

**The Adnan Jaffery Academy  
Trust**

**trading as One Degree Academy**

**Annual Report and Financial  
Statements**

Year to 31 August 2022

Company Limited by Guarantee  
Registration Number  
09026334 (England and Wales)

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## Reference and administrative information

|                                    |   |
|------------------------------------|---|
| <b>Members</b>                     | Steve Adcock (resigned 21 September 2022)<br>Hassan Damluji<br>Saeeda Jaffery<br>Jacob Kestner<br>Riaz Shah<br>Xiaowei Xu   |
| <b>Trustees</b>                    | Riaz Shah (Chairman)<br>Joanne Addleton (Principal; appointed to Board from 26 September 2021)<br>Maria Craster (Staff)<br>Rachael Curzons<br>Hassan Damluji<br>Joy Donaldson<br>Syed Jaffery<br>Jacob Kestner<br>Natasha Porter (resigned 27 October 2021)<br>Aidan Sadgrove (Principal until 31 August 2021; appointed to the Board from 1 September 2021)<br>Adeola Shyllon (Parent)<br>Emma Willis (Parent) (appointed 28 June 2022)<br>Clifford Sacks (appointed 11 June 2022) |
| <b>Senior Management Team</b>      |   |
| Head of School and Principal       | Joanne Addleton   |
| Chief Operating Officer            | Joseph Howlett  |
| Assistant Principals               | Jamie Addleton<br>Maria Craster<br>Gary Collison  |
| <b>Company name</b>                | The Adnan Jaffery Academy Trust   |
| <b>Academy name</b>                | One Degree Academy  |
| <b>Registered address</b>          | 1 Chace Village Road<br>Chase Farm<br>Enfield<br>EN2 8GH<br>United Kingdom  |
| <b>Company registration number</b> | 09026334  |

## Reference and administrative information

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Lloyds Bank  
PO Box 1000  
Andover  
BX1 1LT

## **Trustees' report** Year to 31 August 2022

The trustees of The Adnan Jaffery Academy Trust ('the Academy Trust') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2022. 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 29 to 33 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 19 serving a catchment area in Enfield, London. In its temporary accommodation it operates a mixture of 1 form of entry and 2 forms of entry in each year group and had a roll of 208 in the school census in October 2021. On its permanent site, it aims to accommodate up to 90 pupils in each year group. The Trust plans to extend this with an addition of a 90 pupil nursery unit for 2 to 4 year olds on its permanent site.

### **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.

#### **Method of Recruitment and Appointment or Election of Trustees**

- ◆ There 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 scheduled 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 Headteacher will, subject to their consent, be appointed a Governor and registered at Companies House

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

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

- ◆ The Chair of the Governing Body will seek candidates, including by advertising or using organisations where 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.

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. Members of the school's Senior Leadership Team (SLT) may not stand for election.
- ◆ 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.
- ◆ Staff 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.
- ◆ 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.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **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 be circulated 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 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 Parent Governor without an election (known as co-opting) or will 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.

### **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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Policies and Procedures Adopted for the Induction and Training of Trustees** (continued)

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.

### **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 an alternate 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.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Organisational Structure** (continued)

- ◆ **Governors** are responsible for discharging any functions where an impartial judgement is needed (for example, considering complaints 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 school and academies and reviewed by HR advisors. Staff pay and progression are reviewed annually to ensure value for money is delivered.

### **Trade union facility time**

No time was spent by relevant 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) Regulations 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. Mr Syed Jaffery is a trustee of both charities. Ms Saeeda Jaffery is a trustee 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 an 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 Articles of Association, the Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifics, amongst other things the basis for admitting pupils to the academy trust.

The trust believes in 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.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Objectives, Strategies and Activities** (continued)

- ◆ **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.

### **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, particularly for the large proportion of disadvantaged children at the Academy, has clearly been affected by the pandemic. The Academy continues to implement a catchup and intervention programme. It has retained its focus on staff development and precision coaching inline with the idea that the best intervention possible is a daily diet of great teaching. 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. The Academy successfully recruited its largest cohort of students and staff for the year ending 31 August 2022 and now has students in all year groups from Reception to Year 6.

## **STRATEGIC REPORT** (continued)

### **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 2022 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 and carry over from the Academy Trust's pre-opening development grant.

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.

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 £289,000 (2021 - £203,000) and carried forward GAG funds of £112,000 (2021 - £66,000), totalling £401,000 (2021 - £269,000). The aim of the governors is to increase this reserve to meet future working capital requirements.

These include one calendar month's average payroll costs for the whole Trust based on when the Academy is fully staffed. In addition, Trustees wish to ensure the Academy is able to maintain high standards and commitment to serving disadvantaged students during its move to its permanent location to ensure uncertainties over pupil numbers and the cost of living are mitigated. Capital reserves are being retained to develop and establish The Academy's new building at its permanent site.

Total funds carried forward as of 31 August 2022 were £546,000 (2021 - £376,000).

***Investment Policy***

Governors will consider the investment of surplus funds of the Academy Trust should future circumstances require, in accordance with the Academies Handbook.

**STRATEGIC REPORT** (continued)

**Financial Review** (continued)

***Principal Risks and Uncertainties***

The academy trust is developing a formal risk management process to assess all risks and implements risk management strategies. 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:

- ◆ Inflationary cost pressures coupled with the current funding climate for academy trusts;
- ◆ Management of its new permanent site;
- ◆ Developing the reputation of the trust and achieving results for the pupils; and
- ◆ The impact of the Covid 19 Pandemic, resulting in increased demands on resources and uncertainty.

***Impact of Covid 19 Pandemic***

The Covid 19 Pandemic has increased the levels of uncertainty and challenge to the Academy as it seeks to catch up the lost learning during the pandemic.

The Academy has taken advantage of moving to a purpose built building to ensure improvements are present to help combat Covid 19. This includes ventilation in every classroom, increased sanitising stations.

The Academy continues to have additional staff and has paid staff for additional hours to ensure its high quality provision can continue safely and the challenge of closing the attainment gap can be met.

## STRATEGIC REPORT (continued)

### Plans for Future Periods

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

It will continue to work closely with parents, outstanding partner schools and external providers to add value to its children and local community.

The Academy will continue to work with the Department of Education to complete its permanent accommodation, enabling its nursery provision to open.

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

### 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 2021/22, the trust received 0 complaints about fundraising activities.

### 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 - R Shah



Date: 16/12/2022

### **Scope of Responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that 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.

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**

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

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 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:

| <b>Trustee</b>    | <b>Meetings attended</b> | <b>Out of a possible</b> |
|-------------------|--------------------------|--------------------------|
| Riaz Shah (Chair) | 3                        | 4                        |
| Hassan Damluji    | 3                        | 4                        |
| Syed Jaffery      | 4                        | 4                        |
| Jacob Kestner     | 3                        | 4                        |
| Rachael Curzons   | 2                        | 4                        |
| Aidan Sadgrove    | 1                        | 4                        |
| Adeola Shyllon    | 3                        | 4                        |
| Joy Donaldson     | 3                        | 4                        |
| Joanne Addleton   | 4                        | 4                        |
| Maria Craster     | 3                        | 4                        |
| Clifford Sacks    | 1                        | 1                        |
| Emma Willis       | 1                        | 1                        |

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 during the financial year was as follows:

| <b>Trustee</b>                  | <b>Meetings attended</b> | <b>Out of a possible</b> |
|---------------------------------|--------------------------|--------------------------|
| Rachael Curzons                 | 3                        | 3                        |
| Syed Jaffery                    | 3                        | 3                        |
| Jacob Kestner                   | 2                        | 3                        |
| Adeola Shyllon                  | 3                        | 3                        |
| Joanne Addleton (in attendance) | 3                        | 3                        |

**Governance** (continued)

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 financial year was as follows:

| <b>Trustee</b>                  | <b>Meetings attended</b> | <b>Out of a possible</b> |
|---------------------------------|--------------------------|--------------------------|
| Hassan Damluji                  | 1                        | 2                        |
| Joy Donaldson                   | 2                        | 2                        |
| Jacob Kestner                   | 2                        | 2                        |
| Aidan Sadgrove                  | 1                        | 1                        |
| Joanne Addleton (in attendance) | 2                        | 2                        |
| Adeola Shyllon                  | 2                        | 2                        |
| Maria Craster                   | 2                        | 2                        |

**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 meetings 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 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 ensure that all staff and trustees are reminded regularly of their responsibility to act in the best interest of the Academy at all times.

The Academy continued to follow value for money principles during the Pandemic and adhere to its financial procedures. It worked closely with its suppliers during the lockdown period to enable them to remain viable. For example, using its catering supplier to provide meals for its food bank and key worker school.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in One Degree Academy for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

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

### **The Risk and Control Framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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



**The Risk and Control Framework** (continued)

additional mitigation activities agreed. The trust complies with Department for 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 ensure 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 programme of internal scrutiny at the trust.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint 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 2022 with areas of focus being: Compliance with the ESFA's ATH "Musts", Key Financial Controls and Cyber Security Measures.

**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 finance and 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 and signed on its behalf by:

Trustee - R Shah



Date: 16/12/2022

Accounting Officer – J Addleton



**Statement on regularity, propriety and compliance 31 August 2022**

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 of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

Accounting Officer – J Addleton

A handwritten signature in black ink, appearing to be 'J Addleton', written over a horizontal line.

Date: 16/12/2022

## Statement of trustees' responsibilities 31 August 2022

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2021 to 2022;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

Trustee – R Shah

 Date: 16/12/2022

**Independent auditor's report to the members of The Adnan Jaffery Academy Trust**

**Opinion**

We have audited the financial statements of The Adnan Jaffery Academy Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022.

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 2022 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.

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

## Independent auditor's reports 31 August 2022

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

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

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

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

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

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

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

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

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

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

**Use of our report**

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



22 December 2022

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



**Independent reporting accountant's assurance report on regularity to The Adnan Jaffery Academy Trust and the Education and Skills Funding Agency**

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

This report is made solely to The Adnan Jaffery Academy Trust and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Adnan Jaffery Academy Trust and the 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 auditor**

The accounting officer is responsible, under the requirements of The Adnan Jaffery Academy Trust's funding agreement with the Secretary of State for Education dated June 2014 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

**Approach** (continued)

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

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

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

*Buzzacott LLP*

22 December 2022

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities (including income and expenditure account)**  
Year to 31 August 2022

|  | Notes | Unrestricted<br>general<br>fund<br>£'000 | Restricted funds |                                  | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|--|-------|--|------------------|----------------------------------|---|---------------------------------|
|  |       |  | General<br>£'000 | Fixed<br>assets<br>fund<br>£'000 |   |                                 |
| <b>Income from:</b>  |       |  |                  |                                  |   |                                 |
| Donations and capital grants                                 | 1     | 68                                       | 34               | 6                                | <b>108</b>                                | 249                             |
| Charitable activities  |       |  |                  |                                  |   |                                 |
| · Funding for the academy's educational operations           | 4     | —  | 1,610            | —                                | <b>1,610</b>                              | 1,113                           |
| Other trading activities                                     | 2     | 55                                       | —                | —                                | <b>55</b>                                 | 55                              |
| Investments  | 3     | —  | —                | —                                | <b>—</b>                                  | —                               |
| <b>Total income</b>  |       | <b>123</b>                               | <b>1,644</b>     | <b>6</b>                         | <b>1,773</b>                              | <b>1,417</b>                    |
| <b>Expenditure on:</b>                                       |       |  |                  |                                  |   |                                 |
| Charitable activities  |       |  |                  |                                  |   |                                 |
| · Academy's educational operations                           | 5     | 37                                       | 1,668            | 50                               | <b>1,755</b>                              | 1,339                           |
| <b>Total expenditure</b>                                     | 6     | <b>37</b>                                | <b>1,668</b>     | <b>50</b>                        | <b>1,755</b>                              | <b>1,339</b>                    |
| <b>Net income (expenditure)</b>                              |       | <b>86</b>                                | <b>(24)</b>      | <b>(44)</b>                      | <b>18</b>                                 | <b>78</b>                       |
| <b>Transfers between funds</b>                               | 13    | <b>—</b>                                 | <b>(34)</b>      | <b>34</b>                        | <b>—</b>                                  | <b>—</b>                        |
| <b>Other recognised gains</b>                                |       |  |                  |                                  |   |                                 |
| Actuarial gain/(loss) on defined benefit pension schemes     | 17    | —  | 152              | —                                | <b>152</b>                                | (9)                             |
| <b>Net movement in funds</b>                                 |       | <b>86</b>                                | <b>94</b>        | <b>(10)</b>                      | <b>170</b>                                | <b>69</b>                       |
| <b>Reconciliation of funds</b>                               |       |  |                  |                                  |   |                                 |
| Total fund balances brought forward at 31 August 2021        |       | 203                                      | (6)              | 179                              | <b>376</b>                                | 307                             |
| <b>Total fund balances carried forward at 31 August 2022</b> |       | <b>289</b>                               | <b>88</b>        | <b>169</b>                       | <b>546</b>                                | <b>376</b>                      |

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

All gains and losses are included on the statement of financial activities.

**Balance sheet** 31 August 2022

|  | Notes | 2022<br>£'000 | 2022<br>£'000 | 2021<br>£'000 | 2021<br>£'000 |
|--|-------|---------------|---------------|---------------|---------------|
| <b>Fixed assets</b>                                  |       |               |               |               |               |
| Tangible fixed assets                                | 10    |               | 97            |               | 113           |
| <b>Current assets</b>                                |       |               |               |               |               |
| Debtors  | 11    | 126           |               | 211           |               |
| Cash at bank and in hand                             |       | 527           |               | 342           |               |
|  |       | 653           |               | 553           |               |
| <b>Liabilities</b>                                   |       |               |               |               |               |
| Creditors: amounts falling due within one year       | 12    | (180)         |               | (218)         |               |
| <b>Net current assets</b>                            |       |               | 473           |               | 335           |
| <b>Total assets less current liabilities</b>         |       |               | 570           |               | 448           |
| <b>Net assets excluding pension scheme liability</b> |       |               | 570           |               | 448           |
| Defined benefit pension scheme liability             | 17    |               | (24)          |               | (72)          |
| <b>Total net assets</b>                              |       |               | 546           |               | 376           |
| <b>Funds of the Academy</b>                          |       |               |               |               |               |
| Restricted income funds                              |       |               |               |               |               |
| . Fixed assets fund                                  | 13    |               | 169           |               | 179           |
| . General fund                                       | 13    |               | 112           |               | 66            |
| . Pension reserve                                    | 13    |               | (24)          |               | (72)          |
| <b>Total restricted funds</b>                        |       |               | 257           |               | 173           |
| <b>Unrestricted funds</b>                            |       |               |               |               |               |
| . General fund                                       | 13    |               | 289           |               | 203           |
| <b>Total funds</b>                                   |       |               | 546           |               | 376           |

The financial statements on page 25 to 48 were approved by the trustees, and authorised for issue on 16 December 2022 and are signed on their behalf by:

Chair – R Shah



Date: 16/12/2022

The Adnan Jaffery Academy Trust  
 Company Limited by Guarantee  
 Registration Number: 09026334 (England and Wales)

**Statement of cash flows** Year to 31 August 2022

|  |   | 2022<br>£'000 | 2021<br>£'000 |
|--|---|---------------|---------------|
| <b>Net cash flows from operating activities</b>                  |   |               |               |
| Net cash provided by/(used in) provided by operating activities  | A | 179           | (29)          |
| <b>Cash flows from investing activities</b>                      | B | 6             | 37            |
| <b>Change in cash and cash equivalents in the year</b>           |   | <b>185</b>    | <b>8</b>      |
| <b>Reconciliation of net cash flow to movement in net funds:</b> |   |               |               |
| Cash and cash equivalents at 1 September 2021                    |   | 342           | 334           |
| <b>Cash and cash equivalents at 31 August 2022</b>               | C | <b>527</b>    | <b>342</b>    |

**A Reconciliation of net income to net cash provided by/ (used in) operating activities**

|   |  | 2022<br>£'000 | 2021<br>£'000 |
|---|--|---------------|---------------|
| <b>Net income (expenditure) for the year (as per the statement of financial activities)</b> |  |               |               |
|   |  | 18            | 78            |
| <b>Adjusted for:</b>  |  |               |               |
| Depreciation charges (note 10)  |  | 50            | 73            |
| Capital grants from DfE and other capital income  |  | (40)          | (132)         |
| Donated tangible fixed assets   |  | —             | (13)          |
| Defined benefit pension scheme cost less contributions payable                              |  | 104           | 35            |
| Decrease / (increase) in debtors  |  | 85            | (150)         |
| (Increase) / decrease in creditors  |  | (38)          | 80            |
| <b>Net cash provided / (used in) by operating activities</b>                                |  | <b>179</b>    | <b>(29)</b>   |

**B Cash flows from investing activities**

|  |  | 2022<br>£'000 | 2021<br>£'000 |
|--|--|---------------|---------------|
| Purchase of tangible fixed assets                |  | (34)          | (95)          |
| Capital grants from DfE and other capital income |  | 40            | 132           |
| Service charge grants                            |  | —             | 65            |
| Service charge paid                              |  | —             | (65)          |
|  |  | <b>6</b>      | <b>37</b>     |

**C Analysis of cash and cash equivalents**

|  |  | 2022<br>£'000 | 2021<br>£'000 |
|--|--|---------------|---------------|
| Cash at bank and in hand               |  | 527           | 342           |
| <b>Total cash and cash equivalents</b> |  | <b>527</b>    | <b>342</b>    |

**Statement of cash flows** Year to 31 August 2022

**D Analysis of changes in net debt**

|              | At 1<br>September<br>2021<br>£'000 | Cash<br>flows<br>£'000 | At 31<br>August<br>2022<br>£'000 |
|--------------|------------------------------------|------------------------|----------------------------------|
| Cash         | 342                                | 185                    | <b>527</b>                       |
| <b>Total</b> | <b>342</b>                         | <b>185</b>             | <b>527</b>                       |

### **Statement of accounting policies**

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

### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are reported in sterling and rounded to the nearest thousand pound.

### **Going concern**

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

### **Income**

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

### **Grants**

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

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

### **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.

### **Charitable activities**

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

All expenditure is stated net of recoverable VAT.

### **Tangible fixed assets**

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, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each assets on a straight line basis over its expected useful life as follows:

|                                   |                             |
|-----------------------------------|-----------------------------|
| ◆ Leasehold building improvements | Remaining life of the lease |
| ◆ Furniture and equipment         | 5 years                     |
| ◆ Computer equipment              | 3 years                     |

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

### **Debtors**

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

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.



### **Liabilities**

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

### **Leased assets**

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

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 11. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Taxation**

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

**Pensions benefits** (continued)

The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17 the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**Fund accounting**

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

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

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

**Critical accounting estimates and areas of judgement**

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

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

The net book value of tangible fixed assets is based on the original cost of the assets net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.

**Critical accounting estimates and areas of judgement** (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements Year to 31 August 2022

**1 Donations and capital grants**

|                       | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Restricted fixed assets funds<br>£'000 | <b>2022 Total funds<br/>£'000</b> | 2021 Total funds<br>£'000 |
|-----------------------|-----------------------------|---------------------------|--|-----------------------------------|---------------------------|
| Capital grants        | —                           | 34                        | 6                                      | <b>40</b>                         | 132                       |
| Donated fixed assets  | —                           | —                         | —                                      | —                                 | 13                        |
| Service charge grants | —                           | —                         | —                                      | —                                 | 65                        |
| Other donations       | 68                          | —                         | —                                      | <b>68</b>                         | 39                        |
|                       | <b>68</b>                   | <b>34</b>                 | <b>6</b>                               | <b>108</b>                        | <b>249</b>                |

|                       | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Restricted fixed assets funds<br>£'000 | 2021 Total funds<br>£'000 |
|-----------------------|-----------------------------|---------------------------|--|---------------------------|
| Capital grants        | —                           | 127                       | 5                                      | 132                       |
| Donated fixed assets  | —                           | —                         | 13                                     | 13                        |
| Service charge grants | —                           | —                         | 65                                     | 65                        |
| Other donations       | 39                          | —                         | —                                      | 39                        |
|                       | <b>39</b>                   | <b>127</b>                | <b>83</b>                              | <b>249</b>                |

The ESFA has confirmed capital funding of for ICT, Furniture, Fittings and Equipment, of which the remaining balance is £463,000 (2021 - £564,211). This funding will be received in a future accounting period and will be recognised as income once the academy trust commences implementation of the projects.

In the year ended 31 August 2022, included in donations and capital grants, there was a donation of £7,311 from one trustee (2021 – £23,500 one trustee donation).

**2 Other trading activities**

|                      | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | <b>2022 Total funds<br/>£'000</b> | 2021 Total funds<br>£'000 |
|----------------------|-----------------------------|---------------------------|-----------------------------------|---------------------------|
| Trip income          | 42                          | —                         | <b>42</b>                         | —                         |
| Miscellaneous income | 13                          | —                         | <b>13</b>                         | 55                        |
|                      | <b>55</b>                   | <b>—</b>                  | <b>55</b>                         | <b>55</b>                 |

|                      | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | 2020 Total funds<br>£'000 |
|----------------------|-----------------------------|---------------------------|---------------------------|
| Trip income          | —                           | —                         | —                         |
| Miscellaneous income | 55                          | —                         | 55                        |
|                      | <b>55</b>                   | <b>—</b>                  | <b>55</b>                 |

Notes to the Financial Statements Year to 31 August 2022

**3 Investment income**

|                     | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|---------------------|--------------------------------|------------------------------|---|---------------------------------|
| Interest receivable | —                              | —                            | —   | —                               |
|                     | —                              | —                            | —   | —                               |

**4 Funding for academy's educational operations**

|   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|---|--------------------------------|------------------------------|---|---------------------------------|
| <b>DfE / ESFA revenue grants</b>                          |                                |                              |   |                                 |
| General Annual Grant (GAG)                                | —                              | 1,188                        | <b>1,188</b>                              | 832                             |
| Other DfE / ESFA  |                                |                              |   |                                 |
| . Start Up Grants   | —                              | 19                           | <b>19</b>                                 | 62                              |
| . UIFSM   | —                              | 41                           | <b>41</b>                                 | 25                              |
| . Pupil Premium   | —                              | 127                          | <b>127</b>                                | 95                              |
| . Others  | —                              | 193                          | <b>193</b>                                | -                               |
| Other DfE Group grants                                    | —                              | —                            | <b>—</b>                                  | 70                              |
|   | —                              | 1,568                        | <b>1,568</b>                              | 1,084                           |
| <b>Other Government grants</b>                            |                                |                              |   |                                 |
| Local authority grants                                    | —                              | 30                           | <b>30</b>                                 | 29                              |
|   | —                              | 30                           | <b>30</b>                                 | 29                              |
| <b>COVID-19 additional funding (DfE/ESFA)</b>             |                                |                              |   |                                 |
| Catch-up and recovery premium                             | —                              | 12                           | <b>12</b>                                 | —                               |
| Other DfE/ESFA COVID-19 funding                           | —                              | 12                           | <b>12</b>                                 | —                               |
| Other income from the academy's<br>educational operations | —                              | —                            | <b>—</b>                                  | —                               |
| <b>2022 Total funds</b>                                   | —                              | 1,610                        | <b>1,610</b>                              | 1,113                           |

Notes to the Financial Statements Year to 31 August 2022

**4 Funding for academy's educational operations (continued)**

|   | <i>Unrestricted<br/>funds<br/>£'000</i> | <i>Restricted<br/>funds<br/>£'000</i> | <i>2021<br/>Total<br/>funds<br/>£'000</i> |
|---|---|---------------------------------------|---|
| <i>DfE / ESFA revenue grants</i>                              |   |                                       |   |
| <i>General Annual Grant (GAG)</i>                             | —                                       | 832                                   | 832                                       |
| <i>Start Up Grants</i>  | —                                       | 62                                    | 62  |
| <i>Other DfE / ESFA</i>                                       |   |                                       |   |
| <i>. UIFSM</i>  | —                                       | 25                                    | 25  |
| <i>. Pupil Premium</i>  | —                                       | 95                                    | 95  |
| <i>Other DfE Group grants</i>                                 | —                                       | 70                                    | 70  |
|   | <u>—</u>                                | <u>1,084</u>                          | <u>1,084</u>                              |
| <i>Other Government grants</i>                                |   |                                       |   |
| <i>Local authority grants</i>                                 | —                                       | 29                                    | 29  |
|   | <u>—</u>                                | <u>29</u>                             | <u>29</u>                                 |
| <i>COVID-19 additional funding (DfE/ESFA)</i>                 |   |                                       |   |
| <i>Catch-up and recovery premium</i>                          | —                                       | —                                     | —   |
| <i>Other DfE/ESFA COVID-19 funding</i>                        | —                                       | —                                     | —   |
|   | <u>—</u>                                | <u>—</u>                              | <u>—</u>                                  |
| <i>Other income from the academy's educational operations</i> | —                                       | —                                     | —   |
| <b>2021 Total funds</b>                                       | <u>—</u>                                | <u>1,113</u>                          | <u>1,113</u>                              |

**5 Expenditure**

|   | <u>Non pay expenditure</u> |                   |                         | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|---|----------------------------|-------------------|-------------------------|---|---------------------------------|
|   | Staff<br>costs<br>£'000    | Premises<br>£'000 | Other<br>costs<br>£'000 |   |                                 |
| <i>Charitable activities</i>              |                            |                   |                         |   |                                 |
| <i>. Academy's educational operations</i> |                            |                   |                         |   |                                 |
| <i>.. Direct costs</i>                    | 883                        | 50                | 130                     | <b>1,063</b>                              | 1,028                           |
| <i>.. Allocated support costs</i>         | 335                        | 149               | 208                     | <b>692</b>                                | 311                             |
|   | <u>1,218</u>               | <u>199</u>        | <u>338</u>              | <u><b>1,755</b></u>                       | <u>1,339</u>                    |

Notes to the Financial Statements Year to 31 August 2022

5 Expenditure (continued)

|   | Staff costs<br>£'000 | Non pay expenditure |                         | 2021<br>Total<br>funds<br>£'000 |
|---|----------------------|---------------------|-------------------------|---------------------------------|
|   |                      | Premises<br>£'000   | Other<br>costs<br>£'000 |                                 |
| <i>Charitable activities</i>              |                      |                     |                         |                                 |
| <i>. Academy's educational operations</i> |                      |                     |                         |                                 |
| <i>.. Direct costs</i>                    | 832                  | 138                 | 58                      | 1,028                           |
| <i>.. Allocated support costs</i>         | 129                  | 23                  | 159                     | 311                             |
|   | <b>961</b>           | <b>161</b>          | <b>217</b>              | <b>1,339</b>                    |

|   | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|---|---------------------------------|---------------------------------|
| <b>Expenditure for the period includes:</b> |                                 |                                 |
| Depreciation                                | 50                              | 73                              |
| Operating lease costs                       | —                               | 65                              |
| Fees payable to auditor                     |                                 |                                 |
| . Audit                                     | 7                               | 6                               |
| . Other services                            | 3                               | 4                               |

6 Charitable activities - academy's educational operations

|               | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|---------------|---------------------------------|---------------------------------|
| Direct costs  | 1,063                           | 1,028                           |
| Support costs | 692                             | 311                             |
|               | <b>1,755</b>                    | <b>1,339</b>                    |

|                                  | 2022<br>Total<br>funds<br>£'000 | 2021<br>Total<br>funds<br>£'000 |
|----------------------------------|---------------------------------|---------------------------------|
| <b>Analysis of support costs</b> |                                 |                                 |
| Support staff costs              | 335                             | 129                             |
| Technology costs                 | (2)                             | 46                              |
| Premises costs                   | 149                             | 23                              |
| Legal costs                      | 3                               | -                               |
| Other support costs              | 187                             | 100                             |
| Governance costs                 | 20                              | 13                              |
| <b>Total support costs</b>       | <b>692</b>                      | <b>311</b>                      |

7 Staff

(a) Staff costs

Staff costs during the period were:

**Notes to the Financial Statements** Year to 31 August 2022

|  | <b>2022<br/>Total<br/>funds<br/>£'000</b> | 2021<br>Total<br>funds<br>£'000 |
|--|---|---------------------------------|
| Wages and salaries                                 | <b>832</b>                                | 710                             |
| Social security costs                              | <b>80</b>                                 | 70                              |
| Operating costs of defined benefit pension schemes | <b>273</b>                                | 180                             |
|  | <b>1,185</b>                              | 960                             |
| Supply staff costs                                 | <b>26</b>                                 | 1                               |
| Staff restructuring costs                          | <b>7</b>                                  | —                               |
|  | <b>1,218</b>                              | 961                             |

**(b) Severance payments**

The academy trust paid 1 severance payment in the year, disclosed in the following bands:

|              | <b>2022<br/>No.</b> |
|--------------|---------------------|
| £0 - £25,000 | <b>1</b>            |

**(c) Special staff severance payments**

Included in staff restructuring costs are special severance payments totalling £7,000 (2021: £nil).

**(d) Staff numbers**

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 was as follows:

| <b>Charitable activities</b> | <b>2022<br/>No.</b> | 2021<br>No. |
|------------------------------|---------------------|-------------|
| Teachers                     | <b>11</b>           | 10          |
| Administration and support   | <b>12</b>           | 8           |
| Management                   | <b>5</b>            | 5           |
|                              | <b>28</b>           | 23          |

| <b>Charitable activities</b> | <b>2022<br/>FTE.</b> | 2021<br>FTE. |
|------------------------------|----------------------|--------------|
| Teachers                     | <b>9</b>             | 9            |
| Administration and support   | <b>11</b>            | 7            |
| Management                   | <b>5</b>             | 4            |
|                              | <b>25</b>            | 20           |



**7 Staff (continued)**

**(e) Higher paid staff**

One employee earned between £60,001 and £70,000, (2021 – one employee earned between £70,001 and £80,000). No other staff received remuneration in excess of £60,000 (2021 – none).

**(f) Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £362,482 (2021 - £374,185).

**8 Trustees' remuneration and expenses**

The Principal only receives remuneration in respect of services she provides undertaking the role of Principal and not in respect of his services as trustee. No trustees received any payments from the Academy in respect of their role as trustees. The value of the trustee's remuneration was as follows:

|                                    | <b>2022</b><br><b>£'000</b> | 2021<br>£'000 |
|------------------------------------|-----------------------------|---------------|
| Aidan Sadgrove, Principal          |                             |               |
| . Remuneration                     | —                           | 80-85         |
| . Employer's pension contributions | —                           | 15-20         |
| Joanne Addleton, Principal         |                             |               |
| . Remuneration                     | <b>65-70</b>                | —             |
| . Employer's pension contributions | <b>15-20</b>                | —             |
| Maria Craster, Staff Trustee       |                             |               |
| . Remuneration                     | <b>45-50</b>                | —             |
| . Employer's pension contributions | <b>11-15</b>                | —             |

During the period ended 31 August 2022 no travel and subsistence expenses were reimbursed to trustees (2021 – none).

**Notes to the Financial Statements** Year to 31 August 2022

**9 Comparative information**

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

|   |       | Unrestricted<br>general<br>fund<br>£'000 | Restricted funds |                                  | 2021<br>Total<br>funds<br>£'000 |
|---|-------|--|------------------|----------------------------------|---------------------------------|
|   | Notes | £'000                                    | General<br>£'000 | Fixed<br>assets<br>fund<br>£'000 | £'000                           |
| <i>Income from:</i>                                   |       |  |                  |                                  |                                 |
| Donations and capital grants                          | 1     | 39                                       | 127              | 83                               | 249                             |
| <i>Charitable activities</i>                          |       |  |                  |                                  |                                 |
| . Funding for the academy's educational operations    | 4     | —  | 1,113            | —                                | 1,113                           |
| Other trading activities                              | 2     | 55                                       | —                | —                                | 55                              |
| Investments   | 3     | —  | —                | —                                | —                               |
| <b>Total income</b>                                   |       | <b>94</b>                                | <b>1,240</b>     | <b>83</b>                        | <b>1,417</b>                    |
| <i>Expenditure on:</i>                                |       |  |                  |                                  |                                 |
| <i>Charitable activities</i>                          |       |  |                  |                                  |                                 |
| . Academy's educational operations                    | 5     | 65                                       | 1,136            | 138                              | 1,339                           |
| <b>Total expenditure</b>                              | 6     | <b>65</b>                                | <b>1,136</b>     | <b>138</b>                       | <b>1,339</b>                    |
| <b>Net income (expenditure)</b>                       |       | <b>29</b>                                | <b>104</b>       | <b>(55)</b>                      | <b>78</b>                       |
| Transfers between funds                               | 13    | —  | (95)             | 95                               | —                               |
| <i>Other recognised gains</i>                         |       |  |                  |                                  |                                 |
| Actuarial loss on defined benefit pension schemes     |       | —  | (9)              | —                                | (9)                             |
| <b>Net movement in funds</b>                          |       | <b>29</b>                                | <b>—</b>         | <b>40</b>                        | <b>69</b>                       |
| <i>Reconciliation of funds</i>                        |       |  |                  |                                  |                                 |
| Total fund balances brought forward at 31 August 2020 |       | 174                                      | (6)              | 139                              | 307                             |
| Total fund balances carried forward at 31 August 2021 |       | <b>203</b>                               | <b>(6)</b>       | <b>179</b>                       | <b>376</b>                      |

## 10 Tangible fixed assets

|                       | Leasehold<br>building<br>improvements<br>£'000 | Furniture<br>and<br>equipment<br>£'000 | Computer<br>equipment<br>£'000 | Total<br>funds<br>£'000 |
|-----------------------|--|--|--------------------------------|-------------------------|
| <b>Cost</b>           |  |  |                                |                         |
| At 1 September 2021   | 268  | 42                                     | 157                            | 467                     |
| Additions             | —  | —                                      | 34                             | 34                      |
| Disposals             | (268)  | —                                      | —                              | (268)                   |
| At 31 August 2022     | —  | 42                                     | 191                            | 233                     |
| <b>Depreciation</b>   |  |  |                                |                         |
| At 1 September 2021   | 268  | 27                                     | 59                             | 354                     |
| Charge for the year   | —  | 7                                      | 43                             | 50                      |
| Disposals             | (268)  | —                                      | —                              | (268)                   |
| At 31 August 2022     | —  | 34                                     | 102                            | 136                     |
| <b>Net book value</b> |  |  |                                |                         |
| At 31 August 2022     | —  | 8                                      | 89                             | 97                      |
| At 31 August 2021     | —  | 15                                     | 98                             | 113                     |

## 11 Debtors

|                                | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------|---------------|---------------|
| VAT recoverable                | 1             | 53            |
| Trade debtors                  | 23            | 10            |
| Prepayments and accrued income | 102           | 148           |
|                                | 126           | 211           |

## 12 Creditors: amounts falling due within one year

|                              | 2022<br>£'000 | 2021<br>£'000 |
|------------------------------|---------------|---------------|
| Trade creditors              | 36            | 77            |
| Taxation and social security | 22            | 21            |
| Other creditors              | 21            | 44            |
| Accruals                     | 101           | 76            |
|                              | 180           | 218           |

|                                      | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------|---------------|---------------|
| <b>Deferred income</b>               |               |               |
| Deferred income at 1 September 2021  | 31            | 17            |
| Resources deferred during the year   | (31)          | 31            |
| Amounts released from previous years | 24            | (17)          |
| Deferred income at 31 August 2022    | 24            | 31            |

At the balance sheet date the academy trust was holding grants received in advance for the following academic year.

### 13 Funds

|   | Balance at<br>1 September<br>2021<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Gains,<br>losses and<br>transfers<br>£'000 | Balance at<br>31 August<br>2022<br>£'000 |
|---|--|-----------------|----------------------|--|--|
| <b>Restricted general fund</b>          |  |                 |                      |  |  |
| . General Annual Grant (GAG)            | 66   | 1,188           | (1,108)              | —  | <b>146</b>                               |
| . Start Up Grant                        | —  | 19              | (19)                 | —  | <b>—</b>                                 |
| . UIFSM                                 | —  | 41              | (41)                 | —  | <b>—</b>                                 |
| . Pupil Premium                         | —  | 127             | (127)                | —  | <b>—</b>                                 |
| . Catch up and recovery<br>premium      | —  | 12              | (12)                 | —  | <b>—</b>                                 |
| . Other grants                          | —  | 223             | (223)                | (34)                                       | <b>(34)</b>                              |
| . Pension reserve                       | (72)                                       | —               | (104)                | 152  | <b>(24)</b>                              |
|   | <u>(6)</u>                                 | <u>1,610</u>    | <u>(1,634)</u>       | <u>118</u>                                 | <u><b>88</b></u>                         |
| <b>Fixed assets fund</b>                |  |                 |                      |  |  |
| . ESFA capital grants                   | 121  | 40              | (26)                 | 34   | <b>169</b>                               |
| . Capital expenditure from<br>GAG       | 6  | —               | (6)                  | —  | <b>—</b>                                 |
| . Private sector capital<br>sponsorship | 52   | —               | (52)                 | —  | <b>—</b>                                 |
|   | <u>179</u>                                 | <u>40</u>       | <u>(84)</u>          | <u>34</u>                                  | <u><b>169</b></u>                        |
| <b>Total restricted funds</b>           | <u>173</u>                                 | <u>1,650</u>    | <u>(1,718)</u>       | <u>152</u>                                 | <u><b>257</b></u>                        |
| <b>Unrestricted funds</b>               |  |                 |                      |  |  |
| . Unrestricted funds                    | 203  | 123             | (37)                 | —  | <b>289</b>                               |
| <b>Total unrestricted funds</b>         | <u>203</u>                                 | <u>123</u>      | <u>(37)</u>          | <u>—</u>                                   | <u><b>289</b></u>                        |
| <b>Total funds</b>                      | <u>376</u>                                 | <u>1,773</u>    | <u>(1,755)</u>       | <u>152</u>                                 | <u><b>546</b></u>                        |

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

#### ***Restricted general fund***

##### *ESFA revenue funds*

The General Annual Grant (GAG) has been provided by the ESFA in order to fund the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other funding received from the ESFA included the Pupil Premium, and a Start Up Grant.

##### *Pension reserve*

The pension reserve relates to the School's share of the deficit of the London Borough of Enfield Local Government Pension Scheme.

**13 Funds (continued)**

**Fixed asset fund**

Restricted fixed assets funds were funded by government grants. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

**Comparative information**

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

|                                      | Income<br>£'000 | Expenditure<br>£'000 | Gains,<br>losses and<br>transfers<br>£'000 | Balance at<br>31 August<br>2021<br>£'000 |
|--------------------------------------|-----------------|----------------------|--|--|
| <i>Restricted general fund</i>       |                 |                      |  |  |
| . General Annual Grant (GAG)         | 832             | (789)                | —  | 66                                       |
| . Start Up Grant                     | 62              | (62)                 | —  | —  |
| . Pupil Premium                      | 95              | (95)                 | —  | —  |
| UIFSM                                | 25              | (25)                 | —  | —  |
| . Other grants                       | 226             | (131)                | (95)                                       | —  |
| . Pension reserve                    | —               | (34)                 | (9)  | (72)                                     |
|                                      | <u>1,240</u>    | <u>(1,136)</u>       | <u>(104)</u>                               | <u>(6)</u>                               |
| <i>Fixed assets fund</i>             |                 |                      |  |  |
| . ESFA capital grants                | 83              | (138)                | 95   | 121                                      |
| . Capital expenditure from GAG       | —               | —                    | —  | 6  |
| . Private sector capital sponsorship | —               | —                    | —  | 52                                       |
|                                      | <u>83</u>       | <u>(138)</u>         | <u>95</u>                                  | <u>179</u>                               |
| <i>Total restricted funds</i>        | <u>1,323</u>    | <u>(1,274)</u>       | <u>(9)</u>                                 | <u>173</u>                               |
| <i>Unrestricted funds</i>            |                 |                      |  |  |
| . Unrestricted funds                 | 94              | (65)                 | —  | 203                                      |
| <i>Total unrestricted funds</i>      | <u>94</u>       | <u>(65)</u>          | <u>—</u>                                   | <u>203</u>                               |
| <i>Total funds</i>                   | <u>1,417</u>    | <u>(1,339)</u>       | <u>(9)</u>                                 | <u>376</u>                               |

#### 14 Analysis of net assets between funds

|  | Unrestricted<br>funds<br>£'000 | Restricted<br>General<br>Funds<br>£'000 | Restricted<br>Fixed<br>Asset<br>Fund<br>£'000 | <b>Total<br/>2022<br/>£'000</b> | Total<br>2021<br>£'000 |
|--|--------------------------------|---|---|---------------------------------|------------------------|
| <b>Fund balances at 31 August 2022 are represented by:</b> |                                |   |   |                                 |                        |
| Tangible fixed assets                                      | —                              | —                                       | 97  | <b>97</b>                       | 113                    |
| Current assets   | 289                            | 292                                     | 72  | <b>653</b>                      | 553                    |
| Current liabilities  | —                              | (180)                                   | —   | <b>(180)</b>                    | (218)                  |
| Pension scheme liability                                   | —                              | (24)                                    | —   | <b>(24)</b>                     | (72)                   |
| <b>Total net assets</b>                                    | <b>289</b>                     | <b>88</b>                               | <b>169</b>                                    | <b>546</b>                      | <b>376</b>             |

|  | Unrestricted<br>funds<br>£'000 | Restricted<br>General<br>Funds<br>£'000 | Restricted<br>Fixed<br>Asset<br>Fund<br>£'000 | Total<br>2021<br>£'000 |
|--|--------------------------------|---|---|------------------------|
| <i>Fund balances at 31 August 2021 are represented by:</i> |                                |   |   |                        |
| <i>Tangible fixed assets</i>                               | —                              | —                                       | 113   | 113                    |
| <i>Current assets</i>                                      | 203                            | 284                                     | 66  | 553                    |
| <i>Current liabilities</i>                                 | —                              | (218)                                   | —   | (218)                  |
| <i>Pension scheme liability</i>                            | —                              | (72)                                    | —   | (72)                   |
| <b>Total net assets</b>                                    | <b>203</b>                     | <b>(6)</b>                              | <b>179</b>                                    | <b>376</b>             |

#### 15 Commitments under operating leases

At 31 August 2022, the total of the academy trust's future minimum lease payments under non-cancellable operating leases was £nil (2021: £nil):

#### 16 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

#### 17 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 support staff, which is managed by the London Borough of Enfield. Both are multi-employer defined benefit schemes.

#### 17 Pension and similar obligations (continued)

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

Contributions amounting to £14,859 were payable to the schemes at 31 August 2022 (2021: £19,540) and are included within creditors.

### ***Teachers' Pension Scheme***

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

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

### ***Valuation of the Teachers' Pension Scheme***

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

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

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

The employer's pension costs paid to TPS in the period amounted to £114,119 (2021 - £135,743).

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

## **17 Pension and similar obligations (continued)**

### ***Valuation of the Teachers' Pension Scheme (continued)***

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

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £62,000 (2021 - £25,000), of which employer's contributions totalled £46,000 (2021 - £19,000) and employees' contributions totalled £16,000 (2021 - £6,000). The agreed contribution rates for future years are 24.4% of employers and between 5.5% and 12.5% of employees..

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

| <b>Principal Actuarial Assumptions</b>               | <b>At 31<br/>August<br/>2022</b> | At 31<br>August<br>2021 |
|--|----------------------------------|-------------------------|
| Rate of increase in salaries                         | <b>4.2%</b>                      | 4.1%                    |
| Rate of increase for pensions in payment / inflation | <b>2.7%</b>                      | 2.6%                    |
| Discount rate for scheme liabilities                 | <b>4.0%</b>                      | 1.7%                    |
| Inflation assumption (CPI)                           | <b>2.7%</b>                      | 2.6%                    |

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

|                             | <b>At 31<br/>August<br/>2022</b> | At 31<br>August<br>2021 |
|-----------------------------|----------------------------------|-------------------------|
| <i>Retiring today</i>       |                                  |                         |
| Males                       | <b>22.3</b>                      | 22.5                    |
| Females                     | <b>24.2</b>                      | 24.4                    |
| <i>Retiring in 20 years</i> |                                  |                         |
| Males                       | <b>23.0</b>                      | 23.1                    |
| Females                     | <b>25.0</b>                      | 25.1                    |

**17 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

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

|  | <b>Fair value<br/>at 31<br/>August<br/>2022<br/>£'000</b> | Fair value<br>at 31<br>August<br>2021<br>£'000 |
|--|---|--|
|  |   |  |



**Notes to the Financial Statements** Year to 31 August 2022

|   |              |       |
|---|--------------|-------|
| Equities                                    | <b>63</b>    | 34    |
| Corporate bonds                             | <b>21</b>    | 13    |
| Property                                    | <b>24</b>    | 12    |
| Cash and other liquid assets                | <b>7</b>     | 5     |
| Other                                       | <b>10</b>    | 3     |
| <b>Total market value of assets</b>         | <b>125</b>   | 67    |
| <b>Present value of scheme liabilities:</b> |              |       |
| Funded                                      | <b>(149)</b> | (139) |
| <b>Deficit in the scheme</b>                | <b>(24)</b>  | (72)  |

The actual return on scheme assets was £(2,500) (2021 - £8,000).

| <b>Sensitivity analysis</b>            | <b>2022</b>  | 2021  |
|--|--------------|-------|
|  | <b>£'000</b> | £'000 |
| Discount rate +0.1%                    | <b>(5)</b>   | (5)   |
| Discount rate -0.1%                    | <b>6</b>     | 5     |
| Mortality assumption – 1 year increase | <b>(4)</b>   | 5     |
| Mortality assumption – 1 year decrease | <b>4</b>     | (5)   |
| CPI rate +0.1%                         | <b>6</b>     | 5     |
| CPI rate -0.1%                         | <b>(5)</b>   | (5)   |

| <b>Amounts recognised in statement of financial activities</b> | <b>2022</b>  | 2021  |
|--|--------------|-------|
|  | <b>£'000</b> | £'000 |
| Current service cost   | <b>150</b>   | 53    |
| Interest cost  | <b>—</b>     | 1     |
| <b>Total amount recognised in the SOFA</b>                     | <b>150</b>   | 54    |

**17 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

| <b>Changes in the present value of defined benefit obligations were as follows:</b> | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|---|-----------------------|-----------------------|
| At 1 September 2021   | <b>139</b>            | 64                    |
| Current service cost  | <b>150</b>            | 53                    |
| Interest cost   | <b>2</b>              | 1                     |
| Employee contributions  | <b>16</b>             | 6                     |
| Actuarial (gain)/ loss  | <b>(156)</b>          | 16                    |
| Benefits paid   | <b>(2)</b>            | (1)                   |
| <b>At 31 August 2022</b>  | <b>149</b>            | 139                   |

| <b>Changes in the fair value of the Academy's share of scheme assets:</b> | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|---|-----------------------|-----------------------|
| At 1 September 2021   | <b>67</b>             | 35                    |
| Interest income   | <b>2</b>              | —                     |
| Employer contributions  | <b>46</b>             | 19                    |
| Employee contributions  | <b>16</b>             | 6                     |
| Benefits paid   | <b>(2)</b>            | (1)                   |
| Actuarial (loss)/ gain  | <b>(4)</b>            | 8                     |
| <b>At 31 August 2022</b>  | <b>125</b>            | 67                    |

**18 Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No such transactions took place in the current or previous year other than donations from trustees which are disclosed in Note 1 to the financial statements and staff remuneration disclosed in Note 8 to the financial statements.