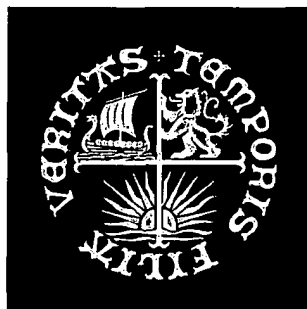


Thomas Mills High School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2022



Company Registration Number:
07605059 (England and Wales)
Registered Office:
Saxtead Road, Framlingham,
Woodbridge, Suffolk, IP13 9HE

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Reference and Administrative Details

Members

Mr Alister Gourlay
Mrs Barbara Howard
Mr Steve Lovett

Mrs Genevieve Christie (resigned 21st October 2021)
Mr John Hibberd MBE (resigned 15th July 2022)
Mrs Sue Preston (appointed 21st October 2021,
resigned 1st September 2022)

Trustees

Ms Kate Archer (elected Co-Vice Chair 21st October 2021,
re-elected 8th November 2022)
Mrs Fiona Edwards
Mrs Caroline Foster
Ms Lisa Hamon
Mr Philip Hurst
Mr Steve Lovett
Mrs Sue Preston (elected Chair 21st October 2021)
Mr Doug Stewart

Mr Matthew Anthony (resigned as Trustee 21st October 2021)
Mrs Janet Bell (resigned as Trustee 20th July 2022)
Mrs Genevieve Christie (resigned as Chair 21st October 2021, resigned as Trustee 20th July 2022)
Mr Martin Churchill (resigned as Trustee 22nd March 2022)
Mr Duncan Horrocks (resigned as Trustee 5th May 2022)
Mrs Kelly Jeffery (resigned as Trustee 21st October 2021)
Mr Stephen Peters (resigned as Trustee 21st October 2021)
Mr Jonathan Sutton (appointed 21st October 2021, resigned 5th May 2022)
Mrs Sarah Thorne (elected Co-Vice Chair 21st October 2021, resigned 14th September 2022)

Senior Management Team

Headteacher	Mr P Hurst
Deputy Headteacher (stepped down 31 st July 2021)	Mr M Wheeler
Deputy Headteacher (appointed 1 st Jan 2023)	Mr J Nunn
Assistant Headteacher	Mr M Ward
Assistant Headteacher	Mr A Cann
Assistant Headteacher (appointed Deputy Headteacher 1 st Jan 2023)	Miss L Armes
Assistant Headteacher (appointed 1 st Jan 2023)	Mr A Chittock
Business Manager	Mr M Mugliston

Company Name

Thomas Mills High School

Principle and Registered Office

Saxtead Road, Framlingham, Suffolk. IP13 9HE

Company Registration Number

07605059 (England and Wales)

Independent Auditor

Lovewell Blake, Bankside 300, Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB

Bankers

Barclays Bank PLC
4 Church Street, Woodbridge, Suffolk. IP12 1DJ

Solicitors

Browne Jacobson
Mowbrey House, Castle Meadow Road, Nottingham, NG2 1BJ

Trustees' Report

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in and beyond Framlingham, Suffolk. It has a pupil capacity of 1170 and had a roll of 1105 in the school census on October 2022.

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 Thomas Mills High School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Thomas Mills High School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

As a requirement of the UCS West Boiler loan, ESFA stipulated that the trust should adopt the latest version of the ESFA Articles of Association. This was completed over the summer of 2022 and took effect from September 2022.

Members Liability

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

Trustees' Indemnities

The academy trust has purchased insurance to cover trustees' and officers' from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Details of the costs can be found in note 10 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements for recruiting and appointment of trustees are set out in the academy trust's Funding Agreement and clauses 45-56 of the Articles of Association. These are as follows:

- Members of the academy trust may appoint up to nine trustees (trustees are the trustees for Charity Law and the Company Directors for Company law).
- The Headteacher shall be treated for all purposes as being an ex officio trustee.
- Parent trustees shall be elected by parents of registered pupils at the academy. Parent trustees must be a parent of a registered pupil at the school at the time when he is elected.
- Additional trustees may be appointed by the Secretary of State in certain circumstances.

Policies and Procedures Adopted for the Induction and Training of Trustees

All trustees receive a welcome pack and a personal briefing from the Chair and the Headteacher. Documents relating to contemporary developments are circulated, when available, to trustees together with the handbooks for training and support offered by the Local Authority. Whole Governing Body training sessions tailored to specific requirements are also held when required. Trustees are offered and encouraged to take part in training which is arranged to suit individual as well as group requirements.

All trustees are aligned to specific school departments and encouraged to visit regularly to further both the individual trustee's knowledge and provide a conduit for Heads of Department.

All members and trustees give their time freely and no remuneration was paid in the period. Expenses of £154 were claimed during the period.

Organisational Structure

The organisational structure consists of three levels; the Academy Board, Committees and the Management Team. Committees exist for; Finance and Premises, Personnel Performance and Curriculum, Appeals, Pupil Discipline, Staff Determinations and Staff Selection. Committees of the academy board have delegated responsibilities. An Audit and Risk working group has operated this year. A Safeguarding and Pupil Committee was introduced following the Ofsted inspection, November 2021.

Trustees' Report (continued)

The trustees delegate the day-to-day running of the academy trust to the Headteacher and Senior Management Team. The trustees are responsible for setting general policy, approving the annual budget, monitoring the use of funding, budgets and making decisions about the direction of the academy trust, capital expenditure, senior staff appointments and, lastly, both supporting the work of and holding to account the Headteacher and staff (including for the performance of the school against agreed targets). The Headteacher is the Executive Lead of the Trust and the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for the senior management team is set within bands and progression within this is subject to satisfactory performance management. The Headteacher's performance management is undertaken by a committee from the academy board, with guidance from the School Improvement Partner. A statement on Executive Pay is on the school website.

Trade Union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering the period starting from 1 April each year as follows:

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employer number
3	2.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	0.6
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£132
Provide the total bill	£5,419,759
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.002%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	Less than 1%
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Related Parties and other Connected Charities and Organisations

The academy trust continues to have links with our local feeder primary schools at Dennington, Easton, Wickham Market, Sir Robert Hitcham in Framlingham, Charsfield and Earl Soham. It also works closely with a number of primary schools outside the designated catchment area as pupils from over 30 separate primary schools attend the school from Year 7.

The academy trust works closely with SNITT (Suffolk and Norfolk Initial Teacher Training) in the training of teachers and the Headteacher chairs the steering group. The trust also works with the EAST teacher training programme.

Several charities that are independent of the academy trust and report separately to the Charity Commission nevertheless have close connections with our work:

Trustees' Report (continued)

1. The Friends of Thomas Mills High School (registered charity 298599) provides benefits for the academy trust.
2. The Mills Educational Foundation (registered charity 310475) provides up to half its income for 'special benefits' for the academy trust and the rest is spent on individual grants to children being educated in or living in the town of Framlingham.
3. The Michael Sims Memorial Fund (registered charity 297530) provides travel and other grants for pupils of the academy trust and may also make certain grants to the academy trust itself.
4. Prickett Memorial Awards (registered charity 1075348) provides an annual scholarship to a student who leaves the academy trust to take up a place to study a modern foreign language at university.
5. Thomas Mills Prizes (registered charity 1075349) provides a number of annual prizes awarded in the academy trust.
6. Thomas Mills Tercentenary Fund (registered charity 1098741) was originally established by the academy trust with money specifically raised to fund approved projects in the developing world.

Of these, the Headteacher is an ex officio trustee of (1), (3) and (6) and trustees have specific power to appoint one or more trustees of (4), (5) and (6). Currently, Members and teachers also sit as trustees on all of them except (2). In addition, a number of other charities have in recent years (but not in the accounting period this report refers to) given generous support to specific projects for the academy trust, especially the Mills Charity (registered number 207259).

OBJECTIVES AND ACTIVITIES

Objects and Aims

The academy trust's principal object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to, the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Its other object is to promote for the benefit of the inhabitants of Framlingham and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Local Authority's changes to transport routes (provision for nearest school) as well as parental preference means in practice, the school's catchment is very wide. The academy trust readily admits to its capacity and can be considered oversubscribed in years 8 to 11. The academy trust has admitted beyond the PAN of 168 in each of these year groups with pupils on average living within a 13 mile radius of the school.

Objectives, Strategies and Activities

The Vision, Values, And Philosophy of the academy trust are:

Vision Statement

We, the staff and trustees, aspire to ensure that all our students, irrespective of ability and regardless of anyone's doubts, achieve their potential in full; and we aspire in this way to make Thomas Mills High School the best in the country.

Charter of Values

We, the staff, pupils and trustees of Thomas Mills High School, regard the following twelve values as central to our purpose:

1. A love of learning for its own sake
2. Vigour and optimism in embracing the future
3. The intrinsic virtue of persistent hard work
4. Acceptance of personal responsibility
5. Equal value accorded to all persons
6. Courtesy, self-discipline and respect for others
7. A determination to achieve excellence in all we do
8. Honesty, moral courage and integrity
9. Good fellowship
10. Service to others
11. Leadership and enterprise
12. Respect for the traditions and achievements of the school

We have pursued the Vision Statement by continually striving to improve further the standards of teaching, learning and achievement. This is done by a variety of means, including the monitoring of pupil performance and making appropriate interventions to support underachieving individuals; reviewing the curriculum in light of national changes to provide the widest possible opportunities to pupils to experience success and build self-confidence; providing opportunities for teaching staff to reflect on their practice and so foster effective teaching styles; regular quality assurance lesson observations.

Trustees' Report (continued)

This work has been monitored closely both by the Senior Management Team and by the Personnel, Performance and Curriculum Committee throughout the period being reported.

We have continued to exploit the opportunities provided by Academy status to strengthen the work of the academy trust. In particular, the academy trust has maintained a broad and balanced curriculum delivered by qualified staff.

Condition Improvement Funds (CIF) bids have been successful, leading to further improvements across the school.

Policies have been regularly reviewed to ensure they are updated to reflect national developments and new statutory duties.

The academy trust continues to provide a Sports Centre for Framlingham at the school. This is not funded by academy funding yet provides a valuable community resource with many users making use of the school's facilities in the evenings and at weekends.

Philosophy

The school is its pupils. Thomas Mills High School is proud to be a comprehensive school and to have established an exceptionally strong local reputation for the quality of education provided here. We are also proud of the part we play at the heart of the local community.

Success is evaluated in terms of our challenging Vision Statement and actions are guided by our agreed values. Decisions are tested by the question, "What is in the true interests of the pupils?"

Members of staff are the academy trust's principal resource and are entitled to be treated fairly and professionally at all times and to be given the means to develop their roles. Members of staff seek to create constructive partnerships with all those who contribute to the education and welfare of pupils, especially parents.

Public Benefit

In exercising their powers and duties, the academy board has due regard at all times to Charity Commission guidance on public benefit and a statement of the legal duties of trustees as charity trustees is included for ease of reference in the Academy's Handbook of Governance. The academy trust was established to provide (without fees or charges) high quality education to boys and girls of all abilities and aged 11 – 18 years in the local area for whom a place is available and whose parents opt to send them to the school. The academy trust also offers the lettings of sports facilities to the community.

The academy board has opted to continue the same admissions policy as that which applied to the maintained school that existed before the academy trust was established. It is administered in full co-operation with the Local Authority. The policy is fully compliant with national regulations, thus ensuring fair treatment of all applicants.

Trustees have robust policies on equality and community cohesion which comply with current legal requirements.

Trustees have regard to the environmental impact of the academy trust and are "committed to reducing by all practicable and affordable means those effects of our activities which are potentially harmful to the local, national and global environment".

The academy trust had set up an Eco-committee, to look at ways the academy trust can further reduce their carbon footprint, establish an eco-garden and other wildlife projects.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Our vision statement and Charter of Values drives all we do and places a focus firmly on teaching, learning and achievement. Success is evaluated against it and decisions made by staff and trustees are tested against the question 'what is in the true interests of our pupils?' In the summer term 2021, the trustees' strategic priorities were reviewed and a new Strategic Development Plan created. This has led to the establishment of three new priorities: to Connect More, to Achieve More and to Nurture More. These continue to be embedded during 2022 along with the shorter principles of 'Open Minds, Big Hearts'.

Achievements and Performance

A strong achievement culture has been successfully fostered in the academy trust and this continues to be assessed in a number of ways through exam results, progress data and quality assurance results. Pupils are proud of their school and its achievements and work hard to be part of the continued success story.

Trustees' Report (continued)

The system of targets for pupils of all ages is based upon past pupil performance and is designed to raise aspirations, successfully helping to contribute to the academy trusts' achievement culture. This achievement culture is supported by an extensive programme of extra-curricular activities and by a curriculum designed to stretch pupils of all abilities. Both are supported by high staff expectations.

The trustees have contributed in numerous areas in the last year including:

- Reviewed all the trustees policies and updated them where required to ensure they remain relevant and effective for the running of the academy trust.
- Through the scrutiny of the Finance and Premises Committee supported the academy trust in effectively managing a budget with declining real terms funding.
- Through the work of the Finance and Premises Committee supported the project management of a range of improvement projects and reviewing of contracts to achieve savings.
- Kept close scrutiny of the progress of all actions within the School Evaluation, Development and Improvement Plan (SEDIP).
- Actively explored the potential for increased collaborative working with other local schools.
- Reviewed and monitored the OFSTED Action Plan following the November 2021 inspection.
- Established a new Safeguarding and Pupil Committee.

Key Performance Indicators

It is fair to say that the 2021/22 academic year was a challenging one for the school following the Ofsted Inspection of November 2021. However, this also contrasts with the excellent academic results achieved in the summer of 2022.

Broadly, the KPIs are based around:

- Extra-curricular involvement
- Ofsted
- Results
- Attendance data
- Quality of teaching
- Pupil destination data
- Financial management

The 2021/22 school year saw a return to the usual extra-curricular programme following the restrictions imposed by the pandemic. Therefore there was a return to many school trips including expeditions. There was also the re-opening of the School Library to all year groups again and this enabled the wide-ranging clubs to return. This was also supported by the refurbishment of the Library which has created different spaces. Extra-curricular opportunities were commented positively by the Ofsted inspectors.

However, the overall experience and outcomes from the Ofsted inspection were not so positive with the school given a category of 'serious weaknesses' because of its safeguarding systems and trustees' monitoring of them. This led to the introduction of many changes to ensure that the school is compliant with Ofsted expectations around safeguarding. This has included the introduction of an electronic system and the data this generates assists the monitoring of safeguarding by trustees. A new committee – the Safeguarding and Pupil Committee – was established to monitor the effectiveness of the arrangements. External Reviews were also carried out including from other trusts such as Unity Schools Partnership.

Parents were informed of developments through the Headteacher letters. An interim inspection in September 2022 confirmed the positive developments and stated that 'pupils feel safe' and that 'safeguarding arrangements are effective.' They were also positive about the work of trustees.

The Ofsted report has had consequences for the school particularly the intervention from the Regional Schools Commissioner who has always had the view that the school needs to be in a multi-academy trust. Trustees undertook an initial due diligence and identified that the Alpha Trust, a high achieving trust, was a good fit in terms of the school's ethos and strong curriculum and achievement culture. Further due diligence is necessary to move this development forward.

The success and sustainability of the school has been a positive feature of previous reports. Discerning parents and students appreciate the curriculum choice and the opportunity to excel in their talents. We know that we are one of very few providers who allow a free choice of options at GCSE and in the Sixth Form. Students continue to do well and progress to a range of destinations including Oxbridge.

Academic results were very strong at all levels this year. At GCSE, 78% of students achieved a Grade 4 or above in GCSE English and Mathematics. 80% of all grades being a Grade 4 or above.

Trustees' Report (continued)

At A Level, the school's highest results were achieved with the 56% of A*-B grades being particularly notable. 99% of grades were A*-E. These results were particularly pleasing given the year group had not experienced external assessment at GCSE or even at AS level. Unfortunately the grades achieved nationally through teacher assessments in 2020 and 2021 has meant that many university courses are oversubscribed and this has meant that some students have not always been successful with their first choice.

In summary, the trustees are very supportive of the academy trust's broad and balanced curriculum and the quality of staff we have been fortunate in employing. There are very few state schools that enable students to study three languages at GCSE or even three arts subjects for example. Our curriculum determines our staffing which in turn shapes the budget.

Moving forward, the school continues to look at areas where there are gaps in achievement and annual meetings are held with each Head of Department to identify priorities and areas for further improvement.

The Ofsted inspection was positive about trustees' monitoring of the curriculum and so there is an inference about the effectiveness of the school's consistently high outcomes. However, a key curriculum development is the introduction of more discrete Personal, Social and Health Education. Equally, the report was positive about the quality of teaching as well as pupil destinations.

All these achievements are underpinned by a balanced budget and a surpluses generated which have been used to fund much needed improvements to areas such as the Main School toilets. Centralised costs have been kept to a minimum and value for money has been considered across the organisation. The trust is aware that this may need to change in order to fund the move towards a new trust. The trust have enjoyed an experienced Senior Management Team and appreciate their work in leading the school during this period. However, the Deputy Head Mr Wheeler requested to stand down from his role and from January 2023 two new Deputy Heads have been appointed. This should ensure further capacity for the years ahead. In addition, a new Assistant Headteacher has been appointed.

Finance and Premises Committee keep an eye on the ESFA Academy Trust Handbook and Key Performance Indicators with measurable financial information. Trustees monitor:

- Affordable FTE teachers
- Budget Pupil Numbers
- Budget Revenue per Pupil
- Budgeted Teachers
- Average Teacher Costs
- % Leadership Costs against Total Expenditure
- % Staff Pay against Total Expenditure

The school continues to have an improvement focus and this year's Development Plan includes the Ofsted Action Plan as well as other developments around our strategic priorities.

The recent Ofsted inspection provided the important assurance that safeguarding arrangements are effective. This has a clear inference around leadership and management and positive references were made to leaders including trustees. The school's self-evaluation will be re-written regularly but is expected to be 'good' if there was a graded inspection. This is to be confirmed with further reviews. To move forward the school will need to embed changes to attendance and the PSHE lessons.

Finally, attendance is the only area not commented on with the report. During the early part of the 2021 school year, attendance was affected by COVID related absence. This was typical of all schools. However, it is hoped that the introduction of new systems in line with new statutory guidance, attendance will continue to improve for all pupils as well as specific groups.

Although in summary it was a challenging year for the school, it was also one where the community rallied round quickly and through tenacious quick actions created the improvements required by Ofsted. The inspection has provided a stimulus for some positive changes. At the same time, educational outcomes through external assessments were very high both in comparison with past records as well as expectations based on prior attainment. This capacity and capability within the organisation bodes well for the future.

Community Use

The academy trust facilities are available for hire and a Lettings Policy is in place. This is reviewed on an annual basis by the trustees. Bookings are managed by the Finance Office and staff employed, where necessary, to operate the lettings. The charges have not been changed for some time but have been reviewed and there will be some increase from October 2022. It is proposed that the updated charges will be included as an appendix within the Lettings policy. This will mean that trustees can review, and amend when appropriate, the charges on an annual basis.

Trustees' Report (continued)

The following groups and or/activities were able to use the academy trust facilities:

Framlingham badminton – Training and Matches
 Framlingham Hockey Club – Training
 Framlingham Netball – Training and Matches
 Saturday Morning Park Run
 Framlingham Town Football Club Youth section – Training
 Easton Cricket Club
 Worlingworth Cricket Club
 Yoxford Cricket Club
 Eye Cricket Club
 Football (number of groups)
 Ariel Silks – Acrobatics
 Skating
 Premier Sports
 Kuk Sol Won
 School holiday activity club – Sports and Drama

Working with other schools as system leaders

As mentioned above, the school has worked with a number of schools both as a receiver of support as well as providing support too. Several staff have recently completed either the NPQSL or NPQML programmes.

The Headteacher also supported two other Headteachers with aspects of school management including finance, sixth form and curriculum design.

Going Concern

During the years of austerity reserves and fund positions have been closely monitored. It is via the monitoring of reserves and funds that the academy trust has been able to make key management decisions to secure its sustainability.

Significant savings have been made from many areas with a number of major contracts renegotiated. Further activity to ensure efficiencies, as well as generate income, will continue to be explored.

Cash reserves whilst strong, will be under increasing pressure throughout 2022/23 due to:

- Uncertain economic conditions
- Uncertainty surrounding energy and utility costs
- Unfunded increases to pay from 2022/23 onwards.
- The potential impact on student recruitment from the national and local demographic dip
- The potential negative impact of the November 2021 Ofsted inspection and subsequent grading
- National and Local government policy towards school transport provision.
- CIF investment has improved the schools infrastructure however there is always the risk of infrastructure failure creating an urgent need for unfunded unbudgeted expenditure.

It is the intention of the trustees, over time, to generate surpluses to enable the academy trust to build up a suitable level of reserves. A reserves policy was implemented in 2020/21. In recent budgets, 'reserves' have been built into the budget in the form of specific funds without an allocated associated spend therefore creating a surplus if unspent.

Funding increases: Pupil Numbers

- Our pupil number projections are accurate and conservative and relatively stable.
 - 2021 census numbers were slightly higher in main school compared with our 5-year budgeting assumptions.
- Pupil numbers had grown steadily in recent years with the academy trust being a first choice for families.
 - Over 56% of the current year 8 intake are from out of catchment children.
 - It is often the case that the pupils have attended a wide number of primary schools and therefore the Head of Year 7 can work with approximately 30 to 40 primaries to ensure effective transition.
 - Post 16 numbers are stable with very high retention rates from GCSE to A Level.
 - Current Year 7 intake is lower and the school is actively monitoring the impact of future decisions.

The board of trustees is actively considering joining a Multi Academy Trust and is currently undertaking a due diligence process. One of the key considerations is the financial implications of the MAT contribution and the change in structure for the trust. As the trust has well controlled central costs, consideration may have to be given to the curriculum breadth and staffing to continue to operate a balanced budget. This work is ongoing.

Trustees' Report (continued)

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.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also has been in receipt of Devolved Formula Capital (DFC), CIF funding and an Urgent Capital Support (UCS) loan from the ESFA through the bid process for the Condition Improvement Fund. In accordance with the Academies Accounts Direction 2021/22, DFC grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2022, total expenditure of £6,989,971 was covered by recurrent grant funding from the ESFA together with other incoming resources. When excluding the restricted fixed asset fund and pension fund, the excess of income over expenditure was £226,320.

At 31st August 2022 the net book value of fixed assets was £8,117,413 and movements in tangible fixed assets are shown within note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS 102, the Academy received an actuarial assessment of the pension scheme. Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS102 28.22.

The scheme is in surplus by £270k, however this surplus has not been recognised as an asset in these accounts in accordance with the academy trust's accounting policy, as the academy trust is unable to recover the surplus through reduced contributions in the future, or through refunds from the plan.

Reserves Policy

A reserves policy was implemented in 2020/21.

The policy is to ensure that the trust maintains systems of financial control which conform to the requirements both of propriety and of good financial management. The trustees aim is to ensure that there are sufficient reserves to enable the charity to fulfil statutory and legal obligations and a contingency to meet unforeseen expenditure.

Excessive reserves held by the trust may limit the activities or benefits that the trust could offer. Excessive reserves could be equated to a figure more than 15% of total trust annual income, excluding Capital funds (approximately £999K). This figure would represent, approximately, three months operating costs (and could be used if there was a delay in income). If the reserves are held for strategic development, a disclosure in the trustees annual report must be made. If no plans exist for the excessive reserves held, it is recommended that the charitable trust is to review its purpose and develop further expansion of activities or diversification of the trust.

The trust is very clear that its income is spent on educational provision and the figure of £999k is seen as a limit rather than a target. However, good financial management in recent years has produced a surplus and trustees have been able to increase the amounts held in reserves. The school will maintain reserves to part fund replacement for buildings considered to be below the standards required for the future needs of the academy trust. This could include a new science or sixth form block where currently the pre-war canteen stands.

At 31 August 2022 the total funds comprised:

Unrestricted Funds	£128,482
Restricted Funds:	
Fixed asset funds	£8,380,591
GAG	£141,990
Other	£22,350
	<u><u>8,673,413</u></u>

At 31 August 2022 the School had free reserves amounting to £128,482 represented by unrestricted net current assets and uncommitted GAG funding of £141,990.

Trustees' Report (continued)

Investment Policy

The academy trust manages its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to maintain surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these funds.

Principal Risks and Uncertainties

The academy trust has a comprehensive Risk Management Plan and Risk Register which identifies the main risks to the academy trust and the methods and strategies employed to mitigate those risks. The trustees, with senior managers, review the plan and the controls in place on an annual basis. The Risk Management Plan and Risk Register is Policy Document 40 in the series. For reasons of data protection, it is not published on the website.

The Risk Register identifies the following main areas. The highlighted categories have within their section a 4/5 likelihood, the highest rating:

- Strategic & Reputational risk
- Operational risks
- Compliance risk
- Financial risk

A key area of risk to the academy trust is financial sustainability and compliance with Company, Academy and Charity legislation, whilst continuing to achieve the objectives of the academy trust. The academy trust has bought in financial support and advice from Schools' Choice to ensure this risk is minimised.

The academy trust has seen a peak in pupil numbers in 2021/22 and an increase in per pupil income through the National Funding Formula, which has improved the academy trust's financial outlook. The school is mindful of the need to manage a fluctuating school roll in the next two years. However, reputation of the school and confidence in its provision may mean that the school roll stabilises within two years.

Other uncertainties include the academy trust's status as a stand-alone academy. This position is becoming more unusual and whilst there was little perceived benefit of joining a MAT last year, the possibility that this will happen is more likely.

Fundraising

The trust does not employ any professional fundraisers or commercial participators and predominantly carries out fundraising activities via The Friends of Thomas Mills High School (registered charity 298599) using traditional methods including events and sponsored challenges.

The trustees have established a working group to look at additional forms of fundraising that could support the charitable objects of Thomas Mills High School. This group will report to the Finance and Premises Committee and the board throughout 2022/23 as well as co-ordinate any additional fundraising activities.

In increasing its fundraising activities, the trust will refer to Charity Commission guidance CC20. The trust is reviewing the systems in place to ensure compliance with legal rules and requirements for fundraising, including an open and accessible complaints procedure should any concerns be raised about fundraising. No complaints were received during the year.

The trust does employ a CIF Bid consultancy firm, who are contracted on a no win no fee basis. This brings in expertise on the CIF bid process and raises the trusts likelihood of a successful bid. The consultant's fees are included in the value of bid made.

PLANS FOR FUTURE PERIODS

The members and trustees will continue to pursue the aims and objects of the academy trust according to the prevailing circumstances. The aims and objects may be modified if circumstances dictate.

Trustees will continue to focus on:

- Improving teaching and learning as the means to achieve the Vision Statement.
- Developing and updating educational facilities at the academy trust within the constraints of current and predicted funding levels.
- Improving the general management of land, buildings and related matters in order to ensure the best use of public money and the trustees overall policy objectives.
- Securing the future of the academy trust during a period of financial restraint and changes in personnel.
- Managing the Sports Centre as a public benefit for the local community.
- The academy trust is now actively undertaking due diligence with a multi academy trust.

Trustees' Report (continued)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust holds 16-19 bursary funds and is acting as paying agent for ESFA by passing bursaries onto students. The details are provided in Note 28 to the accounts.

AUDITOR

In so far 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, on ^{1/12/22} and signed on the board's behalf by:



Mrs S Preston
Chair of Trustees

Governance Statement

SCOPE OF RESPONSIBILITY

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

The academy board is very mindful of the requirements of the Academy Trust Handbook (and previous versions). Considerable time has been given to Audit and Risk functions.

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met **11** times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Kate Archer (elected Co-Vice Chair 21 st October 2021, re-elected 8 th November 2022)	11	11
Mrs Fiona Edwards	9	11
Mr Phillip Hurst	11	11
Mr Steve Lovett	11	11
Mrs Sue Preston (elected as Chair 21 st October 2021)	11	11
Mr Matthew Anthony (resigned 21 st October 2021)	1	1
Mrs Janet Bell (resigned 20 th July 2022)	7	11
Mrs Genevieve Christie (resigned as Chair 21 st October 2021, resigned as Trustee 20 th July 2022)	7	11
Mr Martin Churchill (resigned 22 nd March 2022)	0	8
Mr Duncan Horrocks (resigned 5 th May 2022)	4	9
Mrs Kelly Jeffery (resigned 21 st October 2021)	1	1
Mr Stephen Peters (resigned 21 st October 2021)	0	1
Mr Jonathan Sutton (appointed 21 st October 2021, resigned 5 th May 2022)	5	8
Mrs Sarah Thorne (elected Co-Vice Chair 21 st October 2021, resigned 14 th September 2022)	9	11

The board has a committee structure and works principally through Finance and Premises as well as Personnel, Performance and Curriculum. This has streamlined procedures and led to informed decisions.

The board receives a great deal of data including financial reports and benchmarking as well as examination outcomes. These are scrutinised. For example, the impact of Pupil Premium has been considered. Link trustees often receive more detail and present this to the board.

During the 2021/22 financial year, the Board adopted the latest version of the ESFA Articles of Association meaning that the governance structure has changed to that mirroring a MAT.

Therefore, operationally from 1st September 2022, the school has a Trust Board and Local Governing Body. The trust has adopted a new Handbook of Governance and within that, reviewed its Scheme of Delegation.

This has allowed the Trust board to reduce its membership in line with ESFA guidelines and, at the same time, be ready for integration into a MAT in the future.

The Trust board has been integral in the schools' work following the November 21 Ofsted inspection and supporting the efforts to improve. It has been a challenging period for them as much as the school staff. The recent interim inspection identified improved performance of the school governance and leadership and the Trustees' quality monitoring of school activity.

The challenge remains to recruit quality Trustees, selected on skillset. The Trust and LGB are actively recruiting more Local Governors to ensure good representation and less reliance on parents.

Governance Statement (continued)**Conflicts of interest**

The trust maintains an up-to-date register of pecuniary interests and reports related party transactions. The register of interests is considered a key document when decisions are taken in the management and governance of the trust.

Governance reviews

The trustees have undertaken a self-review and trustees regularly attend training. The trustees are aware of their position as employers and have undertaken training. The academy trust conducts a self-evaluation annually and this is incorporated into the School Evaluation, Development and Improvement Plan. Audits, including by the Responsible Officer, have also been completed and this has informed practice and training as well as the recruitment of new trustees with specific skills. The trustees will explore an external review.

During 2020 to 2021, the Chair of Trustees undertook mentoring with an external consultant. This linked to the self-reviews and consolidated the need to widen financial and HR experience on the academy board. With a new chair elected in October 2021, it is expected that this exercise will be completed within the next two years. The external link was complementary about the trust's achievements and outcomes.

During 2021 to 22 the trust worked with a number of other trusts to particularly develop monitoring around attendance and safeguarding. New Articles of Association were adopted to clarify the strategic work of the trust and the monitoring of standards through representative governance.

The Finance and Premises Committee is a sub-committee of the main academy trust board. Its purpose is to make recommendations to the academy trust board on all financial and budgetary matters which are not delegated and to exercise delegated powers in relation to competitive tendering and authorisation of contracts and also with regard to ensuring compliance with financial regulations, the production of annual accounts, and the revision of the Risk Register.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
*Mr Matthew Anthony (resigned 21 st October 2021)	1	1
Mrs Genevieve Christie (resigned 20 th July 2022)	5	7
Mrs Fiona Edwards (Chair)	7	7
Mrs Caroline Foster	7	7
Ms Lisa Hamon	7	7
Mr Philip Hurst	6	7
*Mrs Kelly Jeffery (resigned 21 st October 2021)	1	1
Mr Steve Lovett	7	7
Mrs Sue Preston	5	6
Mr Jonathan Sutton (resigned 5 th May 2022)	1	3
Mrs Sarah Thorne (resigned 14 th September 2022)	6	7

Trustees continue to meet as scheduled, holding their meetings in school or as a remote hybrid where necessary. Trustee visits continue, including Governance Days, work on the School Development Plan, reviewing strategic priorities (Connect more, Achieve more, Nurture more) and other meetings. Trustees have continued to support the school with complex HR processes, risk management and due diligence.

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where available. The accounting officer for the academy trust has delivered improved value for money during the year in the following areas:

Employing a range of strategies to ensure educational standards are high and that pupils make excellent progress within school, as well as towards the next stage in their education.

- The three-year Key Stage Four continues to support students in personalising their curriculum through a range of subject options. This gives student's opportunities to study a number of subject groups which are increasingly not available to pupils in other schools. The use of specialist subject teachers and the relatively small class sizes represent good value for money when the excellent educational outcomes of GCSE and A Level are considered.

Having responsibility for reviewing the effectiveness of financial governance.

Governance Statement (continued)

- This is informed by the appointment of external and internal auditors as well as management accounts being prepared and delivered to Senior Managers for discussion. Discussions have included comparisons with benchmarking data and consideration of areas where further efficiencies are possible. For example, we have used the opportunity to try to reduce expenditure as some contracts have been renewed. However, continued savings do not necessarily lead to value for money if effectiveness is compromised. We continue to seek to reduce costs whilst trying to minimise any educational impact.

Centralised costs are kept to a minimum with some out-sourcing of finance and HR. We regularly review all contracts and we also continue to maximise opportunities for income generation.

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 Thomas Mills High School 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 Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.
- operation of the Audit and Risk working group.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint **Schools' Choice** to provide internal audit services.

This option has been chosen because this has provided best value and quality auditing.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of internal sales processes
- the budget planning cycle

On an annual basis, Schools' Choice internal audit services prepare summary reports to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The internal audit reports are presented to the board of trustees, through the Finance and Premises Committee, on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities.

During the year, Schools' Choice delivered the agreed schedule of two visits. There were no material control issues identified. The Internal Audit was seen overall as successful, but a number of measures arose from it:

Governance Statement (continued)

- recommendations on tax declarations for sole traders and small contractors (IR35 rules)
- gifts and hospitality
- use of purchase orders
- lettings agreements for Sports centre use
- school planning – curriculum and financial (ICFP)
- benchmarking
- recommendations on website publications regarding employee benefits exceeding £100k

An action plan is in place to address the issues raised.

REVIEW OF EFFECTIVENESS

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

- the work of the internal audit provider.
- the financial management and governance self-assessment process or the school resource management self-assessment tool.
- the work of the external auditor.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

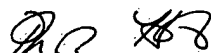
The Accounting Officer has been advised of the implications of the result of their review of the system of internal controls. A separate Audit and Risk working group is in place and regularly links to the Finance and Premises Committee. Continuous improvements of all systems are in place.

Approved by order of the members of the board of trustees on 1/12/2022 and signed on its behalf by:



Mrs S Preston

Chair of Trustees



Mr P Hurst

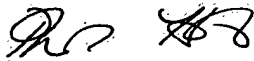
Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer of Thomas Mills High School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the 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.



Mr P Hurst
Accounting Officer

<Date> 1/12/2022

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the order of the members of the board of trustees on 1/12/22 and signed on its behalf by:



Mrs S Preston
Chair of Trustees

Independent Auditor's Report to the Members of Thomas Mills High School Year ended 31 August 2022

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Independent Auditor's Report to the Members of Thomas Mills High School Year ended 31 August 2022 (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditors-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lovewell Blake LLP

MARK PROCTOR FCA DChA (Senior Statutory Auditor)

For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

19/12/2022

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Independent Reporting Accountant's Assurance Report on Regularity to Thomas Mills High School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 September 2021 and further to the requirements of the Education & 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 Thomas Mills High School Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Thomas Mills High School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Thomas Mills High School Academy Trust's funding agreement with the Secretary of State for Education dated 27 May 2011 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 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.

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 our conclusions includes:

Delegated authorities: Carrying out the suggested procedures detailed in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.60-65 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2021 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNI have been complied with;

Transactions with connected parties: Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.66 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2021 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

Governance: Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.67 in considering whether the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2021 regarding its governance arrangements;

Internal controls: Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.68 in order to consider whether the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2021 regarding its internal controls;

Independent Reporting Accountant's Assurance Report on Regularity to Thomas Mills High School and the Education and Skills Funding Agency (continued)

Procurement: Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.69 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2021 regarding its procurement procedures; and

Income: Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

Conclusion

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

Lovewell Blake LLP

MARK PROCTOR FCA DChA (Reporting Accountant)
For and on behalf of LOVEWELL BLAKE LLP

19/12/2022

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Statement of Financial Activities for the period ended 31 August 2022
(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	2	42,705	7,273	658,099	708,077	724,897
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	194,080	6,318,946	-	6,513,026	6,279,987
Other trading activities	4	95,150	-	-	95,150	81,735
Investments	5	237	-	-	237	87
Total		332,172	6,326,219	658,099	7,316,490	7,086,706
Expenditure on:						
Raising Funds	6	59,236	-	-	59,236	42,424
<i>Charitable activities:</i>						
Academy trust educational operations	7	231,164	6,386,671	312,900	6,930,735	6,373,643
Total		290,400	6,386,671	312,900	6,989,971	6,416,067
Net income / (expenditure)		41,772	(60,452)	345,199	326,519	670,639
Transfers between funds	16	-	(273,911)	273,911	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	16,26	-	1,804,000	-	1,804,000	(308,000)
Net movement in funds		41,772	1,469,637	619,110	2,130,519	362,639
Reconciliation of funds						
Total funds brought forward at 1 September 2021	16	86,710	(1,305,297)	7,761,481	6,542,894	6,180,255
Funds carried forward at 31 August 2022	16	128,482	164,340	8,380,591	8,673,413	6,542,894

All of the academy's activities derive from continuing operations during the current financial period.

Statement of Financial Activities for the period ended 31 August 2021
(including Income and Expenditure Account) showing comparatives by fund

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021
	£	£	£	£
Income and endowments from:				
Donations and capital grants	44,408	17,201	663,288	724,897
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	-	6,279,987	-	6,279,987
Other trading activities	81,735	-	-	81,735
Investments	87			87
Total income and endowments	126,230	6,297,188	663,288	7,086,706
Expenditure on:				
Raising Funds	42,323	101	-	42,424
<i>Charitable activities:</i>				
Academy trust educational operations	46,081	6,070,991	256,571	6,373,643
Total expenditure	88,404	6,071,092	256,571	6,416,067
Net income / (expenditure)	37,826	226,096	406,717	670,639
Transfers between funds	(17,750)	(166,875)	184,625	-
	20,076	59,221	591,342	670,639
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(308,000)	-	(308,000)
Net movement in funds	20,076	(248,779)	591,342	362,639
Reconciliation of funds				
Total funds brought forward at 1 September 2020	66,634	(1,056,518)	7,170,139	6,180,255
Funds carried forward at 31 August 2021	86,710	(1,305,297)	7,761,481	6,542,894

Balance Sheet as at 31 August 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible assets	11	<u>8,117,413</u>	<u>7,274,771</u>
		<u>8,117,413</u>	<u>7,274,771</u>
Current assets			
Stock	12	996	-
Debtors	13	847,686	655,509
Cash at bank and in hand		<u>732,723</u>	<u>597,759</u>
		<u>1,581,405</u>	<u>1,253,268</u>
Liabilities			
Creditors: Amounts falling due within one year	14	<u>(772,819)</u>	<u>(372,256)</u>
Net current assets		<u>808,586</u>	<u>881,012</u>
Total assets less current liabilities		<u>8,925,999</u>	<u>8,155,783</u>
Creditors: amounts falling due after more than one year	15	(252,586)	(53,889)
Net assets excluding pension liability		<u>8,673,413</u>	<u>8,101,894</u>
Defined benefit pension scheme liability	26	-	(1,559,000)
Total net assets		<u>8,673,413</u>	<u>6,542,894</u>
Funds of the academy trust:			
Restricted funds			
- Fixed asset fund	16	8,380,591	7,761,481
- Restricted income fund	16	164,340	253,703
- Pension reserve	16	-	(1,559,000)
Total restricted funds		<u>8,544,931</u>	<u>6,456,184</u>
Unrestricted income funds	16	128,482	86,710
Total unrestricted funds		<u>128,482</u>	<u>86,710</u>
Total funds		<u>8,673,413</u>	<u>6,542,894</u>

The financial statements on pages 24 to 45 were approved by the trustees, and authorised for issue on 1/12/2022 and are signed on their behalf by:



Mrs S Preston
Chair of Trustees

Statement of Cash Flows for the period ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	404,631	32,928
Cash flows from investing activities	22	(497,206)	224,277
Cash flows from financing activities	21	227,539	36,140
Change in cash and cash equivalents in the reporting period		<u>134,964</u>	<u>293,345</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2021	23	597,759	304,414
Cash and cash equivalents at 31 August 2022	23	<u>732,723</u>	<u>597,759</u>

Notes to the Financial Statements for the Year Ended 31 August 2022

1. Statement of Accounting Policies

Thomas Mills High School is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative details on page 3. The nature of the academy trust's operations and principal activities are set out in the Trustees' Report on pages 4 to 13.

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 FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Thomas Mills High School meets the definition of a public benefit entity under FRS 102.

Going Concern

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

During the years of austerity reserves and fund positions have been closely monitored. It is via the monitoring of reserves and funds that the academy trust has been able to make key management decisions to secure its sustainability.

Significant savings have been made from many areas with a number of major contracts renegotiated. Further activity to ensure efficiencies, as well as generate income, will continue to be explored.

Cash reserves whilst strong, will be under increasing pressure throughout 2022/23 due to:

- Uncertain economic conditions.
- Uncertainty surrounding energy and utility costs.
- Unfunded increases to pay from 2022/23 onwards.
- The potential impact on student recruitment from the national and local demographic dip.
- The potential negative impact of the November 2021 Ofsted inspection and subsequent grading.
- National and Local government policy towards school transport provision.
- CIF investment has improved the schools infrastructure however there is always the risk of infrastructure failure creating an urgent need for unfunded unbudgeted expenditure.

It is the intention of the trustees, over time, to generate surpluses to enable the academy trust to build up a suitable level of reserves. A reserves policy was implemented in 2020/21. In recent budgets, 'reserves' have been built into the budget in the form of specific funds without an allocated associated spend therefore creating a surplus if unspent.

Funding increases: Pupil Numbers

- Our pupil number projections are accurate, conservative and relatively stable.
 - 2021 census numbers were slightly higher in main school compared with our 5-year budgeting assumptions.
- Pupil numbers had grown steadily in recent years with the academy trust being a first choice for families.
 - Over 56% of the current year 8 intake are from out of catchment children.
 - It is often the case that the pupils have attended a wide number of primary schools and therefore the Head of Year 7 can work with approximately 30 to 40 primaries to ensure effective transition.
 - Post 16 numbers are stable with very high retention rates from GCSE to A Level.
 - Current Year 7 intake is lower and the school is actively monitoring the impact of future decisions.

The board of trustees is actively considering joining a Multi Academy Trust and is currently undertaking a due diligence process. One of the key considerations is the financial implications of the MAT contribution and the change in structure for the trust. As the trust has well controlled central costs, consideration may have to be given to the curriculum breadth and staffing to continue to operate a balanced budget. This work is ongoing.

Notes to the Financial Statements for the Year Ended 31 August 2022

1. Statement of Accounting Policies (continued)

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.

Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other trading income**

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

- **Donated fixed assets (excluding Transfers on conversion/into trust)**

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Notes to the Financial Statements for the Year Ended 31 August 2022**1. Statement of Accounting Policies (continued)**

Depreciation is provided on all tangible fixed assets other than assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

• Land	125 years
• Long Leasehold Buildings	50 years
• Fixtures, fittings & equipment	5 years
• Computer Equipment	3 years
• Motor Vehicles	5 years

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

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

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 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measure at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold stock is valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 academy trust has an alternative pension arrangement, the National Employment Savings Trust (NEST). This is a defined contribution scheme provided by the trust for those employees transferred under TUPE regulations, with the contributions recognised in the period to which they relate.

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

Notes to the Financial Statements for the Year Ended 31 August 2022**1. Statement of Accounting Policies (continued)**

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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 asset/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 scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

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

Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS102 28.22.

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit plan asset 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 includes the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension asset or 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 the carrying amount of the pension liability.

The Trust has recognised the value of its leasehold property at a valuation prepared on behalf of the Education and Skills Funding Agency. This property is depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 28.

Redundancy or Termination Payment

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the academy trust are accounted for on an accruals basis and within employee benefits.

Notes to the Financial Statements for the Year Ended 31 August 2022

2 Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Capital grants				
Devolved Formula Capital	-	24,652	24,652	25,021
Condition Improvement Fund	-	622,047	622,047	632,267
Donated fixed assets				
DfE Donated Fixed Assets	-	11,400	11,400	6,000
Other donations				
Other donations	42,705	7,273	49,978	61,609
	42,705	665,372	708,077	724,897

3 Funding for the Academy Trust's Charitable Activities
Educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
DfE/ESFA Revenue Grants				
General Annual Grant	-	5,883,192	5,883,192	5,610,372
Pupil Premium	-	149,833	149,833	145,824
Rates Relief	-	27,010	27,010	29,855
Teachers Pay Grant	-	17,185	17,185	79,860
Teachers Pension Grant	-	48,560	48,560	225,810
Free School Meal Supplementary Grant	-	-	-	7,200
Recovery Premium	-	21,678	21,678	-
School Led Tutoring Grant	-	23,490	23,490	-
Schools Supplementary Grant	-	65,543	65,543	-
Other ESFA funding	-	8,164	8,164	-
	-	6,244,655	6,244,655	6,098,921
Other Government Grants				
SEN Funding	-	39,800	39,800	22,310
SCDC Sports Central Grant	-	548	548	12,194
Local Authority Grants	-	22,593	22,593	5,515
Other Government Grants	-	4,950	4,950	-
	-	67,891	67,891	40,019
Other income from the academy trust's educational operations				
Catering Income	1,173	-	1,173	-
Academy Trips	192,907	-	192,907	-
RPA Claim	-	6,400	6,400	-
	194,080	6,400	200,480	-
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	71,280
Coronavirus exceptional support	-	-	-	69,767
	-	-	-	141,047
	194,080	6,318,946	6,513,026	6,279,987

Notes to the Financial Statements for the Year Ended 31 August 2022**4 Other Trading Activities**

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Hire of Facilities	19,290	-	19,290	6,459
Items Sold	45,792	-	45,792	18,019
Insurance Claims	-	-	-	29,527
Income from Services Provided	30,068	-	30,068	27,730
	<u>95,150</u>	<u>-</u>	<u>95,150</u>	<u>81,735</u>

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Bank Interest	237	-	237	87
	<u>237</u>	<u>-</u>	<u>237</u>	<u>87</u>

6 Expenditure

	Non Pay Expenditure			Total 2022	Total 2021
	Staff Costs £	Premises £	Other £	£	£
Expenditure on raising funds					
• Allocated Support Costs	-	-	59,236	59,236	42,424
Academy's educational operations					
• Direct Costs	4,647,591	-	533,368	5,180,959	4,829,164
• Allocated Support Costs	772,168	638,632	338,976	1,749,776	1,544,479
	<u>5,419,759</u>	<u>638,632</u>	<u>931,580</u>	<u>6,989,971</u>	<u>6,416,067</u>

Net Income/(expenditure) for the period includes:

	2022 £	2021 £
Operating lease rentals	56,736	41,658
Depreciation	312,900	256,571
Fees payable to auditor for:		
- audit	11,170	11,150
- other services	910	850

Notes to the Financial Statements for the Year Ended 31 August 2022

7 Charitable Activities

	Total 2022 £	Total 2021 £
Direct costs - educational operations	5,180,959	4,829,164
Support costs - educational operations	<u>1,749,776</u>	<u>1,544,479</u>
	<u>6,930,735</u>	<u>6,373,643</u>

	Educational Operations £	Total 2022 £	Total 2021 £
Analysis of support costs			
Support staff costs	772,168	772,168	693,174
Depreciation	312,900	312,900	256,571
Technology costs	57,104	57,104	57,528
Premises costs	325,732	325,732	347,555
Legal costs - other	4,230	4,230	2,275
Other support costs	265,408	265,408	175,354
Governance costs	12,234	12,234	12,022
Total support costs	<u>1,749,776</u>	<u>1,749,776</u>	<u>1,544,479</u>

8 Staff

	Total 2022 £	Total 2021 £
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	3,909,772	3,769,434
Social security costs	392,847	374,048
Teachers' Pension costs	711,099	698,289
Local Government Pension Scheme (LGPS) costs	362,562	261,268
National Employment Savings Trust (NEST) costs	-	355
	<u>5,376,280</u>	<u>5,103,394</u>
Supply staff costs	42,010	20,902
Staff restructuring costs	1,469	25,900
	<u>5,419,759</u>	<u>5,150,196</u>

Staff restructuring costs comprise:

Redundancy payments	1,469	-
Severance payments	-	25,900
	<u>1,469</u>	<u>25,900</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are special severance payments totalling £nil (2021: £25,900). Individually, there was one payment in 2021 of £25,900.

c. Staff numbers

The average number of persons employed by the academy during the year was as follows:

	2022 No.	2021 No.
Teachers	85	80
Administration and support	82	51
Management	6	6
	<u>173</u>	<u>137</u>

Notes to the Financial Statements for the Year Ended 31 August 2022**8 Staff (continued)****d. Higher paid staff**

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

	2022	2021
	No.	No
£60,001 - £70,000	1	1
£100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £525,222 (2021: £513,670).

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

P Hurst (Headteacher and Accounting Officer):

Remuneration £105,000 - £110,000 (2021: £105,000 - £110,000)

Employers pension contributions £25,000 - £30,000 (2021: £25,000 - £30,000)

S Peters (staff trustee up until 21 October 2021):

Remuneration £5,000- £10,000 (2021: £50,000 - £55,000)

Employers pension contributions £0 - £5,000 (2021: £0 - £5,000)

K Jeffery (staff trustee up until 21 October 2021):

Remuneration £5,000 - £10,000 (2021: £45,000- £50,000)

Employers pension contributions £0 - £5,000 (2021: £10,000 - £15,000)

M Anthony (staff trustee up until 21 October 2021)

Remuneration £5,000 - £10,000 (2021: £30,000 - £35,000)

Employers pension contributions £0 - £5,000 (2021: £5,000 - £10,000)

During the period ended 31 August 2022, expenses totalling £nil (2021: £Nil) were reimbursed.

Other related party transactions involving the trustees are set out in note 27.

10 Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements for the Year Ended 31 August 2022

11 Tangible Fixed Assets

	Leasehold Land and Buildings £	Assets Under Construction £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles	Total £
Cost						
At 1 September 2021	8,541,085	212,027	401,512	473,757	25,095	9,653,476
Additions	358,673	578,918	162,769	55,182	-	1,155,542
Transferred into use	66,484	(212,027)	145,543	-	-	-
At 31 August 2022	8,966,242	578,918	709,824	528,939	25,095	10,809,018
Depreciation						
At 1 September 2021	1,699,292	-	290,204	364,114	25,095	2,378,705
Charged in year	172,107	-	83,697	57,096	-	312,900
At 31 August 2022	1,871,399	-	373,901	421,210	25,095	2,691,605
Net Book Values						
At 31 August 2021	6,841,793	212,027	111,308	109,643	-	7,274,771
At 31 August 2022	7,094,843	578,918	335,923	107,729	-	8,117,413

The leasehold property was valued on 30 November 2011 by S C H Wright FRICS MCI Arb, a RICS Registered Valuer using the Depreciated Replacement Cost method. The trustees consider that the valuation remains appropriate for the purposes of these financial statements.

The leasehold land and buildings are owned by Suffolk County Council. The academy trust holds a 125-year leasehold on a peppercorn rent from 1 July 2011.

12 Stock

	2022 £	2021 £
Heating Oil	996	-
	<u>996</u>	<u>-</u>

13 Debtors

	2022 £	2021 £
VAT recoverable	154,789	78,766
Other debtors	13,937	5,580
Prepayments and accrued income	<u>678,960</u>	<u>571,163</u>
	847,686	655,509

Notes to the Financial Statements for the Year Ended 31 August 2022**14 Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	276,418	15,559
Taxation and social security	92,212	88,572
Other creditors	122,746	123,419
Accruals and deferred income	247,981	144,706
Loans	33,462	4,620
	<u>772,819</u>	<u>376,876</u>

Deferred Income

	2022	2021
	£	£
Deferred Income at 1 September 2021	37,158	24,190
Released from previous years	(31,902)	(24,190)
Resources deferred in the year	540	37,158
Deferred Income at 31 August 2022	<u>5,796</u>	<u>37,158</u>

At the balance sheet date the academy trust was holding funds received in advance for academy trips due to take place in 2022/23 of £5,796 (2021: academy trips £19,718 and ESFA NDDR rates reclaim £17,440)

15 Creditors: amounts falling due in greater than one year

	2022	2021
	£	£
Loans	<u>252,586</u>	<u>53,889</u>
	<u>252,586</u>	<u>53,889</u>

Included within Loans are the following loans from the ESFA:

Loan under the Condition Improvement Fund (CIF) of £18,051.

The full value of the loan was £22,369, repayable over 5 years and monthly repayments of £392 commenced October 2021. The loan interest rate is 2.31%.

The repayment schedule is as follows:

£4,709 2022 (2021: £4,318)

£13,342 2023-2025 (2021: £19,009)

Loan under the Condition Improvement Fund (CIF) of £36,140.

The loan is repayable over 10 years with monthly repayments of £301 due to commence September 2022. The loan interest rate is 2.07%.

The repayment schedule is as follows:

£3,614 2022 (2021: £nil)

£14,456 2023-2026 (2021: £14,456)

£18,070 due after 5 years (2021: £21,684)

Loan under Urgent Capital Support (UCS) of £231,857.

The loan is repayable over 10 years with monthly repayments of £2,095 due to commence September 2022. The loan interest rate is 1.49%

The repayment schedule is as follows:

£25,140 2022 (2021: £nil)

£100,560 2023-2026 (2021: £nil)

£106,157 due after 5 years (2021: £nil)

Notes to the Financial Statements for the Year Ended 31 August 2022

16 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	166,191	5,883,192	(5,496,482)	(410,911)	-	141,990
Pupil Premium	17,999	149,833	(165,277)	-	-	2,555
Other DfE/ESFA Grants	1,183	223,522	(216,221)	-	-	8,484
Other restricted funds	24,663	69,672	(83,024)	-	-	11,311
Catch-up premium	43,667	-	(43,667)	-	-	-
Pension reserve	(1,559,000)	-	(382,000)	137,000	1,804,000	-
	(1,305,297)	6,326,219	(6,386,671)	(273,911)	1,804,000	164,340
Restricted fixed asset funds						
DfE Group capital grants	66,469	24,652	-	(297,375)	-	(206,254)
NBV of fixed assets	7,268,646	-	(307,733)	1,144,142	-	8,105,055
Donated Assets	6,125	11,400	(5,167)	-	-	12,358
CIF Funding	420,241	622,047	-	(572,856)	-	469,432
	7,761,481	658,099	(312,900)	273,911	-	8,380,591
Total restricted funds	6,456,184	6,984,318	(6,699,571)	-	1,804,000	8,544,931
Unrestricted funds						
Unrestricted funds	86,710	332,172	(290,400)	-	-	128,482
Total unrestricted funds	86,710	332,172	(290,400)	-	-	128,482
Total funds	6,542,894	7,316,490	(6,989,971)	-	1,804,000	8,673,413

Under the funding agreement with the Secretary of State, the academy trust is not subject to GAG carried forward limits.

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

Restricted general funds

The restricted general fund consists of recurrent grants, the use of which is restricted to educational purposes.

The General Annual Grant (GAG) represents the core funding for the educational activities of the academy trust via the ESFA. The GAG fund is used for the normal running costs of the academy trust during the year.

Pupil Premium shows the restricted funding (and its associated expenditure) received from the ESFA to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

Other DfE/ESFA Grants recognises funding received from the DfE/ESFA which falls outside the scope of core funding. This amount includes funding for Rates Relief, Teachers' pay grant, Teachers' pension employer contribution grant, Supplementary grant, Recovery Premium, additional funding for newly qualified teachers and vaccination funding.

Other restricted funds include restricted funding received from any other government bodies which falls outside the scope of core funding. This includes income received from Suffolk County Council for Special Educational Needs. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

Catch up premium funds brought forward from 2020/21 totalling £43,667 have been fully spent in 2021/22. All COVID exceptional funds were fully spent in 2020/21 with no further funds received in 2021/22.

Other restricted funds also include any restricted income/expenditure which falls outside the scope of the academy trust's core funding. This includes donations received in year.

Notes to the Financial Statements for the Year Ended 31 August 2022**16 Funds (continued)****Restricted fixed asset funds**

The government capital funds are provided by the government for specific capital projects.

DfE/ESFA Capital Grants shows funds which have been received from the DfE/ESFA for use on existing assets and acquisition of new assets. In year the trust received £24,652 of Devolved Formula Capital.

The academy trust has been successful with two further CIF bids. CIF award Project 3, is to repair and replace window walling totalling £323,166. CIF award Project 4, is phase two of the Fire Safety project totalling £298,881.

Donated asset totalling £11,400 were received in year.

NBV of Fixed Assets recognises the value of fixed assets held by the academy trust. Transfers are made into this category when an asset is purchased either from 'DfE/ESFA Capital Grants' or from the relevant fund. Depreciation of assets is reflected in the expenditure column.

Unrestricted funds

These funds relate to unrestricted income to be used to support the academy trust's objectives and educational activities.

Transfers in/(out)

Transfers of £273,911 have been made from GAG to the restricted fixed asset fund for assets purchased from GAG funds.

A transfer of £137,000 was made from GAG to the pension reserve in relation to the pension service costs for the year.

The academy trust is carrying a net surplus of £164,340 (excluding pension reserve) restricted general funds and a net surplus of £128,482 unrestricted funds.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	11,789	5,610,372	(5,169,712)	(286,258)	-	166,191
Pupil Premium	13,000	145,824	(140,825)	-	-	17,999
Other DfE/ESFA Grants	1,807	342,724	(343,348)	-	-	1,183
Other restricted funds	23,886	57,221	(47,827)	(8,617)	-	24,663
Catch-up premium	-	71,280	(27,613)	-	-	43,667
Other DfE/ESFA COVID-19 funding	-	69,767	(69,767)	-	-	-
Pension reserve	(1,107,000)	-	(272,000)	128,000	(308,000)	(1,559,000)
	(1,056,518)	6,297,188	(6,071,092)	(166,875)	(308,000)	(1,305,297)
Restricted fixed asset funds						
DfE Group capital grants	77,894	25,021	-	(36,446)	-	66,469
NBV of fixed assets	7,090,787	-	(255,238)	433,097	-	7,268,646
Donated Assets	1,458	6,000	(1,333)	-	-	6,125
CIF Funding	-	632,267	-	(212,026)	-	420,241
	7,170,139	663,288	(256,571)	184,625	-	7,761,481
Total restricted funds	6,113,621	6,960,476	(6,327,663)	17,750	(308,000)	6,456,184
Unrestricted funds						
Unrestricted funds	66,634	126,230	(88,404)	(17,750)	-	86,710
Total unrestricted funds	66,634	126,230	(88,404)	(17,750)	-	86,710
Total funds	6,180,255	7,086,706	(6,416,067)	-	(308,000)	6,542,894

Notes to the Financial Statements for the Year Ended 31 August 2022**17 Analysis of Net Assets between Funds**

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2022 £
Tangible Fixed assets	-	-	8,117,413	8,117,413
Current assets	134,349	711,311	735,745	1,581,405
Current liabilities	(5,867)	(546,971)	(219,981)	(772,819)
Non current liabilities	-	-	(252,586)	(252,586)
Total net assets	128,482	164,340	8,380,591	8,673,413

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2021 £
Tangible Fixed assets	-	-	7,274,771	7,274,771
Current assets	162,122	545,927	545,219	1,253,268
Current liabilities	(75,412)	(292,224)	(4,620)	(372,256)
Non current liabilities	-	-	(53,889)	(53,889)
Pension scheme liability	-	(1,559,000)	-	(1,559,000)
Total net assets	86,710	(1,305,297)	7,761,481	6,542,894

18 Capital Commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements		
CIF Project 1 - Urgent Works to Upgrade Fire Safety	57,991	391,455
CIF Project 2 - Urgent Distribution Pipework and Heat Emitter Replacement	-	130,025
CIF Project 3 - Urgent Window Replacement Works	101,792	-
CIF Project 4 - Fire Safety Phase 2	309,649	-
	469,432	521,480

19 Commitments under Operating Leases**Operating Leases**

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

	2022 £	2021 £
Amounts due within one year	55,122	56,238
Amounts due between one and five years	100,218	145,197
	155,340	201,435

Notes to the Financial Statements for the Year Ended 31 August 2022**20 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities**

	2022 £	2021 £
Net income for the year (as per the statement of financial activities)	326,519	670,639
Adjusted for:		
Depreciation (note 11)	312,900	256,571
Capital grants from DfE and other capital income	(646,699)	(657,288)
Interest receivable (note 4)	(237)	(87)
Fixed assets transferred from others (note 2)	(11,400)	(6,000)
Defined benefit pension scheme cost less contributions payable (note 26)	218,000	124,000
Defined benefit pension scheme finance cost (note 26)	27,000	20,000
(Increase)/decrease in stocks	(996)	4,165
(Increase)/decrease in debtors	(192,177)	(314,813)
Increase/(decrease) in creditors	371,721	(64,259)
Net cash provided by / (used in) Operating Activities	404,631	32,928

21 Cash Flows from Financing Activities

	2022 £	2021 £
Repayments of borrowing	(4,318)	-
Cash inflows from new borrowing	231,857	36,140
Net cash provided by financing activities	227,539	36,140

22 Cash Flows from Investing Activities

	2022 £	2021 £
Dividends, interest and rents from investments	237	87
Purchase of tangible fixed assets	(1,144,142)	(433,098)
Capital grants from DfE / ESFA	646,699	657,288
Net cash (used in) / provided by investing activities	(497,206)	224,277

23 Analysis of Cash and Cash Equivalents

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash in hand and at bank	597,759	134,964	732,723
Total cash and cash equivalents	597,759	134,964	732,723

Notes to the Financial Statements for the Year Ended 31 August 2022**24 Analysis of changes in net debt**

	At 1 September 2021	Cash flows	Other non-cash changes	At 31 August 2022
	£	£	£	£
Cash	597,759	134,964	-	732,723
Loans falling due within one year	(4,620)	4,318	(33,160)	(33,462)
Loans falling due after more than one year	(53,889)	(231,857)	33,160	(252,586)
Total	539,250	(92,575)	-	446,675

25 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.

26 Pension and Similar Obligations

The academy trust's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council and the National Employment Savings Trust (NEST). The Teachers' Pension Scheme England and Wales and the Local Government Pension Scheme are both multi-employer defined-benefit schemes and the National Employment Savings Trust is a defined contribution scheme.

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

Contributions amounting to £93,862 (2021: £94,882) were payable to the schemes at 31 August 2022 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 academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

Notes to the Financial Statements for the Year Ended 31 August 2022**26 Pension and Similar Obligations (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £711,089 (2021: £698,289).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £174,000 (2021: £171,268), of which employer's contributions totalled £137,000 (2021: £137,268) and employees' contributions totalled £37,000 (2021: £34,000). The agreed contribution rates for future years are 22.3% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £14,600	5.50%
£14,601 - £22,900	5.80%
£22,901 - £37,200	6.50%
£37,201 - £47,100	6.80%
£47,101 - £65,900	8.50%
£65,901 - £93,400	9.90%
£93,401 - £110,000	10.50%

Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS102 28.22.

The scheme is in surplus by £270k, however this surplus has not been recognised as an asset in these accounts in accordance with the academy trust's accounting policy, as the academy trust is unable to recover the surplus through reduced contributions in the future, or through refunds from the plan.

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

Principal Actuarial Assumptions

	At 31 August 2022 p.a.	At 31 August 2021 p.a.
Rate of increase in salaries	3.75%	3.60%
Rate of increase for pensions in payment/inflation	3.05%	2.90%
Discount rate for scheme liabilities	4.25%	1.65%
Inflation assumption (CPI)	3.05%	2.90%
Commutation of pensions to lump sums	25.00%	25.00%

Notes to the Financial Statements for the Year Ended 31 August 2022**26 Pension and Similar Obligations (continued)**

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.3	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26.1	26.4
Sensitivity analysis	At 31 August 2022	At 31 August 2021
Discount rate -0.1%	65,000	103,000
Mortality assumption - 1 year increase	117,000	185,000
Salary Increase Rate +0.1%	3,000	5,000
Pension Increase Rate +0.1%	62,000	97,000

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

	Fair value at 31 August 2022	Fair value at 31 August 2021
	£	£
Equities	2,171,240	2,030,160
Corporate bonds	702,460	769,000
Property	319,300	215,320
Cash and other liquid assets	-	61,520
Total market value of assets	3,193,000	3,076,000

The actual return on scheme assets was (£26,000) (2021: £434,000).

Amounts recognised in the statement of financial activities

	2022	2021
	£	£
Current service cost	(355,000)	(252,000)
Interest income	52,000	44,000
Interest cost	(79,000)	(64,000)
Total amount recognised in the SOFA	(382,000)	(272,000)

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

	2022	2021
	£	£
At 1 September	4,635,000	3,625,000
Current service cost	355,000	252,000
Interest cost	79,000	64,000
Employee contributions	37,000	34,000
Actuarial (gain)/loss	(2,152,000)	698,000
Benefits paid	(31,000)	(38,000)
At 31 August	2,923,000	4,635,000

Notes to the Financial Statements for the Year Ended 31 August 2022**26 Pension and Similar Obligations (continued)****Changes in the fair value of academy's share of scheme assets:**

	2022	2021
	£	£
At 1 September	3,076,000	2,518,000
Interest income	52,000	44,000
Actuarial (loss)/gain	(78,000)	390,000
Employer contributions	137,000	128,000
Employee contributions	37,000	34,000
Benefits paid	(31,000)	(38,000)
At 31 August	3,193,000	3,076,000

The National Employment Savings Trust is a defined contribution scheme and was provided by Thomas Mills High School for those staff transferred under TUPE regulations. These staff have now transferred to Thomas Mills employment contracts and the NEST contribution scheme is no longer offered.

The employer contribution rate was 3% and the employees' contribution rate was 4%. The total contribution made for the year ended 31 August 2022 was £nil (2021: £844) of which employer's contributions totalled £nil (2021: £355) and employees' contributions totalled £nil (2021: £488).

27 Related Party Transactions

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

No expenditure related party transactions took place in the period of account, other than certain trustees remuneration and expenses already disclosed in note 9.

Income Related Party Transactions

The Michael Sims Memorial Fund - John Hibberd and Phillip Hurst are trustees.

- The academy trust received donations totalling £4,034 (2021: £9,450) from the Michael Sims Memorial Fund. The amount was used for science equipment, general learning books, school awards and prizes.

Thomas Mills Prizes - Doug Stewart, Duncan Horrocks and Richard Hanley are trustees.

- The academy trust received donations totalling £nil (2021: £407) from Thomas Mills Prizes.

The Friends of Thomas Mills High School - Martin Churchill and Phillip Hurst are trustees.

- The academy trust received donations totalling £5,493 (2021: £10,991) from the Friends of Thomas Mills High School. The amount was used for the minibus lease.

Sarah Thorne (Trustee)

- The academy trust received donations totalling £600 (2021: £nil). The amount was used for school awards and prizes.

Charsfield Church of England Primary School – Steve Lovett (Trustee) is Chair of Governors.

- The academy trust received income totalling £140 (2021: £nil) for minibus hire.

Philip Hurst

- The academy trust received donations totalling £nil (2021: £375).

28 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. There was a balance brought forward from previous years of £22,476. In the accounting period ending 31 August 2022, the trust received £19,751 (2021: £16,460) and disbursed £15,500 (2021: £9,044) from the fund. An amount of £26,727 (2021: £22,476) is included in other creditors relating to undistributed funds that is repayable to ESFA.