

THE ADNAN JAFFERY ACADEMY TRUST
Trading as ONE DEGREE ACADEMY
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2023

THE ADNAN JAFFERY ACADEMY TRUST

(A Company Limited by Guarantee)

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THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details
For the year ended 31 August 2023

Members	Steve Adcock (resigned 21 September 2022) Hassan Damluji Saeeda Jaffery Jacob Kestner Riaz Shah Xiaowei Xu Syed Jaffery (Appointed 19 July 2023)
Trustees	Riaz Shah (Chairman) Joanne Addleton (Principal) Maria Craster (Staff) (resigned 30 October 2023) Rachael Curzons Hassan Damluji Joy Donaldson Syed Jaffery (resigned 30 October 2023) Jacob Kestner Clifford Sacks Aidan Sadgrove Adeola Shyllon Emma Willis
Senior Management Team	
<ul style="list-style-type: none">• Joanne Addleton• Jamie Addleton• Maria Craster• Gary Collison• Joseph Howlett	Principal Assistant Principal Assistant Principal Assistant Principal Chief Operating Officer
Company Name	The Adnan Jaffery Academy Trust
Academy Name	One Degree Academy
Registered Address	1 Chace Village Road Chase Farm Enfield London EN2 8GH

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details
For the year ended 31 August 2023

Company Registration Number	09026334
Independent Auditor	Ross Brooke Limited Chartered Accountants, Statutory Auditors Suite I, Windrush Court Abingdon Business Park Abingdon Oxfordshire OX14 1SY
Bankers	Lloyds Bank Plc PO Box 1000 Andover BX1 1LT

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

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 the 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.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 35 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Trust operates an academy for pupils aged 2 to 11 serving a catchment area in Enfield, London. It operates a mixture of 1 form of entry and 2 forms of entry in each year group and had a roll of 333 in the school census in October 23. In September 2022 it moved into its permanent building, able to accommodate 3 forms of entry and opened its nursery for 3 year olds.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Adnan Jaffery Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as One Degree Academy.

Details of the trustees who served during the year 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 academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties while acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 12 of the financial statements.

Trustees Report
For the year ended 31 August 2023

Method of Recruitment and Appointment or Election of Trustees

- ◆ The shall be at least 5 Members and no more than 10, in order to ensure both a range of views, but also that meetings can be schedules and managed with ease. Fewer than half the Members will be Governors. An appointment is made for a four year term.
- ◆ The governing body will contain at least 6 Governors and no more than 12, all of whom to be UK-based, in order to ensure both a range of views, but also that meetings can be scheduled and managed with ease.
- ◆ The Principal will, subject to their consent, be appointed a Governor and registered at Companies House.
- ◆ The Chair of the Governing Body will seek candidates, including by advertising or using organisations were relevant. Other Governors are also invited to recommend suitable candidates.
- ◆ Prospective Governors will read the school's brochure setting out information for prospective Governors and visit the school ahead of submitting an application to familiarise themselves with One Degree Academy and ensure they fully understand the requirements.
- ◆ Candidates will then submit to the Chair of the Governing Body a formal CV and short statement setting out why they wish to become a Governor and what they think they can offer to the role.
- ◆ The applications will be considered at One Degree Academy governing body meetings or by correspondence.
- ◆ Depending on the outcome of this process the Chair will then make a recommendation to members as to whether candidates should be appointed to the governing body.
- ◆ One degree Academy will not always fill vacant positions and will operate on the principle of preferring to leave a position vacant than fill it with an inappropriate candidate. It falls to the Chair of Governors to conduct succession planning and continuously scan for new candidates.

Trustees Report
For the year ended 31 August 2023

Staff and Parent Governors are elected by their respective constituencies. Elections operate as follows:

Staff Governor elections

- ◆ Ahead of the election, the Principal shall publicise the nature of the role and the process for election to all (teaching and non-teaching) staff.
- ◆ Any member of staff who wishes to stand for election should notify the Principal and provide a short personal statement that will be circulated to all staff. This will set out who they are, why they wish to become a Staff Governor, and what they would bring to the role.
- ◆ The full list of candidates and supporting personal statements will be circulated to staff, all of whom other than the Principal will have one vote.
- ◆ If there is only one nominee per vacancy, that candidate will be deemed elected.
- ◆ If there are no nominees, the Governing Body will either ask a member of staff (including members of SLT) to become a Staff Governor without an election (known as co-opting) or leave the vacancy unfilled.

Parent Governor elections

- ◆ Ahead of the election, the Principal shall publicise the nature of the role and the process for election to all parents.
- ◆ Any parent who wishes to stand for election should notify the Principal and provide a short personal statement that will circulate to all parents. This will set out who they are, why they wish to become a Parent Governor, and what they would bring to the role.
- ◆ The full list of candidates and supporting personal statements will be circulated to parents, who will cast one vote for each child attending One Degree Academy at the point of the election.
- ◆ Parent votes are returned to the Principal through a secret ballot; email votes will be acceptable. The Principal will act as Returning Officer and in the event of a tie will draw lots to choose the successful candidate(s). When the results are announced, the number of votes received by each candidate will not be published.
- ◆ If there is only one nominee per vacancy, that candidate will be deemed elected.
- ◆ If there are no nominees, the Governing Body will either ask a parent to become a Staff Governor without an election (known as co-opting) or leave the vacancy unfilled or co-opt a parent who does not have a child attending the School, but who is a parent of a child or children attending other state-funded schools.

Trustees Report
For the year ended 31 August 2023

Policies and Procedures Adopted for the Induction and Training of Trustees

On appointment, new Governors follow an induction programme, which includes:

- ◆ Personal reading: within the first month of appointment, all new Governors must sign to indicate they have read:
 - ◇ The One Degree Academy Governors Handbook
 - ◇ Keeping children safe in education part 1 and 2
 - ◇ The DfE's 'Governors' handbook
 - ◇ One Degree Academy's Funding Agreement and Articles of Association
 - ◇ Ofsted's School Inspection Framework
 - ◇ One Degree Academy's Governors Code of conduct

Other training includes:

- ◆ Formal induction training: following their appointment, new governors will also undertake induction training covering the role of an effective governor, delivered in-house by an experienced school governor.
- ◆ A school visit: new Governors will also arrange to spend a day observing the school in operation as soon as possible after taking up their post. This will include a meeting with the Principal to receive a briefing on the current school priorities.
- ◆ Meeting with the Chair of Governors: within the first couple of months, new Governors will meet with the Chair and/or Vice-Chair of Governors to be briefed on their role and the school's over-arching priorities.

Trustees Report
For the year ended 31 August 2023

Organisational Structure

- ◆ **Governors** are responsible for setting the outcomes the school should achieve. This will always happen in discussion with SLT.
- ◆ **SLT** are responsible for deciding and implementing the methods by which the school should achieve those outcomes.
- ◆ **Governors** are responsible for assessing the efficacy of SLT's approaches and acting to secure and alternative approach if necessary.
- ◆ **SLT** are responsible for providing sufficient information to Governors to enable them to effectively assess the efficacy of the approaches and the likelihood of the chosen outcomes being achieved.
- ◆ **Governors** are responsible for setting parameters to guide SLT's freedom of manoeuvre to select their approaches (for example, placing restrictions on what qualifications may be offered, through the formulation of policies).
- ◆ **SLT** are responsible for discharging school policies once they are agreed, holding true to their intent – even with aspects with which they disagree.
- ◆ **Governors** are responsible for considering and approving what SLT think they need to be effective, whilst safeguarding value for public money.
- ◆ **SLT** are responsible for requesting support/ feeding back to Governors on what they need to be effective and continuously improving.
- ◆ **Governors** are responsible for discharging any functions where an impartial judgement is needed (for example, considering complaint or assessing the performance of the Principal).
- ◆ **SLT** are responsible for managing the day-to-day operations, specifically staff, facilities and pupils.

Arrangements for setting pay and remuneration of key management personnel

One Degree Academy has a set of banded pay scales to which staff are appointed to. These have been benchmarked against other schools and academies and reviewed by HR advisors. Staff pay and progression are reviewed annually to ensure value for money is delivered.

Trustees Report
For the year ended 31 August 2023

Trade union facility time

No time was spent by relevant trade union officials on paid trade union activities during contracted employment hours in the relevant period for purposes of reporting under the Trade Union (Facility Time Publication Requirements) Regulation 2017.

Related Parties and other Connected Charities and Organisations

One Degree Academy was set up by trustees of another charity, the Adnan Jaffery Educational Trust founded by the late Mr Adnan Jaffery in 2011.

The two charities are independent legal entities that also operate independently.

Mr Riaz Shah is a trustee of both charities and also a member of One Degree Academy. Ms Saeeda Jaffery and Mr Syed Jaffery are trustees of the Adnan Jaffery Educational Trust and also a member of One Degree Academy.

Objectives, Strategies and Activities

The Trust's objectives are set out in its articles of association. This is to establish, maintain, manage and develop and Academy Trust offering a broad and balanced curriculum, for the benefit of public education in the United Kingdom. Secondary to this, is an object to promote activities for the benefit of the inhabitants of the areas in which the Academy is situated.

In accordance with the Article of Association, the Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifics, amongst other thing the basis for admitting pupils to the academy trust.

The trust believes on the following principles referred to as STRIVE.

- ◆ **Scholarship** – we focus relentlessly on academic achievement, great learning and continuous improvement to get results. We show a zest for new learning.
- ◆ **Teamwork** – we work together to overcome difficulties. When one of us succeeds, we all do.
- ◆ **Responsibility** - we take ownership of our actions, caring for each other and for our environment. We look to ourselves to do what's right or to find solutions. We do what needs to be done.
- ◆ **Integrity** – we are honest, kind and open with our community in everything we do. We treat everyone as we want to be treated; with respect.
- ◆ **Value** – we are useful and kind, adding what we do to the conversation of humanity. We embrace new opportunities to develop wisdom.
- ◆ **Effort** – we never give up on trying to improve – even when it's hard. We know there are no shortcuts: achievement comes step-by-step.

Trustees Report
For the year ended 31 August 2023

Public Benefit

As laid down in the articles of association the Academy Trust exists for the benefit of public education in the United Kingdom. Secondary to this, is an object to promote for the benefit of the inhabitants of the areas in which the Academy Trust is situated. In all instances the Academy Trust exists for the benefit of the public.

Strategic Report

Achievements and Performance

The Academy has continued to sustain its progress as validated by its Outstanding Ofsted inspection in 2019.

Progress for the large proportion of disadvantaged children at the Academy has been affected by the pandemic and the cost of living crisis. The Academy's response via its catchup and intervention programme, its focus on staff development and precision coaching in line with the idea that the best intervention possible is a daily diet of great teaching has delivered excellent outcomes that are consistently above the local and national average.

Latest outcomes - 22/23

Y6 KS2 Outcomes (EXS expected standard, GDS greater depth)

- Reading 92% EXS+, 33% GDS
- Writing 92% EXS+, 33% GDS
- Maths 96%EXS+, 42% GDS
- SPaG 96% EXS+, 58% GDS
- Combined RWM 89%

Y4 Multiplication Check

- 83% scored 24 or 25 out of 25 - 50% full marks

Y2 KS1 Outcomes

- Reading 80% EXS+, 27% GDS (Last year NA 21/22 67% EXS+)
- Writing 71% EXS+, 14% GDS (Last year NA 21/22 58% EXS+)
- Maths 75%EXS+, 24% GDS (Last year NA 21/22 68% EXS+)

Phonics Screening Check

- 84% passed at ODA (Last year NA 21/22 75% passed)

EYFS

- 75% achieved GLD at ODA (Last year NA 21/22 GLD was 65%)

Trustees Report

For the year ended 31 August 2023

Recognising the impact of the pandemic on mental well-being, it has continued its pioneering approach to social, emotional and mental health. It actively seeks to attract applications from pupil premium students. It is determined to ensure pupils from all backgrounds and especially pupil premium students are able to access the education the Academy provides.

The Academy continues to promote its values through its bespoke STRIVE character curriculum, and an enrichment programme which affords access to a range of nourishing activities and different contexts in which to develop character attributes.

The Academy has established itself at its new permanent home, a part of the redevelopment of the Chase Farm hospital Site in Gordon Hill near Enfield Town. One Degree Academy has successfully moved to brand-new buildings and state-of-the-art educational facilities. It has continued to improve these with the addition of a canopy. It continues to work with the Department of Education to ensure the surrounding road programme and building is fully completed to the highest standard.

In September 2023 the Academy opened its nursery provision. It continues to strive to deliver its vision of all through education from the age of 2 - 19 championing the most vulnerable and disadvantaged children.

Going Concern

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

Financial Review

Principal Funding Sources

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA), which is part of the Department for Education (DfE), in the form of recurrent grants. The grants received from the ESFA in the period to 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives capital grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset balance is reduced by annual depreciation charges over the expected life of the relevant assets.

Reserves Policy

Funding for One Degree Academy is made up of restricted funds funded by fixed asset funds, General Annual Grant (GAG) funding and unrestricted funds, for example donations.

Reserves have been generated mainly from donations raised by trustees. Trustees are aware of a number of future financial uncertainties including national funding levels, cost of living and additional resources required whilst the Academy grows and establishes its permanent site. They believe that a cautious approach to reserves is currently required.

Trustees Report

For the year ended 31 August 2023

The minimum target for revenue reserves should be equal to 2 Calendar month average payroll costs for the whole Trust and reserves will be rolled over year on year until this target is met. The reason for this is to provide sufficient working capital to cover any delays between spending and receipt of funds and provide a cushion to deal with unexpected emergencies.

The Trust will typically invest 1% of the total income each year to hardship funding, this will go towards enrichment and nurturing pupil premium and disadvantaged children within the Trust. Any unspent funds will be earmarked to the designated hardship fund. This will be reviewed by the finance and audit committee.

The restricted funds shall be spent in accordance with the terms of the particular funds. The revenue reserves of the Trust include unrestricted funds of £348,000 (2022 - £289,000) and carried forward GAG funds of £166,000 (2022 - £112,000), totalling £514,000 (2022 - £401,000).

Investment Policy

The Academy currently operates 3 short term fixed savings accounts which are low risk. All investments are carefully considered by the governing board in accordance with the Academies Handbook.

Principal Risks and Uncertainties

The academy trust has a risk management process in place and reviews risks regularly. The process, which will be overseen and reviewed by the trustees on an annual basis, identifies the types of risk the academy trust faces. These risks are then assessed and prioritised in terms of their potential impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place.

The principal risks for the Academy Trust are connected with:

1. Inflationary cost pressures coupled with the current funding climate for academy trusts;
2. Management of its new permanent site;
3. Continuing to deliver excellent outcomes for its children;
4. Continuing to champion an approach that attracts and best serves children and families from disadvantaged backgrounds.

Fundraising

The academy trust does not actively solicit donations from the general public and therefore is not registered with the Fundraising Regulator or subscribe to any fundraising codes of practice. When donations from individuals are received, the trust aims to protect personal data and never sells data or swap data with other organisations. During 2022/23, the trust received 0 complaints about fundraising activities.

Trustees Report
For the year ended 31 August 2023

Plans for Future Periods

The Academy shall continue relentlessly on improving progress to drive up attainment and further the outcomes of students.

The Academy will continue to champion the work it does to serve its most vulnerable families and children, working with outstanding partner schools and external providers to ensure postcode does not dictate destiny.

In the longer term, the Academy will work with the Department of Education and Local Authority to enable it to open its secondary provision.

Auditor

Insofar as the trustees are aware:

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

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

Trustee 

Date: 13/12/2023

Governance Statement
For the year ended 31 August 2023

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 One Degree Academy 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 education excellence committee is a committee of the main board of trustees. The committee undertakes detailed review of the trust's educational outcomes and performance data, safeguarding, and support for pupils with special educational needs and disabilities, on behalf of the board. Attendance during the year was as follows:

<u>EEC</u>	<u>Max No. of meetings</u>	<u>Number attended</u>
Hassan Al Damluji	3	3
Jacob Kestner	3	3
Joy Donaldson	3	3
Joanne Addleton	3	3
Maria Craster	3	2
Emma Willis	3	3

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement
For the year ended 31 August 2023

The finance, audit and risk committee is a committee of the main board of trustees. The committee undertakes detailed review of the trust's financial reporting, internal scrutiny programme and reports, and risk register, on behalf of the board. Attendance was as follows:

F&A	Max No. of meetings	Number attended
Syed Jaffery (Resigned)	1	1
Jacob Kestner	3	1
Rachael Curzons	3	3
Adeola Shyllon	3	3
Clifford Sacks	3	2

The board of trustees has formally met four times during the year with a further five sub-committee meetings. Despite meeting fewer than six times a year the Board maintains effective oversight over the Academy's finances by reviewing the reports of its dedicated finance and audit committee. Attendance during the year at meetings of the board of trustees was as follows:

FGB	Max No. of meetings	Number attended
Riaz Shah	4	4
Hassan Al Damluji	4	3
Syed Jaffery (Resigned)	2	1
Jacob Kestner	4	4
Rachael Curzons	4	4
Aidan Sadgrove	4	1
Adeola Shyllon	4	4
Joy Donaldson	4	3
Joanne Addleton	4	4
Maria Craster	4	2

Governance Statement
For the year ended 31 August 2023

Clifford Sacks	4	4
Emma Willis	4	4

Conflicts of interest

The Academy has processes in place to manage conflicts of interest. This includes maintaining an up-to-date and complete register of interests, for Trustees and Senior Staff. Conflict of interest is a standing agenda item at all meeting and all Trustees and Senior Staff sign declaration of interest forms annually.

Review of Governance

The board had a broad coverage of work during the year and received a range of papers from the SLT as well as management accounts six times during the year. The Board continues with Performance Review Committee, to meet on an annual basis to consider the trust's Pay Policy and performance appraisal process.

The Governing Body self-review governance on an annual basis in September. This year it included a programme on internal scrutiny focussed on governance. In addition, the board completes a skills audit and has appointed a highly experienced external clerk to support the work of the board.

Review of Value for Money

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Academy ensures that all staff and trustees are reminded regularly of their responsibility to act in the best interest of the Academy as all times.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in One Degree Academy for the year to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Governance Statement

For the year ended 31 August 2023

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks

In addition to having rigorous internal financial controls, the trust also has a clear internal framework for identifying and controlling non-financial risks. The trust's scheme of delegation sets out delegations from the board to committees, and senior team, across all operational areas. It is updated and approved on an annual basis by the board, and also displayed on the trust website. The trust's risk register records both financial and non-financial risks and is reviewed and discussed regularly by the board, and finance, audit and risk committee, with additional mitigation activities agreed. The trust complies with Department of Education requirements in terms of the non-financial policies in place in the trust, and key policies are also reviewed in-depth and approved by the board. The board also receives a termly dashboard, and reports on performance against non-financial objectives. Taken together, this ensures clarity of role and oversight for non-financial areas of delivery.

The financial and non-financial risks identified by the board and SLT are used to inform the programmed of internal scrutiny at the trust.

The board of trustees has considered the need for a specific internal audit function and appointed Price Bailey as internal auditor from 2020/21.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a termly basis, the reviewer will report to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Three reports were issued within the year ended 31 August 2023.

Governance Statement
For the year ended 31 August 2023

Review of Effectiveness

As accounting officer, the Principal 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 executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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



R Shah
Trustee



J Addleton
Accounting Officer

Date: 13 December 2023

Statement of Regularity, Propriety and Compliance
For the year ended 31 August 2023

As accounting officer of The Adnan Jaffery 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, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2022.

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

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



J Addleton
Accounting Officer

Date: 13 December 2023

Statement of Trustees' Responsibilities
For the year ended 31 August 2023

The trustees (who act as governors of The Adnan Jaffery 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 published 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 13 December 2023 and signed on its behalf by:



R Shah
Trustee

Independent Auditor's Report to the Members of The Adnan Jaffery Academy Trust
For the year ended 31 August 2023

Opinion

We have audited the financial statements of The Adnan Academy Trust (the 'Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows, and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 charitable company's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of The Adnan Jaffery Academy Trust (continued)
For the year ended 31 August 2023

Other information

The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Members of The Adnan Jaffery Academy Trust (continued)
For the year ended 31 August 2023

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 specific procedures for this engagement and the extent to which these can detect irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy sector.
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS102 (2019), the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK.
- we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.
- we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

Independent Auditor's Report to the Members of The Adnan Jaffery Academy Trust (continued)
For the year ended 31 August 2023

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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



Caroline Webster FCA

For and on behalf of Ross Brooke Limited, Statutory Auditor
Chartered Accountants and Registered Auditors

Suite 1 Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire, OX14 1SY

Date: 19.12.23

Independent Reporting Accountant's Assurance Report on Regularity to The Adnan Jaffery 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 9 June 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 Adnan Jaffery Academy Trust during the year 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 Adnan Jaffery Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Adnan Jaffery Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Adnan Jaffery Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Adnan Jaffery Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Adnan Jaffery Academy Trust funding agreement with the Secretary of State for Education dated June 2014 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 or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**Independent Reporting Accountant's Assurance Report on Regularity to The Adnan Jaffery
Academy Trust and the Education and Skills Funding Agency (continued)
For the year ended 31 August 2023**

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Testing a sample of payroll payments to staff.
- Assessment and testing of a sample of the specific control activities.
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits; and
- Consideration of whether activities carried out are within the charitable objects.

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.



Reporting Accountant

Ross Brooke Limited

Suite 1 Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire, OX14 1SY

Date: 19.12.23

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted	Restricted	Restricted	Total	Total
		funds	general	fixed asset	funds	funds
		2023	2023	2023	2023	2022
	Note	£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and capital grants	3	12	-	477	489	108
Charitable activities:						
Funding for the academy trust's educational operations	4	-	1,997	-	1,997	1,610
Other trading activities	5	94	-	-	94	55
Investments	6	4	-	-	4	-
Total income		110	1,997	477	2,584	1,773
Expenditure on:						
Charitable activities:						
Academy trust educational operations		51	1,954	168	2,173	1,755
Total expenditure	7	51	1,954	168	2,173	1,755
Net (expenditure)/income		59	43	309	411	18
Transfers between funds	16	-	(8)	8	-	-
Other recognised gains/ (losses):						
Actuarial losses on defined benefit pension schemes	22	-	43	-	43	152
Net movement in funds		59	78	317	454	170
Reconciliation of funds:						
Total funds brought forward		289	88	169	546	376
Net movement in funds		59	78	317	454	170
Total funds carried forward		348	166	486	1,000	546

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

All activities derived from continuing operations during the above two financial periods.

The notes on pages 30 to 56 form part of these financial statements.

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

COMPARATIVE YEAR INFORMATION FOR THE YEAR ENDED 31 AUGUST 2022		Unrestricted funds 2022 £'000	Restricted general funds 2022 £'000	Restricted fixed asset funds 2022 £'000	Total funds 2022 £'000
	Note				
Income from:					
Donations and capital grants	3	68	34	6	108
Transfer from local authority on conversion					
Charitable activities:					
Funding for the academy trust's educational operations	4	-	1,610	-	1,610
Other trading activities	5	55	-	-	55
Investments	6	-	-	-	-
Total income		123	1,644	6	1,773
Expenditure on:					
Charitable activities:					
Academy trust educational operations		37	1,668	50	1,755
Total expenditure	7	37	1,668	50	1,755
Net (expenditure)/income		86	(24)	(44)	18
Transfers between funds	16	-	(34)	34	-
Other recognised gains/ (losses):					
Actuarial losses on defined benefit pension schemes	22	-	152	-	152
Net movement in funds		86	94	(10)	170
Reconciliation of funds:					
Total funds brought forward		203	(6)	179	376
Net movement in funds		86	94	(10)	170
Total funds carried forward		289	88	169	546

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

The notes on pages 30 to 56 form part of these financial statements.

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)
NUMBER: 09026334

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	13	415	97
		<u>415</u>	<u>97</u>
Current assets			
Debtors	14	112	126
Cash at bank and in hand		764	527
		<u>876</u>	<u>653</u>
Liabilities			
Creditors: amounts falling due within one year	15	(291)	(180)
Net current assets		<u>585</u>	<u>473</u>
Net assets excluding pension liability		<u>1,000</u>	<u>570</u>
Defined benefit pension scheme liability	22	-	(24)
Total net assets		<u><u>1,000</u></u>	<u><u>546</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	486	169
Restricted income funds		166	112
Pension reserve		-	(24)
Total restricted funds		<u>652</u>	<u>257</u>
Unrestricted income funds	16	<u>348</u>	<u>289</u>
Total funds		<u><u>1,000</u></u>	<u><u>546</u></u>

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue on 13 December 2023 and are signed on their behalf, by:



R Shah
Chair

The notes on pages 30 to 56 form part of these financial statements.

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023	2022
		£'000	£'000
Cash flows from operating activities			
Net cash provided by operating activities	18	242	179
Cash flows from investing activities	19	(5)	6
Change in cash and cash equivalents in the year		237	185
Cash and cash equivalents at the beginning of the year		527	342
Cash and cash equivalents at the end of the year		764	527

The notes on pages 30 to 56 from part of these financial statements

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

1. Accounting policies

The Adnan Jaffery Academy Trust is a charitable company, limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation of financial statements

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 (FRS102) (Charities SORP (FRS 102)2019), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Adnan Jaffery Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy Trust 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 its operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees have taken into account the impact of the cost of living when making their assessment of going concern.

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

1.3 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

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

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	remaining life of the lease
Computer equipment	3 years
Furniture and Equipment	5 years

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial Instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Taxation

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

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust

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

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

Under FRS102 the trust is only able to recognise the surplus to the extent that it is able to recover the surplus, either through reduced contributions or refunds in the future. As the academy does not expect to be able to recover the surplus this has not been recognised, and a corresponding adjustment has been made within actuarial gains as set out in note 22.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

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

2. Critical accounting estimates and areas of Judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 31st August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of Judgement

The academy trust participates in the Teachers Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 18).

The academy trust occupies the premises under a licence to occupy prior to the finalisation of a 125 year lease over the school site. No rental expenditure or associated gift in kind is recognised in these financial statements. The trustees estimate the rental value of the school buildings to be approximately £165,000, being one 50th of the average disclosed value of primary free school land and buildings opened since 1 September 2015.

THE ADNAN JAFFERY ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2023 £'000	Restricted general funds 2023 £'000	Restricted fixed asset funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Capital grants	-	-	477	477	40
Other donations	12	-	-	12	68
Total 2023	12	-	477	489	108

	Unrestricted funds 2022 £'000	Restricted general funds 2022 £'000	Restricted fixed asset funds 2022 £'000	Total funds 2022 £'000
Capital grants	-	34	6	40
Other donations	68	-	-	68
Total	68	34	6	108

In the year ended 31 August 2022, included in donations and capital grants, there was a donation of £7,311 from one trustee.

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

4. Funding for the Academy Trust's educational operations

	Unrestricted	Restricted	Total	Total
	funds	general	funds	funds
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,550	1,550	1,188
Pupil premium	-	146	146	127
Other DfE / ESFA	-	189	189	193
Start Up Grants	-	19	19	19
UIFSM	-	56	56	41
	-	1,960	1,960	1,568
Other government grants				
SEN income	-	26	26	13
Other LA grants	-	11	11	17
	-	37	37	30
Covid-19 additional funding (DFE/ESFA)				
Catch up and recovery premium	-	-	-	12
	-	-	-	12
2023 Total funds	-	1,997	1,997	1,610

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

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

	Unrestricted	Restricted	Total
	funds	general	funds
	2022	2022	2022
	£'000	£'000	£'000
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,188	1,188
Pupil premium	-	127	127
Other DfE / ESFA	-	193	193
Start Up Grants	-	19	19
UIFSM	-	41	41
	<hr/>	<hr/>	<hr/>
	-	1,568	1,568
Other government grants			
SEN income	-	13	13
Other LA grants	-	17	17
	<hr/>	<hr/>	<hr/>
	-	30	30
Covid-19 additional funding (DFE/ESFA)			
Catch up and recovery premium	-	12	12
	<hr/>	<hr/>	<hr/>
	-	12	12
	<hr/>	<hr/>	<hr/>
2022 Total funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	1,610	1,610

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

5. Other trading activities

	Unrestricted	Restricted	Total	Total
	funds	general	funds	funds
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
Trip and other income	73	-	73	42
Catering income	21	-	21	13
	94	-	94	55

	Unrestricted	Restricted	Total
	funds	general	funds
	2022	2022	2022
	£'000	£'000	£'000
Trip income	42	-	42
Miscellaneous income	13	-	13
	55	-	55

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

6. Investment income

	Unrestricted funds 2023 £'000	Restricted general funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Bank interest receivable	4	-	4	-

7. Expenditure

	Staff costs 2023 £'000	Premises 2023 £'000	Other 2023 £'000	Total 2023 £'000
Academy's educational operations:				
Direct costs	1,136	-	340	1,476
Allocated support costs	268	98	331	697
	1,404	98	671	2,173

Comparatives for the previous year

	Staff costs 2022 £'000	Premises 2022 £'000	Other 2022 £'000	Total 2022 £'000
Academy's educational operations:				
Direct costs	883	50	130	1,063
Allocated support costs	335	149	208	692
	1,218	199	338	1,755

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

8. Net income/(expenditure)

	2023	2022
	£'000	£'000
Net income/(expenditure) for the year includes:		
Depreciation	168	50
Fees payable to auditor for:		
audit	7	7
other services	4	3
	179	60

Included within expenditure are the following transactions.

	Individual items above £5,000		Total £
	Amount £	Reason	
Unrecoverable debts	None	None	534

9. Charitable activities

	2023	2022
	£'000	£'000
Direct costs – educational operations	1,476	1,063
Support costs – educational operations	697	692
	2,173	1,755

Analysis of support costs

	Educational operations	2023	2022
	£'000	£'000	£'000
Support staff costs	265	265	335
Technology costs	32	32	(2)
Premises costs	100	100	149
Other support costs	285	285	190
Governance costs	15	15	20
	697	697	692

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

10. Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	1,022	832
Social security costs	101	80
Pension costs	221	273
	1,344	1,185
Supply staff costs	3	26
Staff restructuring costs	-	7
	1,347	1,218

Non statutory/ non-contractual staff severance payments

The academy trust paid no severance payments in the year, disclosed in the following bands:

	2023	2022
	No.	No.
£0 - £25,000	-	1

Special staff severance payments

There were no special severance payments in the year (2022: one payment of £7,000).

THE ADNAN JAFFERY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. **Staff costs (continued)**

Staff numbers

The average numbers of persons

	2023	2022
	No.	No.
Teachers	14	11
Administration and support	14	12
Management	6	5
	34	28

Higher paid staff

The number of employees whose

	2023	2022
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £360,073 (2022: £362,482).

Included in key management personal remuneration is £10,350 in relation to payments to a consultant for the provision of the CFO role on a interim basis.

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

11. Related party transactions

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. If this is not the case payments must be disclosed separately. The value of trustees' remuneration and other benefits was as follows:

	2023	2022
	£'000	£'000
J Addleton, Principal		
Remuneration	70 - 75	65 - 70
Employer's pension contributions	15 - 20	15 - 20
M Craster, Staff Trustee		
Remuneration	45 - 50	40 - 45
Employer's pension contributions	10 - 15	10 - 15

During the period ended 31 August 2023, no travel and subsistence expenses were reimbursed or paid directly to trustees (2022: £Nil).

12. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where the UK Government funds cover for losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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

13. Tangible fixed assets

	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost or valuation			
At 1 September 2022	41	191	232
Additions	23	463	486
At 31 August 2023	<u>64</u>	<u>654</u>	<u>718</u>
Depreciation			
At 1 September 2022	33	102	135
Charge for the year	8	160	168
At 31 August 2023	<u>41</u>	<u>262</u>	<u>303</u>
Net book value			
At 31 August 2023	<u><u>23</u></u>	<u><u>392</u></u>	<u><u>415</u></u>
At 31 August 2022	<u><u>8</u></u>	<u><u>89</u></u>	<u><u>97</u></u>

14. Debtors

	2023 £'000	2022 £'000
Trade debtors	2	1
Prepayments and accrued income	79	102
VAT recoverable	31	23
	<u>112</u>	<u>126</u>

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

15. Creditors

	2023	2022
	£'000	£'000
Trade creditors	98	36
Accruals and deferred income	142	101
Other creditors	25	21
Other taxation and social security	26	22
	<hr/> 291 <hr/>	<hr/> 180 <hr/>
	2023	2022
	£'000	£'000
Deferred income at 1 September 2022	24	31
Resources deferred during the year	36	24
Amounts released from previous periods	(24)	(31)
	<hr/> 36 <hr/>	<hr/> 24 <hr/>

At the balance sheet date the academy trust was holding funds received in advance for the next financial year.

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

16. Funds

	Balance at 1 Sept 2022 £'000	Income £'000	Expenditure £'000	Gains, losses & transfers £'000	Balance at 31 Aug 2023 £'000
Unrestricted funds					
General unrestricted funds	289	110	(51)	-	348
Restricted general funds					
General Annual Grant (GAG)	146	1,550	(1,522)	(8)	166
UIFSM	-	56	(56)	-	-
Pupil premium	-	146	(146)	-	-
Other DfE/ESFA grants	-	208	(208)	-	-
Other restricted fund	(34)	37	(3)	-	-
Pension reserve	(24)	-	(19)	43	-
	88	1,997	(1,954)	35	166
Restricted fixed asset funds					
DfE/ESFA capital grants	169	477	-	(575)	71
Fixed asset fund	-	-	(168)	583	415
	169	477	(168)	8	486
Total Restricted funds	257	2,474	(2,122)	43	652
Total funds	546	2,584	(2,173)	43	1,000

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

16. Funds (continued)

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

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Gains, losses & transfers £'000	Balance at 31 Aug 2022 £'000
Unrestricted funds					
General unrestricted funds	203	123	(37)	-	289
Restricted general funds					
General Annual Grant (GAG)	66	1,188	(1,108)	-	146
UIFSM	-	41	(41)	-	-
Pupil premium	-	127	(127)	-	-
Other DfE/ESFA covid fundir	-	12	(12)	-	-
Start up grant	-	19	(19)	-	-
Other restricted fund	-	223	(223)	(34)	(34)
Pension reserve	(72)	-	(104)	152	(24)
	(6)	1,610	(1,634)	118	88
Restricted fixed asset funds					
DfE/ESFA capital grants	121	40	(26)	34	169
Capital expenditure from G/	6	-	(6)	-	-
Private sector sponsorship	52	-	(52)	-	-
	179	40	(84)	34	169
Total Restricted funds	173	1,650	(1,718)	152	257
Total funds	376	1,773	(1,755)	152	546

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

16. Funds (continued)

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

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2023.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Other DfE funding represents other forms of funding received from the Department for Education. This includes but is not limited to Rates Relief Income, UIFSM funding and PE grant.

Local Authority Revenue funding represents various grant funding provided by Local Authorities. Including Early Years Funding for the placement of 2 - 4 year old.

Restricted general funds, Other grants and donations represent amounts given to the academy trust for specific revenue purposes.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Local Authority Capital Funding includes various grant funding provided by Local Authorities.

The Fixed Asset fund recognises the net book value of tangible and fixed assets transferred to the trust on conversion and additions since conversion.⁽²⁾

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

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

17. Analysis of net assets between funds

	Unrestricted	Restricted	Restricted	Total
	funds	general	fixed asset	funds
	2023	2023	2023	2023
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	415	415
Current assets	348	457	71	876
Creditors due within one year	-	(291)	-	(291)
Provisions for liabilities and charges	-	-	-	-
	<u>348</u>	<u>166</u>	<u>486</u>	<u>1,000</u>

Analysis of net assets between funds - prior year

	Unrestricted	Restricted	Restricted	Total
	funds	general	fixed asset	funds
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	97	97
Current assets	289	292	72	653
Creditors due within one year	-	(180)	-	(180)
Provisions for liabilities and charges	-	(24)	-	(24)
	<u>289</u>	<u>88</u>	<u>169</u>	<u>546</u>

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

18. Reconciliation of net expenditure to net cash flow from operating activities

	2023	2022
	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	411	18
Adjusted for:		
Depreciation charges	168	50
Capital grants from DfE and other capital income	(477)	(40)
Interest receivable	(4)	-
Defined benefit pension scheme cost less contributions payable	19	104
Defined benefit pension scheme finance cost	-	-
(Increase)/decrease in debtors	14	85
Increase/(decrease) in creditors	111	(38)
Net cash provided by / (used in) Operating Activities	242	179

19. Cash flows from investing activities

	2023	2022
	£'000	£'000
Dividends, interest and rents from investments	4	-
Purchase of tangible fixed assets	(486)	(34)
Capital grants from DfE/ESFA	477	40
Net cash provided by / (used in) Operating Activities	(5)	6

20. Analysis of cash and cash equivalents

	2023	2022
	£'000	£'000
Cash in hand and at bank	764	527

21. Analysis of changes in net debt

	At 1 September	Cashflows	At 31 August
	2022		2022
	£'000	£'000	£'000
Cash	527	237	764

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

22. 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 the London Borough of Enfield. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £18,013 were payable to the schemes at 31 August 2023 (2022: £14,859) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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%.

NOTES TO THE FINANCIAL STATEMENTS
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22. Pension and similar obligations (continued)

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2023 was £69k (2022: £62k), of which employer's contributions totalled £50k (2022: £46k) and employees' contributions totalled £19k (2022: £16k). The agreed contribution rates for future years are between 5.5% and 12.5% for employees and 13.1% for employers.

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

Principal actuarial assumptions

	2023	2022
Rate of increase in salaries	4.10%	4.20%
Rate of increase for pensions in payment/inflation	2.60%	2.70%
Discount rate for scheme liabilities	4.90%	4.00%
Inflation assumption (CPI)	4.10%	4.20%
Commutation of pensions to lump sums	50.00%	50.00%

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

	2023	2022
Retiring today		
Males	21.2	22.3
Females	23.6	24.2
Retiring in 20 years		
Males	22.5	23
Females	25.1	25

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension and similar obligations (continued)

Sensitivity analysis

	2023	2022
	£'000	£'000
Discount rate +0.1%	(6)	(5)
Discount rate -0.1%	6	6
Mortality assumption – 1 year increase	(4)	(4)
Mortality assumption – 1 year decrease	4	4
CPI rate +0.1%	6	6
CPI rate -0.1%	(6)	(5)

Defined benefit pension scheme net liability

	2023	2022
	£'000	£'000
Scheme assets	194	125
Scheme obligations	(167)	(149)
Net liability	27	(24)

The academy trust's share of the assets in the scheme were:

	2023	2022
	£'000	£'000
Equities	94	63
Corporate bonds	46	21
Property	11	24
Cash and other liquid assets	15	7
Other	28	10
Total market value of assets	194	125

The actual return on scheme assets was £3,000 (2022: £(2,500)).

Amount recognised in the Statement of Financial Activities

	2023	2022
	£'000	£'000
Current service costs (net of employer contributions)	19	104
Interest cost	-	-
Total amount recognised in SOFA	19	104

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

22. Pension and similar obligations (continued)

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

	2023	2022
	£'000	£'000
At 1 September	149	139
Current service cost	69	150
Interest cost	6	2
Employee contributions	19	16
Actuarial (gain)/loss	(73)	(156)
Benefits paid	(3)	(2)
At 31 August	167	149

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

	2023	2022
	£'000	£'000
At 1 September	125	67
Interest income	6	2
Actuarial gains/(loss)	(3)	(4)
Employer contributions	50	46
Employee contributions	19	16
Benefits paid	(3)	(2)
At 31 August	194	125

Reconciliation to balance sheet

	2023	2022
	£'000	£'000
Fair value of assets	194	125
Present value of funded defined benefit obligation	(167)	(149)
Funded status	27	(24)
Unrecognised asset	(27)	-
Recognised on the balance sheet	-	(24)

As explained within the accounting policies, the net surplus in the scheme is not deemed to be recoverable. As such the recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment has been offset against the overall actuarial gain for the year.

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

22. Pension and similar obligations (continued)

Actuarial gain recognised	2023	2022
	£'000	£'000
Actuarial gains on defined benefit obligation	73	156
Actuarial loss on fair value of assets	(3)	(4)
Unrecognised asset	(27)	-
Recognised on the Statement of Financial Activities	43	152

23. 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.

24. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

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