Plant &amp; Machinery</b>	<b>Computer Assets Under Construction</b>		
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 September 2022	9,847	100	6	155	-	10,108
Additions	-	63	-	25	536	624
Impairment (note 7)	(3,981)	-	-	-	-	(3,981)
Disposals	-	-	-	-	-	-
At 31 August 2023	<u>5,866</u>	<u>163</u>	<u>6</u>	<u>180</u>	<u>536</u>	<u>6,751</u>
<b>Depreciation</b>						
At 1 September 2022	748	44	4	121	-	917
Charged in year	117	27	1	30	-	175
Impairment (note 7)	(530)	-	-	-	-	(530)
Disposals	-	-	-	-	-	-
At 31 August 2023	<u>335</u>	<u>71</u>	<u>5</u>	<u>151</u>	<u>-</u>	<u>562</u>
<b>Net book value</b>						
At 31 August 2023	<u>5,531</u>	<u>92</u>	<u>1</u>	<u>29</u>	<u>536</u>	<u>6,189</u>
At 31 August 2022	<u>9,099</u>	<u>56</u>	<u>2</u>	<u>34</u>	<u>-</u>	<u>9,191</u>

The leasehold property is granted on a 125 year lease for nil rental with the Local Authority. In accordance with the SORP, the assets have been recognised in the Academy Trust's accounts, representing the 'right to use' the property.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

<b>14 DEBTORS</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	-	-
VAT recoverable	246	112
Prepayments and accrued income	71	61
	<u>317</u>	<u>173</u>

<b>15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	465	33
Other taxation and social security	54	48
Pension payable	70	63
Accruals and deferred income	186	157
Other loans	1	1
	<u>776</u>	<u>302</u>

<b>Deferred Income</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income at 1 September 2022	66	86
Resources deferred in the year	99	66
Amounts released from previous years	(66)	(86)
Deferred income at 31 August 2023	<u>99</u>	<u>66</u>

At the balance sheet date the academy was holding funds received in advance for 2023/24 for universal infant free school meals £84,545, music tuition £7,305 and trip income £7,128.

<b>16 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Salix loan	3	3
	<u>3</u>	<u>3</u>

The Salix loan of £2,646 (2022: £3,402) is provided interest free and is repayable over 8 years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 17 FUNDS

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

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
General annual grant (GAG) (i)	415	3,510	(3,589)	(191)	145
Rates relief grant (ii)	-	8	(8)	-	-
Pupil premium grant (iii)	-	192	(192)	-	-
PE and Sports grant (iv)	-	40	(40)	-	-
UIFSM grant (v)	-	138	(138)	-	-
Teachers pay grant (vi)	-	-	-	-	-
Teachers pension grant (vii)	-	-	-	-	-
Other DfE/ESFA COVID-19 funding (viii)	-	30	(30)	-	-
Supplementary Grant	-	96	(96)	-	-
Mainstream Schools Additional Grant	-	50	(50)	-	-
Other DfE/ESFA grants (ix)	-	7	(7)	-	-
LA special educational needs grant (x)	-	233	(233)	-	-
LA pupil premium grant (xi)	-	22	(22)	-	-
Pupil catering & trips (xii)	-	294	(294)	-	-
	<u>415</u>	<u>4,620</u>	<u>(4,699)</u>	<u>(191)</u>	<u>145</u>
<b>Restricted fixed asset funds</b>					
Fixed assets donation (LA) (xiii)	9,191	-	(3,614)	-	5,577
DfE/ESFA capital grants (xiv)	-	437	(6)	-	431
Capital expenditure from GAG (xv)	-	-	(6)	191	185
	<u>9,191</u>	<u>437</u>	<u>(3,626)</u>	<u>191</u>	<u>6,193</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (xvi)	(1,878)	-	(14)	772	(1,120)
	<u>(1,878)</u>	<u>-</u>	<u>(14)</u>	<u>772</u>	<u>(1,120)</u>
<b>Total restricted funds</b>	<b>7,728</b>	<b>5,057</b>	<b>(8,339)</b>	<b>772</b>	<b>5,218</b>
<b>Unrestricted funds</b>					
Unrestricted funds (xvii)	221	14	(6)	-	229
<b>Total unrestricted funds</b>	<b>221</b>	<b>14</b>	<b>(6)</b>	<b>-</b>	<b>229</b>
<b>Total funds</b>	<b>7,949</b>	<b>5,071</b>	<b>(8,345)</b>	<b>772</b>	<b>5,447</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 17 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 2023. (see note 2)
- ii) Income from the Rates Relief grant, directly offsets the rates charges by the local borough council.
- iii) Pupil Premium grant has been used to support children from low income families placed at the school.
- iv) Income offsets spend on various educational activities and resources relating directly to PE and
- v) UIFSM grant is utilised directly to offset school catering costs
- vi) Income offsets teacher salary costs.
- vii) Income offsets teacher pension costs.
- viii) Exceptional Covid grants have been used to provide catch up tuition and cover additional operating costs.
- ix) Grants relating to moderation & phonics, supplementary and mainstream schools additional grants for support in delivering the curriculum.
- x) Special needs grant has been used to support enhanced learning for children with special educational needs.
- xi) Catch up premium is spent predominantly on Teaching resources and ICT equipment/Licences to support those children for who the grant was intended.
- xii) Represents income received relating to pupil catering and educational trips.
- xiii) Restricted fixed assets were funded by government grants, a transfer from General Annual Grant (GAG) and by WCC donating Academy land and buildings on a 125 year lease at a pepper corn
- xiv) Restricted fixed asset additions were funded by DfE/ESFA grants and transfers from restricted funds.
- xv) The gross transfer from the restricted general fund to the restricted fixed asset fund of £191,000 (2022 : £37,419) represents the total capital expenditure from GAG during the year.
- xvi) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).
- xvii) Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the directors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 17 FUNDS (cont'd)

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

	Balance at 1 September 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2022 £'000
General annual grant (GAG) (i)	315	3,453	(3,315)	(38)	415
Rates relief grant (ii)	-	14	(14)	-	-
Pupil premium grant (iii)	-	176	(176)	-	-
PE and Sports grant (iv)	-	-	-	-	-
UIFSM grant (v)	-	132	(132)	-	-
Supplementary grant (vi)	-	84	(84)	-	-
Teachers pension grant (vii)	-	-	-	-	-
Other DfE/ESFA COVID-19 funding (viii)	6	33	(39)	-	-
LA special educational needs grant (x)	-	151	(151)	-	-
LA pupil premium grant (xi)	-	9	(9)	-	-
Pupil catering & trips (xii)	-	286	(286)	-	-
	<b>321</b>	<b>4,338</b>	<b>(4,206)</b>	<b>(38)</b>	<b>415</b>
<b>Restricted fixed asset funds</b>					
Fixed assets donation (LA) (xiii)	9,363	-	(210)	38	9,191
DfE/ESFA capital grants (xiv)	-	19	(19)	-	-
Capital expenditure from GAG (xv)	-	-	-	-	-
	<b>9,363</b>	<b>19</b>	<b>(229)</b>	<b>38</b>	<b>9,191</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (xvi)	(3,547)	-	(236)	1,905	(1,878)
	<b>(3,547)</b>	<b>-</b>	<b>(236)</b>	<b>1,905</b>	<b>(1,878)</b>
<b>Total restricted funds</b>	<b>6,137</b>	<b>4,357</b>	<b>(4,671)</b>	<b>1,905</b>	<b>7,728</b>
<b>Unrestricted funds</b>					
Unrestricted funds (xvii)	218	3	-	-	221
<b>Total unrestricted funds</b>	<b>218</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>221</b>
<b>Total funds</b>	<b>6,355</b>	<b>4,360</b>	<b>(4,671)</b>	<b>1,905</b>	<b>7,949</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 17 FUNDS (cont'd)

## TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2023 were allocated as follows:

	Total 2023 £'000	Total 2022 £'000
Lyppard Grange Primary School	154	246
Nunnery Wood Primary School	220	390
Total before fixed assets and pension reserve	<u>374</u>	<u>636</u>
Restricted fixed assets fund	6,193	9,191
Pension reserve	(1,120)	(1,878)
	<u>5,073</u>	<u>7,313</u>
<b>Total</b>	<u>5,447</u>	<u>7,949</u>

## TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educationa I Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (exc Depn) £'000	Total 2023 £'000	Total 2022 £'000
Lyppard Grange	1,662	358	228	198	2,446	2,305
Nunnery Wood	1,677	209	117	270	2,273	2,137
<b>Academy Trust</b>	<u>3,339</u>	<u>567</u>	<u>345</u>	<u>468</u>	<u>4,719</u>	<u>4,442</u>

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	6,189	6,189
Current assets	229	-	924	4	1,157
Current liabilities	-	-	(776)	-	(776)
Non current liabilities	-	-	(3)	-	(3)
Pension scheme liability	-	(1,120)	-	-	(1,120)
	<u>229</u>	<u>(1,120)</u>	<u>145</u>	<u>6,193</u>	<u>5,447</u>

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	9,191	9,191
Current assets	526	-	415	-	941
Current liabilities	(302)	-	-	-	(302)
Non current liabilities	(3)	-	-	-	(3)
Pension scheme liability	-	(1,878)	-	-	(1,878)
	<u>221</u>	<u>(1,878)</u>	<u>415</u>	<u>9,191</u>	<u>7,949</u>

## 19 CAPITAL COMMITMENTS

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	106	Nil
Authorised by governors, but not yet contracted	Nil	Nil

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**20 COMMITMENTS UNDER OPERATING LEASES****Operating leases**

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

	2023 £'000	2022 £'000
• Within one year	6	5
• Between two to five years	22	9
• After five years	-	-
	<u>28</u>	<u>14</u>

**21 RECONCILIATION OF NET DEFICIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023 £'000	2022 £'000
Net deficit for the reporting period (as per the statement of financial activities)	(3,274)	(310)
Adjusted for:		
Depreciation (note 13)	175	229
Impairment (note 13)	3,451	-
Interest receivable	(2)	-
Capital grants from DfE and other capital income (note 3)	(437)	(19)
Defined benefit pension scheme cost less contributions payable (note 26)	(59)	174
Defined benefit pension scheme finance cost (note 26)	73	62
(Increase)/decrease in debtors	(144)	39
Increase in creditors	475	29
<b>Net cash provided by operating activities</b>	<u>258</u>	<u>204</u>

**22 CASH FLOWS FROM INVESTING ACTIVITIES**

	2023 £'000	2022 £'000
Interest received	2	-
Purchase of tangible fixed assets	(624)	(57)
Capital grants from DfE/ESFA	437	19
Receipts from sale of tangible fixed assets	-	-
<b>Net cash used in investing activities</b>	<u>(185)</u>	<u>(38)</u>

**23 CASH FLOWS FROM FINANCING ACTIVITIES**

	2023 £'000	2022 £'000
Repayments of borrowing	(1)	(1)
Cash inflows from new borrowing	-	-
<b>Net cash used in financing activities</b>	<u>(1)</u>	<u>(1)</u>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 £'000	At 31 Aug £'000
Cash in hand and at bank	840	768
<b>Total cash and cash equivalents</b>	<u>840</u>	<u>768</u>

**25 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2022 £'000	Cash Flows £'000	At 31 Aug 2023 £'000
Cash at bank	768	72	840
Overdraft	-	-	-
	<u>768</u>	<u>72</u>	<u>840</u>
Loans within one year	(1)	-	(1)
Loans within more than one year	(3)	-	(3)
	<u>764</u>	<u>72</u>	<u>836</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**26 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 Northamptonshire County Council Pension Fund. Both are defined multi employer benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2023 was £744,000 (2022 : £845,111) of which £387,000 (2022 : £303,000) relates to the TPS and £357,000 (2022 : £542,000) 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 £70,102 were payable to the schemes at 31 August 2023 (2022: £62,293) and are included within creditors.

**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 2024.

The employers pension costs paid to TPS in the period amounted to £387,000 (2022 : £303,000).

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 2023 (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 a separate trustee administered funds. The total contributions made for the year ended 31 August 2023 was £410,000 (2022: £364,000) of which employers contributions totalled £343,000 (2022: £306,000) and employees contributions totalled £67,000 (2022: £58,000). The agreed contributions rates for future years are 25% (2022: 25%) for employers and for employees are between 5.5% and 8.5% (2022: 5.5% and 8.5%) for employees.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK

**Principal Actuarial Assumptions**

The major assumptions used by the actuary were:

	At 31 % per annum	At 31 % per annum
Discount rate	5.3%	4.3%
Salary increases	4.3%	4.4%
Pension increase	2.9%	3.0%
Inflation assumption (CPI)	2.8%	2.9%

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

	At 31 Approx £'000	At 31 Approx £'000
Discount rate reduced by 0.1% per annum	61	73
Assumed mortality rate increased by 0.1% per annum	61	69
Assumed CPI growth increased by 0.1% per annum	61	72

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

	2023 years	2022 years
Longevity at age 65 retiring today		
- Men	21.5	22.6
- Women	23.8	25.0
Longevity at age 65 retiring in 20 years		
- Men	22.8	24.1
- Women	25.6	27.0

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**26 PENSION AND SIMILAR OBLIGATIONS (cont'd)****Local Government Pension Scheme (cont'd)**

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

	Fair £'000	Fair £'000
Equity instruments	1,501	1,126
Debt instruments	47	41
Property	168	127
Cash	18	28
Other	316	212
<b>Total market value of assets</b>	<b><u>2,050</u></b>	<b><u>1,534</u></b>

	2023 £'000	2022 £'000
<b>Present value of scheme liabilities</b>	<b>£'000</b>	<b>£'000</b>
- Funded	(2,050)	(1,534)
- Unfunded	(1,120)	(1,878)
<b>Total liabilities</b>	<b><u>(3,170)</u></b>	<b><u>(3,412)</u></b>
<b>Deficit in the scheme</b>	<b><u>(1,120)</u></b>	<b><u>(1,878)</u></b>

The actual return on the scheme assets in the year was a deficit of £37,000 (2022 : £32,000 deficit).

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Current service cost	279	480
Interest cost	146	82
Interest income	(73)	(24)
Administrative expenses	5	4
<b>Total amount recognised in the SOFA</b>	<b><u>357</u></b>	<b><u>542</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2023	2022
	£'000	£'000
<b>Movement in deficit during the period</b>		
Deficit in the scheme at 1 September 2022	1,878	3,547
Movement in year:		
- Employer service cost (net of employee contributions)	279	480
- Past service cost	-	-
- Employer contributions	(343)	(306)
- Expected return on scheme assets	(73)	(24)
- Interest cost	146	82
- Administration expenses	5	4
- Actuarial gains	(772)	(1,905)
<b>Deficit in the scheme at 31 August 2023</b>	<u>1,120</u>	<u>1,878</u>

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

	2023	2022
	£'000	£'000
Scheme liabilities at 1 September 2022	3,412	4,810
Current service cost	279	480
Past service cost	-	-
Interest cost	146	82
Contributions by scheme participants	67	58
Benefits paid	(73)	(56)
Actuarial gains	(661)	(1,962)
<b>Scheme liabilities at 31 August 2023</b>	<u>3,170</u>	<u>3,412</u>

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

	2023	2022
	£'000	£'000
Fair value of scheme assets at 1 September 2022	1,534	1,263
Expected return on scheme assets	73	24
Actuarial gains/(losses)	111	(57)
Contributions by employer	343	306
Contributions by scheme participants	67	58
Benefits paid	(73)	(56)
Administration expenses	(5)	(4)
<b>Fair value of scheme assets at 31 August 2023</b>	<u>2,050</u>	<u>1,534</u>

The estimated value of employers contributions for the year ended 31 August 2024 is £356,000 (2023 : £308,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****27 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.

**28 RELATED PARTY TRANSACTIONS**

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

The spouse of P Jackson, Accounting Officer & Trustee, and the spouse of M Rea, Trustee, are employed by the Trust as teachers. The appointments were made prior to conversion from LA to an academy in open competition and the related Trustee was not involved in the decision making process regarding appointment. Remuneration is paid within the normal pay scale for their roles.

J Tilley provided education consultancy to cover the absence of the CEO. The amount incurred for this was £Nil (2022: £3,500). This was reported to the ESFA and deemed

One of the Trust directors, Mr S Salisbury, is an architectural designer. During this period, Mr Salisbury provided design services associated with the renovation and refurbishment of the former caretaker's bungalow at Nunnery Wood Primary School at a value of £1,250 (2022:Nil). These services were provided at cost.

No other related party transactions took place in the period of account, other than certain trustee's remuneration and expenses already disclosed in note 11