

Company Registration Number: 07633402 (England & Wales)

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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SEVERN ACADEMIES EDUCATIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Hayes
Dr R Keal
W Taylor
R Williams

Trustees

C King, Chief Executive Officer
W Taylor, Chair of Trustees
M Guise
T Haywood
J Holmes
C McCarthy
J Williams (appointed 2 September 2022)
G Smith (appointed 4 May 2023)

Company registered number

07633402

Company name

Severn Academies Educational Trust

Principal and registered office

Severn Academies Educational Trust
Wyre Forest House
Finpoint Way
Kidderminster
Worcestershire
DY11 7WF

SEVERN ACADEMIES EDUCATIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Company secretary

A Walker

Chief Executive Officer

C King

Senior Leadership Team

C King, Chief Executive Officer

J Elwis, Educational Director Primary

S Carter, Chief Financial Officer (appointed 1 February 2023)

J Sheers, Deputy Chief Executive Officer and Educational Director Secondary

A Powell, Chief Operating Officer

A Mclean, Director of Safeguarding

M Carpenter, Educational Director Secondary

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank plc
1 Vicar Street
Kidderminster
Worcestershire
DY10 1DH

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

SEVERN ACADEMIES EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual Report together with the financial statements and Auditors' Report of the Charitable Company for the 1 September 2022 to 31 August 2023. The annual report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

At the financial year end, Severn Academies Educational Trust (the Trust) operated 2 High Schools and 6 Primary Schools in the Wyre Forest Area, Worcestershire. At the census date October 2022 the combined schools had 3118 pupils on roll between the ages of 4-18.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Severn Academies Educational Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Severn Academies Educational Trust.

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

b. 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.

c. Trustees' indemnities

During the year, an indemnity from the Trust was available to the Trustees against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Trust. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

The term of office for any Trustee (other than Co-opted Directors under Article 58) is four years although the time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Policies and procedures adopted for the induction and training of Trustees

The Academy continues to procure relevant training and development partners for all aspects of our organisation and work. Additional training is provided as required, based on individual or collective need. External advice and support is commissioned where necessary.

A governance development programme has been followed during 2022/23 which allows all Trustees and Local Governors access to training which enhances their contribution to Governance within the Trust. The programme is influenced by skills audits carried out annually which help focus CPD on areas of need. The trust works closely with the National Governors Association, Governors for Schools and other governance organisations.

All new members and directors follow the detailed induction programme listed in the Trust document 'Checklist for all Members & Trustees'.

f. Organisational structure

The structure of the Trust's leadership consists of the Board of Trustees and the CEO; who is also a Trustee, and Accounting Officer. Each school within the Trust has a Principal / Headteacher (or an Executive Leader supporting a Head of School) and Senior Leadership Team which also reports to its Local Governing Body. An aim of this leadership structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Multi Academy Trust nurtures the talents of its entire staff to support continual improvement, succession and excellence.

The Board of Trustees is responsible for setting the Trust's policies, adopting the Trust Strategic Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Trust including its curriculum, the achievement and welfare of students and staffing.

The CEO and SAET Central Team lead and manage the Trust, implementing the policies set by the Board of Trustees and reporting back to them.

The Board of Trustees has a Finance (Audit & Risk) Committee with its own terms of reference detailing the responsibilities discharged to the committee and to the CEO (The Accounting Officer). The terms of reference and meeting frequency for the committee is reviewed and approved by the Board of Trustees annually. The terms of reference for the Finance (Audit & Risk) Committee details the Academy's authorised spending limits. The Board of Trustees also has a Standards Committee, which meets to review the academic performance and progress of Trust schools. The committee structure has recently been revised to align with the Academy's strategic direction, to include designated committees for Finance, Audit and Risk, People and Culture. Each committee maintains its own terms of reference, which are approved by the Board of Trustees and committee reports are presented to the Board of Trustees at their meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees consider the senior leadership team; comprising of the key management personnel of the Trust, to be in charge of directing, controlling, running and operating the Trust on a day to day basis.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings but also takes into consideration performance and change in responsibilities.

Trade Union Facility Time

The Trust does not employ any trade union officials and therefore had no time or costs spent on union activities during the year.

h. Related parties and other connected charities and organisations

The Academy Trust works in partnership with other schools and other private sector organisations to further the aims of the Trust.

We work extremely closely and in collaboration with many partners across the West Midlands. The Trust was awarded SCITT status in 2014. This is a self-funding model with successful applicants achieving QTS and PGCE in one year. The SCITT offers both primary and secondary training places and has a 100% employment success rate since it started.

The staffing structure of the Trust is organised to reflect the aim of ensuring capacity to lead and manage the SCITT programme whilst ensuring the Trust can maintain outstanding outcomes and implement initiatives to improve student outcomes.

There are no related parties which either control or significantly influence the decisions and operations of Severn Academies Educational Trust and all transactions are undertaken at arm's length in the normal course of activities. There are no sponsors associated with the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings, both at school level and Trust level, and are kept informed on specific matters directly by management. The Trust facilitates staff voice through its school review process, which helps inform business objectives and practice. Staff forum groups and surveys are carried out in schools, with feedback and subsequent actions taken shared with employees. People focussed policies and procedures have secured awareness of the value employees hold in organisation performance.

The Academy Trust continues to adopt a number of detailed employment related policies including:

- Professional Learning and Development Policy
- Flexible Working Policy
- Equality Policy
- Health & Safety policy

In accordance with the Academy Trust's equality policy, the Academy Trust has long-established fair employment practices in recruitment, selection, retention and professional development opportunities for any employee with a disability.

j. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

The overriding principle to the Trust's business relationships with suppliers, customers and others is the principle of Best Value.

The internal Finance Policy of the Trust details the procedures followed for purchases at various levels of cost and the tender processes followed to ensure fairness and clarity.

Customers have access to facilities and services in return for a fair price and prompt payment.

k. Trade Union Facility Time

The Trust employs no trade union officials and therefore had no time or costs spent on union activities during the year.

SEVERN ACADEMIES EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

The object of Severn Academies Educational Trust is set out in the Company's Articles of Association.

The Board of Trustees continues to set the aims of the Academy Trust through the Strategic Plan. These aims are monitored closely by the way of reports to Trustees and Local Governors.

The aims and objectives for the Academy are derived from the following key principles:

- Education
- People
- Governance
- Sustainability
- Growth

b. Objectives, strategies and activities

The Trust continued to make strong progress against its strategic plans during 2022/23:

- Wolverley Sebright Primary we're inspected by Ofsted in November 2022 and continue to be a good school
- St Bartholomew's CofE VC Primary received a good Ofsted judgement in February 2023
- Stourport SCITT were successful in achieving reaccréditation
- Stourport SCITT received a good Ofsted judgement in February 2023
- Baxter College was named Secondary School of the Year in the Worcestershire Education Awards in April 2023
- Baxter College has also been identified as a priority in the DfE Schools Rebuilding Programme for refurbishment/rebuilding of the Sports Hall and Baxter 2 building
- The Trust was successful in securing funding through the Public Sector Energy Efficiency Programme to install energy efficient LED lighting across all schools
- The Trust has developed a Learning Institute as part of its growth of its staff and community development offer
- Trust schools have been successful in several community funding bids through PTA support
- We have worked with partner organisations such as Whole Education, Forum Strategy and East Learning to support specific projects within our strategic plan
- To develop its provision further, the Trust has also submitted bids for an autism free school and AP provision (awaiting outcome)

c. Public benefit

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

Our primary schools and high schools returned to external assessments and exams after two years of internal teacher assessments and centre assessed grades. Despite continued disruption in the early part of the academic year, all staff worked extremely hard to ensure that pupils who were at key points in their educational journeys weren't disadvantaged. The trust is proud of the work undertaken in schools to support our children and young people.

All Trust schools engaged fully with the National Tutoring Programme to support pupils who had fallen behind. The Trust has also focussed on supporting pupils in their return to full time, face to face education and good attendance has been a key element of work in our schools. Trust pupil attendance data remained above national benchmarks for the academic year.

The Trust has made significant capital improvements throughout the year, securing improvements to the learning environment across schools. Classroom refurbishments across schools continue to take place on a rolling programme, systematically improving the experiences our children have at school. The Stourport High School and Vlth Form Centre has had a complete refurbishment of their Food and Nutrition classrooms; Far Forest driveway has been resurfaced to improve access and various external playground improvements have been carried out across schools. In line with our strategic goals for sustainability, all schools have had energy efficient LED lighting installed and we are piloting an infrared heating system at Far Forest.

Digital transformation across our schools is well underway, with all students in years 7 & 8 having access to a chromebook which is a vital component to delivering innovative teaching and learning.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Trust is committed to continual improvement which is achieved in a number of ways including improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning.

The Trust is committed to observing the importance of performance indicators to ensure that it continues to strive for both educational and financial excellence.

The key performance indicators that the Trust observes and measures itself against include the following:-

- OFSTED Reports
- The quality of education
- Students behaviour and attitudes
- The personal development and wellbeing of students
- Leadership and management
- Financial performance against budget overall and by school
- Internal assurance
- Benchmarking against similar institutions

The Trust is also monitored through the completion of and submission to the ESFA:

- The Annual Accounts Return
- The submission of the Annual Budget Forecast Return
- The submission of the In Year Budget Forecast Return

b. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The well-being and education of pupils is at the centre of all decision making within the Trust at all levels of the organisation. Post COVID recovery continues to be a priority in supporting children and young people back into school routines.

Trust policies are established and embedded within day to day operations within the Trust to ensure continued high standards of education, staff and business conduct.

Staff well-being and retention is important to the continued success of the Trust and opportunities for reducing workload through policy, systems and processes are a key focus.

The education sector is a fast changing environment and 2022/23 saw continued challenge and change. The Trust was flexible and responsive to help support children and families navigate increased social pressures.

Financial review

RESTRICTED GENERAL FUND

Most of the Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. General Restricted Fund income for the year was £21,707,182; expenditure against the fund was £22,271,553, ending the year in a restricted general fund cumulative carry forward deficit of £662,323 after transfers and actuarial gains.

UNRESTRICTED FUNDS

Income received into the Unrestricted Fund was £829,344. Expenditure against the fund was £563,767 for the year giving an Unrestricted Fund surplus after transfers of £265,577 for the year increasing the carry forward to a surplus of £257,596.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

RESTRICTED FIXED ASSET (CAPITAL FUND)

The Academy Trust also receives grants for fixed assets from the DfE and Local Government which 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

Income received into the fund totalled £2,820,234. The SOFA details a year end surplus in Restricted Fixed Asset funds after depreciation and transfers of £5,040,024. This is detailed in Note 18 to the accounts.

SUMMARY OF FINANCIAL PERFORMANCE

Total fund balance as at 31st August 2023 was £70,287,290 comprised of £257,596, £(662,323) and £70,692,017 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively. The Restricted General Fund comprises of restricted funds totalling £599,677 and the Restricted Pension Reserves deficit of £1,197,000.

During 2022/23 the trust focused on maximising student outcomes and student well-being. The trust benefitted from Recovery Premium Funding, School Led Tutoring and other grants to assist students and families requiring support.

BALANCE SHEET

At 31 August 2023 the net book value of fixed assets was £66,422,760 and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were predominantly used for providing education and the associated support services to the pupils of the Academy.

Cash in hand at 31st August 2023 was £7,143,419

a. Reserves policy

The Academy's free reserves as at 31st August 2023 were £792,273 before taking into account the deficit of the LGPS. During the year, the Trustees regularly reviewed the reserve levels of the Trust and senior management were diligent in their approach to financial management to ensure the financial plan could be adhered to despite the added pressures faced by schools as a result of the COVID pandemic.

The Reserves Policy for the Trust requires a minimum cumulative surplus to carry forward of between 3% and 5% of General Annual Grant for the Trust. The Reserves Policy of Severn Academies Educational Trust will be adapted as the Trust grows to facilitate further growth and development. The review will cover the nature and timing of the income and expenditure streams to provide sufficient working capital to cover delays between spending and receipt of grants and to provide cash to deal with unexpected emergencies and support the growth of the Trust.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

b. Investment policy

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return, the Academy policy is geared towards avoiding risk rather than to maximise return. The Academies current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest with instant access.

c. Principal risks and uncertainties

The Board of Trustees has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and IT / cybersecurity.

The Board of Trustees has implemented a number of systems to assess and reduce risks that the schools face, especially in operational areas in relation to teaching, health and safety, behaviour management and in relation to the control of finances. It has introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

The Trust has secured third party expertise for compliance programmes for asbestos, fire and legionella with investment in remedial works where required and plans for building investment include safety improvements, based on recent condition survey data. Adequate insurance has been arranged where significant financial risk remains. The Trust has an effective system of internal financial control as explained in the Statement on Internal Control.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

During the financial year 2022/23, the Trust ran the following initiatives to raise additional funds and build connections with the wider business community:

- Continued development of the sporting partnerships for specialist Rugby and Basketball education and coaching
- Development of corporate and community links to generate income including value-in-kind support and staff expertise
- The Trust has continued to explore ways of securing additional grant monies to help support the work of our schools and the wider school community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

This methodology follows the GHG Reporting Protocol and uses the 2022 Government emission conversion factors for greenhouse gas company reporting.

	2023	2022
Energy consumption used to calculate emissions (kWh)	4,356,751	4,827,857
Scope 1 emissions (in metric tonnes of CO2 equivalent):		
Gas consumption	527	633
Kerosene consumption	22	25
Owned transport - mini-buses	3	3
Total Scope 1	552.000	661.000
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	262.000	266.191
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned vehicles	3.620	1.320
Total gross emissions (in tonnes of CO2 equivalent):	817.620	928.511
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.254	0.309

The Academy Trust has followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2022 UK Government's Conversion Factors for Company Reporting.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Measures taken to improve energy efficiency

SAET supports the "Eco Schools" framework, aiming for all schools to complete this initiative.

Work has been undertaken to interrogate energy usage across SAET schools, considering core and out of hours consumption as well as identifying energy saving measures. Soaring energy prices has been used as a catalyst for change, sharpening the focus of the occupants in school buildings. Measures being applied include:

- resetting all controls
- introduce new controls where appropriate
- promote turning lights off when not required and encouraging the use of daylight
- ensure all end user IT equipment is switched off overnight and holiday periods
- carrying out an out of hours equipment survey
- engage staff and pupils in an energy saving campaign

It is estimated that the above measures will reduce consumption by at least 20%. In addition, some catering equipment has been replaced:

- Baxter College: old refrigeration units replaced with new, more efficient models, in the catering kitchens
- Wolverley Sebright Primary Academy: a new hot water heater and cold tap replacements implemented in the catering area.

We continue to invest in the use of technology for remote meetings and online training sessions, reducing the need for transportation to / from venues and therefore reducing carbon emissions.

Plans for future periods

Severn Academies Educational Trust strives to continually improve achievement for all students within the Trust, promoting and securing exceptional behaviour and attendance from students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether into further education and higher education or employment.

The Trust believes that developing the whole child is critical to improving achievement and in developing broad skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. The curriculum, quality of teaching and learning are consistently reviewed to help ensure all children and young people receive the right provision at the right time, developing the right skills and qualifications to make successful next steps. The Trust Pledge ensures students develop to be well rounded individuals through a coordinated programme of experiences, activities and challenges, both in and outside of the classroom.

The Trust is working towards its next phase of growth, developing meaningful partnerships and further opportunities for collaboration.

Funds held as custodian on behalf of others

Severn Academies Educational Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received 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. In some instances the Trust can use a percentage 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 are disclosed in Note 31.

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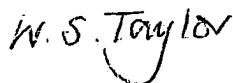
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Disclosure of information to auditor

In so far as the Directors are aware:

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

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



W Taylor
Chair of Trustees
Date: 19.12.2023

SEVERN ACADEMIES EDUCATIONAL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Trustees has delegated the day-to-day responsibility to the CEO (and 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 Severn Academies Educational Trust and the Secretary of State for Education. The Chief Executive Officer is 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 of Severn Academies Educational Trust has formally met 6 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
M Guise	6	6
T Haywood	6	6
J Holmes	6	6
C McCarthy	4	6
G Smith (appointed 4 May 2023)	0	1
W Taylor, Chair of Trustees	6	6
J Williams (appointed 1 September 2022)	5	6
C King, Chief Executive Officer	6	6

Governance at all levels undergoes a cycle of evaluation and development to ensure it is effective. During 2022/23 following annual skills audits and 360 reviews of the Chairs, all governors within the Trust were encouraged to access training from National Governors Association, Governors for Schools and various Trust delivered opportunities. These sessions are available face to face and virtually. The Trust also commissioned a review of Governance Support in 2022/23.

The ongoing use of Governor Hub has enabled governance to continue effectively throughout the year as it ensures good lines of communication between the Trust, governors and schools. Attendance levels for training events have increased during this period, as we have now moved to more bespoke opportunities for governors and boards. Governor Hub also provides security of documentation, therefore mitigating potential GDPR breaches.

The Finance (Audit & Risk) Committee is a Committee of the main governing board of Severn Academies Educational Trust. Its purpose is to maintain a continuing review of the financial affairs of the Trust. Using monthly management accounts and operational updates, it is the Committee's duty to make appropriate recommendations to the board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The responsibilities of the Finance (Audit & Risk) Committee include: reviewing and providing a recommendation to the board of Directors for the annual budget and the business plan proposed by the Accounting Officer, the monitoring of staff structures and the curriculum costs and to oversee the health and safety and premises development plans.

The committee structure was revised in June 2023 to align with the Academy's strategic direction, to include designated committees for Finance, Audit and Risk, People and Culture. Each committee maintains its own terms of reference, which are approved by the Board of Trustees and committee reports are presented to the Board of Trustees at their meetings.

Attendance at Audit & Risk Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
T Haywood	5	6
M Guise	1	1
C McCarthy	4	6
W Taylor	5	5
C King	6	6

*The committee structure changed in June 2023 to include a separate Finance Committee and Audit & Risk Committee.

M Guise joined Audit & Risk in June 2023.

Review of value for money

As Accounting Officer the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources, ensuring these resources are used properly and with probity. The Accounting Officer understands that value for money refers to both the educational and wider societal outcomes achieved as well as estates safety and management, in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or using a framework where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Deploying staff effectively.
- Recruitment of SCITT trainees to vacant teaching posts upon successful completion of training.
- Development and growth of Severn Academies Educational Trust to achieve future economies of scale.
- Management of resources to ensure the continuation of service despite added cost pressures to ensure financial performance remained within budgeted levels of the 3 year plan.
- Ensuring robust compliance programmes are in place and that plans for building investment include safety improvements and investment in remedial works, where required.
- Improvements to school premises to provide enhanced learning facilities for students.
- Ensuring 'good' inspection outcomes across the Trust.

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GOVERNANCE STATEMENT (CONTINUED)

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 ongoing 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 Severn Academies Educational Trust for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements for the Severn Academies Educational Trust.

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly 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 (Audit & Risk) Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing guidelines.
- identification and management of risks.

During the course of 2022/23, a Responsible Officer (Gallagher Cyber Risk Management) has been appointed to the Trust and a programme of internal audit to further training and ensure the technical requirements of the Trust's network and infrastructure meet the digital and technology standards for schools, as agreed by the board of Trustees through the Finance (Audit & Risk) Committee.

The Internal Auditor's role includes giving advice on technical vulnerabilities and other matters and performing a range of checks on the Trust's network and infrastructure systems. In particular, the checks carried out in the current period by Gallagher Cyber Risk Management were focused on cyber vulnerabilities.

This work has been supported by external reviews of the Trust Governance Support arrangements.

Internal audit work was carried out in the period as planned and no material control issues were identified. School improvement work continues as planned and continues to be closely monitored via internal risk management processes and external partners as required.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Management of conflicts of interest

The Trust is committed to ensuring that all Employees, Members, Trustees and Governors understand what constitutes a conflict of interest, and their responsibility to identify and declare any conflicts that might arise; and that the conflict and the actions taken are recorded to ensure that the conflict does not affect decision-making at any level within the governance of the Trust.

The Trust has a Conflicts of Interest Policy and a mechanism for monitoring.

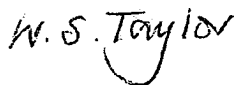
Review of effectiveness

As Accounting Officer, the CEO 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 auditor and peer review;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance (Audit & Risk) committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



W Taylor
Chair of Trustees
Date: 19.12.2023



Mr C King
Accounting Officer

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Severn Academies Educational Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

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

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



Mr C King
Accounting Officer
Date: 19.12.2023

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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 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:

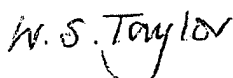
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 order of the members of the Board of Trustees and signed on its behalf by:



W Taylor
Chair of Trustees
Date: 19.12.2023

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Severn Academies Educational Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the 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.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST (CONTINUED)**

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the 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 Academy Trust's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Matt Doyle-Healey (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20 December 2023

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SEVERN
ACADEMIES EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Severn Academies Educational Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Severn Academies Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Severn Academies Educational 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 Severn Academies Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Severn Academies Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Severn Academies Educational Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations 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.

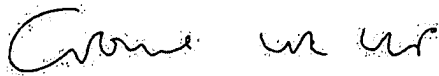
The work undertaken to draw to our conclusion includes a review of the design and implementation of the trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Trust and specific transactions identified from our review.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SEVERN
ACADEMIES EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20 December 2023

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	3					
Transfer on conversion		49,349	65,000	1,974,488	2,088,837	-
Other donations and capital grants		46,795	-	845,746	892,541	686,501
Other trading activities	5	341,533	488,173	-	829,706	806,426
Investments		649	-	-	649	377
Charitable activities		391,018	20,955,134	-	21,346,152	19,130,998
SCITT and Training Centre		-	198,875	-	198,875	233,932
Total income		829,344	21,707,182	2,820,234	25,356,760	20,858,234
Expenditure on:						
Raising funds		157,014	446,808	-	603,822	507,605
Charitable activities	7	406,753	21,595,411	(2,382,087)	19,620,077	21,608,736
SCITT and Training Centre		-	229,334	-	229,334	205,037
Total expenditure		563,767	22,271,553	(2,382,087)	20,453,233	22,321,378
Net income/(expenditure)		265,577	(564,371)	5,202,321	4,903,527	(1,463,144)
Transfers between funds	18	-	162,297	(162,297)	-	-
Net movement in funds before other recognised gains/(losses)		265,577	(402,074)	5,040,024	4,903,527	(1,463,144)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	27	-	2,023,000	-	2,023,000	9,750,000
Net movement in funds		265,577	1,620,926	5,040,024	6,926,527	8,286,856

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:						
Total funds brought forward		(7,981)	(2,283,249)	65,651,993	63,360,763	55,073,907
Net movement in funds		265,577	1,620,926	5,040,024	6,926,527	8,286,856
Total funds carried forward		257,596	(662,323)	70,692,017	70,287,290	63,360,763

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

The notes on pages 33 to 68 form part of these financial statements.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07633402

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	66,422,760	65,167,460
Current assets			
Stocks		9,198	9,231
Debtors	15	491,930	718,520
Cash at bank and in hand		7,143,419	3,099,953
		<u>7,644,547</u>	<u>3,827,704</u>
Creditors: amounts falling due within one year	16	(2,496,074)	(2,368,376)
Net current assets		<u>5,148,473</u>	<u>1,459,328</u>
Total assets less current liabilities		<u>71,571,233</u>	<u>66,626,788</u>
Creditors: amounts falling due after more than one year	17	(21,943)	(34,025)
Net assets excluding pension liability		<u>71,549,290</u>	<u>66,592,763</u>
Defined benefit pension scheme liability	27	(1,262,000)	(3,232,000)
Total net assets		<u><u>70,287,290</u></u>	<u><u>63,360,763</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	70,692,017	65,651,993
Restricted income funds	18	599,677	948,751
		<u>71,291,694</u>	<u>66,600,744</u>
Restricted funds excluding pension asset	18	71,291,694	66,600,744
Pension reserve	18	(1,262,000)	(3,232,000)
Total restricted funds	18	<u>70,029,694</u>	<u>63,368,744</u>
Unrestricted income funds	18	<u>257,596</u>	<u>(7,981)</u>
Total funds		<u><u>70,287,290</u></u>	<u><u>63,360,763</u></u>

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07633402

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 28 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

W. S. Taylor

W Taylor
Trustee
Date: 19.12.2023

The notes on pages 33 to 68 form part of these financial statements.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(15,969)	674,114
Cash flows from investing activities	22	4,069,296	(54,392)
Cash flows from financing activities	21	(9,861)	(17,499)
Change in cash and cash equivalents in the year		4,043,466	602,223
Cash and cash equivalents at the beginning of the year		3,099,953	2,497,730
Cash and cash equivalents at the end of the year	23, 24	<u>7,143,419</u>	<u>3,099,953</u>

The notes on pages 33 to 68 form part of these financial statements

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements represent the financial results and financial position of Severn Academies Educational Trust ("the Trust") which comprised of the following member academies at the 31 August 2023:

The Stourport High School and Sixth Form College
Stourport Primary Academy
Baxter College
St Bartholomew's CofE VC Primary School
Hartlebury CofE Primary School
Wilden All Saints CofE Primary School
Wolverley Sebright Primary Academy
Far Forest Lea Memorial CE Primary School

1.2 Company Status

The Academy Trust is a company limited by guarantee. The Academy is incorporated in England & Wales, registered number 07633402. The registered office is Severn Academies Educational Trust, Wyre Forest House, Finepoint Way, Kidderminster, Worcestershire, DY11 7WF. The members of the company are named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 member of the Academy Trust.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue 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.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.5 Expenditure

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

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

1. Accounting policies (continued)

1.5 Expenditure (continued)

- **Charitable activities**

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

1.6 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.

1.7 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.

For assets transferred on conversion, where a professional valuation for land and buildings transferred into the Trust is not readily available, the Trust has determined a reasonable estimate of the current value using Insurance valuations and other information available from other schools within the Trust.

Assets transferred on business combinations are valued at fair value at the date of transfer.

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- over 10-50 years
L/Term Leasehold property	- over the term of the lease
Computer equipment	- over 3 years
Fixtures and fittings	- over 2-10 years
Motor vehicles	- over 10 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.

1.8 Cash at bank and in hand

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

1.9 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.

1.10 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

1. Accounting policies (continued)

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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 instruments.

1.12 Operating leases

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

1. Accounting policies (continued)

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received 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. In some instances, the trust can use a % 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 31.

1.15 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.

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

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

2. 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 risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Where an academy trust occupies premises on a long lease, in order to determine an appropriate fair value for the asset on acquisition an estimate is made using insurance values and other Local Authority school values on a £/sqm basis together with other factors such as condition of the building. The trust believes this method provides a reasonable and reliable estimate of the current value.

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

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	46,795	-	-	46,795
Capital Grants	-	-	845,746	845,746
Transfer on conversion (Note 25)	49,349	65,000	1,974,488	2,088,837
	<u>96,144</u>	<u>65,000</u>	<u>2,820,234</u>	<u>2,981,378</u>

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	9,805	-	9,805
Capital Grants	-	676,696	676,696
	<u>9,805</u>	<u>676,696</u>	<u>686,501</u>

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

4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants			
General Annual Grant	-	17,129,293	17,129,293
Other DfE/ESFA grants			
Pupil Premium	-	993,081	993,081
Schools Supplementary Grant	-	487,147	487,147
Other Grants	-	1,343,157	1,343,157
	-	19,952,678	19,952,678
Other Government grants			
Local Authority Grants	-	446,284	446,284
Special Educational Projects	-	523,479	523,479
	-	969,763	969,763
Other income from the Academy Trust's educational operations	391,018	32,693	423,711
	391,018	20,955,134	21,346,152

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the Academy Trust's charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
DfE/ESFA grants			
General Annual Grant	-	16,172,269	16,172,269
Other DfE/ESFA grants			
Pupil Premium	-	930,349	930,349
Other Grants	-	559,310	559,310
	-	17,661,928	17,661,928
Other Government grants			
Local Authority Grants	-	107,373	107,373
Special Educational Projects	-	485,831	485,831
	-	593,204	593,204
Other income from the Academy Trust's educational operations	279,390	88,420	367,810
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	508,056	508,056
	-	508,056	508,056
	279,390	18,851,608	19,130,998

5. Income from other trading activities

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Hire of facilities	117,119	-	117,119
Other income	122,934	-	122,934
Sale of goods and services	66,077	-	66,077
Nursery income	35,403	488,173	523,576
	341,533	488,173	829,706

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

5. Income from other trading activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	119,559	-	119,559
Other income	114,897	-	114,897
Sale of goods and services	27,578	-	27,578
Nursery income	38,947	505,445	544,392
	<u>300,981</u>	<u>505,445</u>	<u>806,426</u>

6. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Expenditure on fundraising trading activities:				
Support costs	584,013	981	18,828	603,822
Funding for educational operations				
Direct costs	13,351,277	1,069,364	1,512,519	15,933,160
Support costs	4,446,136	1,125,409	(1,884,628)	3,686,917
SCITT and Training centre	-	-	229,334	229,334
	<u>18,381,426</u>	<u>2,195,754</u>	<u>(123,947)</u>	<u>20,453,233</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Expenditure (continued)

	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Expenditure on fundraising trading activities:				
Support costs	486,605	-	21,000	507,605
Funding for educational operations				
Direct costs	11,961,898	1,128,977	1,202,488	14,293,363
Support costs	4,841,525	1,433,438	1,040,410	7,315,373
SCITT and Training centre	-	-	205,037	205,037
	<u>17,290,028</u>	<u>2,562,415</u>	<u>2,468,935</u>	<u>22,321,378</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Funding for educational operations	<u>406,753</u>	<u>19,213,324</u>	<u>19,620,077</u>
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Funding for educational operations	<u>343,925</u>	<u>21,264,811</u>	<u>21,608,736</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Funding for educational operations	15,933,160	3,686,917	19,620,077

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Funding for educational operations	14,293,363	7,315,373	21,608,736

Analysis of support costs

	Funding for educational operations 2023 £	Total funds 2023 £
Staff costs	4,446,136	4,446,136
Technology costs	115,861	115,861
Other costs	(2,262,003)	(2,262,003)
Premises expenses	1,125,409	1,125,409
Legal and professional	261,514	261,514
	3,686,917	3,686,917

Included within other costs is a profit on disposal of land of £3,454,957.

Included within legal and professional costs are governance costs that include any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs amounted to £36,276 (2022: £28,602) and include costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding for educational operations 2022</i> £	<i>Total funds 2022</i> £
Staff costs	4,747,759	4,747,759
Technology costs	163,765	163,765
Legal and professional costs	47,221	47,221
Premises costs	1,433,438	1,433,438
Other costs	359,144	359,144
Other support costs	564,046	564,046
	<u>7,315,373</u>	<u>7,315,373</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	109,604	113,695
Depreciation of tangible fixed assets	1,072,870	1,111,184
Gain on disposal of fixed assets (Note 14)	(3,454,957)	-
Fees paid to auditor for:		
- audit	26,410	24,200
- other services	2,925	2,500
	<u>26,410</u>	<u>24,200</u>
	<u>2,925</u>	<u>2,500</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	13,556,043	12,188,541
Social security costs	1,398,824	1,251,704
Pension costs	3,174,371	3,705,256
	<u>18,129,238</u>	<u>17,145,501</u>
Agency staff costs	117,309	96,157
Staff restructuring costs	134,879	48,370
	<u><u>18,381,426</u></u>	<u><u>17,290,028</u></u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	55,066	21,590
Severance payments	79,813	26,780
	<u><u>134,879</u></u>	<u><u>48,370</u></u>

b. Severance payments

The Academy Trust paid 3 severance payments in the year (2022 - 2), disclosed in the following bands:

	2023	2022
£0 - £25,000	1	1
£25,001 - £50,000	2	1
	<u><u>3</u></u>	<u><u>2</u></u>

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

10. Staff (continued)

c. Staff numbers

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

	2023 No.	2022 No.
Teachers	181	183
Admin and support	254	228
Management	34	32
	<u>469</u>	<u>443</u>

d. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	10	6
In the band £70,001 - £80,000	6	6
In the band £80,001 - £90,000	4	1
In the band £90,001 - £100,000	1	2
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	1	-
In the band £160,001 - £170,000	-	1
In the band £170,001 - £180,000	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 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £948,091 (2022 - £898,048).

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

11. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Management services
- Legal services
- Education support services
- Maintenance and admin support services
- Payroll services
- Financial services

The Academy Trust charges for these services on the following basis:

The Trust charges for these services on a percentage basis applied to the income received by each constituent academy. Any surplus generated is held as a contingency reserve for use in future periods.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
The Stourport High School and Sixth Form College	529,144	499,128
Stourport Primary Academy	119,694	117,936
Baxter College	384,145	373,500
St Bartholomew's CofE VC Primary School	100,569	98,052
Hartlebury CofE Primary School	72,346	70,980
Wilden All Saints CofE Primary Academy	76,793	75,192
Wolverley Sebright VA Primary School	75,217	63,768
Far Forest	46,066	-
Total	1,403,974	1,298,556

12. Trustees' remuneration and expenses

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

	2023 £	2022 £
C King, Chief Executive Officer		
Remuneration	170,000 - 175,000	160,000 - 165,000
Pension contributions paid	40,000 - 45,000	35,000 - 40,000

During the year ended 31 August 2023, Trustee expenses incurred totalled £1,374 (2022 - £944).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of 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 membership.

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles & Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2022	42,659,079	27,845,606	670,250	838,591	39,341	72,052,867
Additions	-	-	520,548	230,937	408,533	1,160,018
Acquired on conversion	1,930,000	33,500	-	-	-	1,963,500
Disposals	(795,349)	-	-	-	-	(795,349)
Transfers between classes	-	-	39,341	-	(39,341)	-
At 31 August 2023	43,793,730	27,879,106	1,230,139	1,069,528	408,533	74,381,036
Depreciation						
At 1 September 2022	4,486,121	1,196,598	645,383	557,305	-	6,885,407
Charge for the year	652,191	181,292	94,696	144,690	-	1,072,869
At 31 August 2023	5,138,312	1,377,890	740,079	701,995	-	7,958,276
Net book value						
At 31 August 2023	38,655,418	26,501,216	490,060	367,533	408,533	66,422,760
At 31 August 2022	38,172,958	26,649,008	24,867	281,286	39,341	65,167,460

Freehold land

Included in freehold property is freehold land amounting to £11,735,200 (2022: £11,735,200) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets (continued)

Leasehold title

Long leasehold property includes property that has been gifted to the trust on 125 year leases upon conversion of constituent schools to the trust. The legal owners of the leasehold properties being Worcestershire County Council.

15. Debtors

	2023 £	2022 £
Trade debtors	22,761	97,642
VAT repayable	128,920	197,702
Prepayments and accrued income	340,249	423,176
	<u>491,930</u>	<u>718,520</u>

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	9,860	7,639
Trade creditors	1,365,005	628,313
Other taxation and social security	326,560	313,488
Other creditors	411,453	511,796
Accruals and deferred income	383,196	907,140
	<u>2,496,074</u>	<u>2,368,376</u>

	2023 £	2022 £
Deferred income at 1 September 2022	262,377	152,224
Resources deferred during the year	286,751	262,377
Amounts released from previous periods	(262,377)	(152,224)
	<u>286,751</u>	<u>262,377</u>

At 31 August 2023, the Academy Trust was in receipt of ESFA revenue and trip income which relate to the 2023/24 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Other loans	21,943	34,025

During 2017, Stourport High School received a £35,550 Salix loan from the ESFA as part of funding for capital works. The loan is at 0% interest and will be repaid over an 8 year period in £2,222 instalments every 6 months from 1 March 2019.

During 2018, Baxter College received a £43,333 Salix loan from the ESFA as part of funding for capital works. The loan is at 0% interest and will be repaid over an 8 year period in £2,708 instalments every 6 months from 1 September 2018.

Both loans are considered concessionary loans under FRS102.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	(136,932)	829,344	(563,767)	-	-	128,645
Training Centre	128,951	-	-	-	-	128,951
	<u>(7,981)</u>	<u>829,344</u>	<u>(563,767)</u>	<u>-</u>	<u>-</u>	<u>257,596</u>
Restricted general funds						
General Annual Grant (GAG)	948,751	17,129,293	(17,640,664)	162,297	-	599,677
Other DfE/ESFA Grants	-	1,343,157	(1,343,157)	-	-	-
SCITT	-	229,334	(229,334)	-	-	-
Local Authority Grants	-	448,518	(448,518)	-	-	-
Pupil premium	-	993,081	(993,081)	-	-	-
Teacher Threshold	-	487,147	(487,147)	-	-	-
Special educational projects	-	523,479	(523,479)	-	-	-
Nursery income	-	488,173	(488,173)	-	-	-
Pension reserve	(3,232,000)	65,000	(118,000)	-	2,023,000	(1,262,000)
	<u>(2,283,249)</u>	<u>21,707,182</u>	<u>(22,271,553)</u>	<u>162,297</u>	<u>2,023,000</u>	<u>(662,323)</u>

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds	65,167,460	1,898,752	(481,150)	(162,297)	-	66,422,765
Devolved formula capital	31,820	255,064	(184,407)	-	-	102,477
Schools condition allowance	430,058	601,670	(728,281)	-	-	303,447
SHS land sale	-	-	3,839,407	-	-	3,839,407
Other capital funding	22,655	64,748	(63,482)	-	-	23,921
	<u>65,651,993</u>	<u>2,820,234</u>	<u>2,382,087</u>	<u>(162,297)</u>	<u>-</u>	<u>70,692,017</u>
Total Restricted funds	<u>63,368,744</u>	<u>24,527,416</u>	<u>(19,889,466)</u>	<u>-</u>	<u>2,023,000</u>	<u>70,029,694</u>
Total funds	<u>63,360,763</u>	<u>25,356,760</u>	<u>(20,453,233)</u>	<u>-</u>	<u>2,023,000</u>	<u>70,287,290</u>

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

The General Annual Grant and Other grants relate to government funding for the provision of education by the Academy.

SCITT grant funding relates to the provision of teacher training through a DfE funded programme to improve and encourage quality teachers to join the profession.

Transfers between the restricted fund and the restricted fixed asset fund relate to assets purchased out of the General Annual Grant and capital funding where the related cost has been expensed.

Transfers between the general fund and the restricted fund relate to expenditure on educational operations in excess of funding received.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds - all funds	(325,596)	590,553	(401,889)	-	-	(136,932)
Training Centre	117,507	30,682	(19,238)	-	-	128,951
	<u>(208,089)</u>	<u>621,235</u>	<u>(421,127)</u>	<u>-</u>	<u>-</u>	<u>(7,981)</u>
Restricted general funds						
General Annual Grant (GAG)	608,985	16,172,269	(16,389,162)	556,659	-	948,751
Other DfE/ESFA Grants	-	488,690	(488,690)	-	-	-
SCITT	-	203,250	(203,250)	-	-	-
Local Authority Grants	-	612,818	(612,818)	-	-	-
Pupil premium	-	930,349	(930,349)	-	-	-
Teacher Threshold	-	70,620	(70,620)	-	-	-
Other income	-	88,420	(88,420)	-	-	-
Special educational projects	-	485,831	(485,831)	-	-	-
Nursery income	42,078	-	(42,078)	-	-	-
Other DfE/ESFA COVID-19 funding	-	508,056	(508,056)	-	-	-
Pension reserve	(12,030,000)	-	(952,000)	-	9,750,000	(3,232,000)
	<u>(11,378,937)</u>	<u>19,560,303</u>	<u>(20,771,274)</u>	<u>556,659</u>	<u>9,750,000</u>	<u>(2,283,249)</u>

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18. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	65,564,972	-	(1,128,977)	731,465	-	65,167,460
Devolved formula capital	47,868	74,454	-	(90,502)	-	31,820
Schools condition allowance	1,025,438	602,242	-	(1,197,622)	-	430,058
Other capital funding	22,655	-	-	-	-	22,655
	<u>66,660,933</u>	<u>676,696</u>	<u>(1,128,977)</u>	<u>(556,659)</u>	<u>-</u>	<u>65,651,993</u>
Total Restricted funds	<u>55,281,996</u>	<u>20,236,999</u>	<u>(21,900,251)</u>	<u>-</u>	<u>9,750,000</u>	<u>63,368,744</u>
Total funds	<u>55,073,907</u>	<u>20,858,234</u>	<u>(22,321,378)</u>	<u>-</u>	<u>9,750,000</u>	<u>63,360,763</u>

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

Total funds analysis

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Stourport High School and Sixth Form College	9,474	(464,856)
Stourport Primary Academy	193,000	181,124
Baxter College	405,068	464,080
St Bartholomew's CofE VC Primary School	330,487	388,482
Hartlebury CofE Primary School	108,773	108,983
Wilden All Saints CofE Primary Academy	218,424	197,903
Wolverley Sebright VA Primary School	42,525	22,895
Severn Academies Educational Trust	(466,425)	42,159
Far Forest Lea Memorial CE Primary School	15,947	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	857,273	940,770
Restricted fixed asset fund	70,692,017	65,651,993
Pension reserve	(1,262,000)	(3,232,000)
	<hr/>	<hr/>
Total	70,287,290	63,360,763
	<hr/>	<hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Severn Academies Educational Trust	466,425
	<hr/>

In 2022/23, the Trust has taken steps to support its schools through further centralisation of services, which has enabled the Trust to develop a strength of central expertise which facilitates capacity for growth.

The Academy Trust is taking the following action to return the academy to surplus:

Adapting our operating model in this way is the first step towards a more pooled approach to resources, in line with the Trust's strategic plans, longer term.

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

18. Statement of funds (continued)

Total cost analysis

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

	Teaching and support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
The Stourport High School and Sixth Form College	4,840,989	1,068,681	86,393	1,088,219	7,084,282
Stourport Primary Academy	889,939	559,636	28,677	242,015	1,720,267
Baxter College	3,929,234	829,670	98,890	989,760	5,847,554
St Bartholomew's CofE VC Primary School	680,129	680,586	19,852	193,334	1,573,901
Hartlebury CofE Primary School	591,748	351,615	18,255	143,674	1,105,292
Wilden All Saints CofE Primary Academy	505,787	327,533	11,729	149,861	994,910
Wolverley Sebright VA Primary School	601,951	327,900	12,679	148,817	1,091,347
Severn Academies Educational Trust	1,030,564	625,696	-	1,105,129	2,761,389
Far Forest Lea Memorial CE Primary School	280,936	258,832	33,263	83,347	656,378
Academy Trust	13,351,277	5,030,149	309,738	4,144,156	22,835,320

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2022</i> £
The Stourport High School and Sixth Form College	4,536,493	1,130,835	85,606	1,047,252	6,800,186
Stourport Primary Academy	846,729	584,554	34,814	278,928	1,745,025
Baxter College	3,543,798	984,193	50,712	902,625	5,481,328
St Bartholomew's CofE VC Primary School	643,416	686,474	31,707	174,426	1,536,023
Hartlebury CofE Primary School	495,851	408,429	17,570	150,932	1,072,782
Wilden All Saints CofE Primary Academy	535,431	377,395	13,621	134,709	1,061,156
Wolverley Sebright VA Primary School	553,280	321,768	17,344	113,048	1,005,440
Severn Academies Educational Trust	793,679	703,176	(13,641)	1,007,247	2,490,461
Academy Trust	11,948,677	5,196,824	237,733	3,809,167	21,192,401

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	66,422,760	66,422,760
Current assets	257,596	2,985,081	4,401,870	7,644,547
Creditors due within one year	-	(2,363,461)	(132,613)	(2,496,074)
Creditors due in more than one year	-	(21,943)	-	(21,943)
Provisions for liabilities and charges	-	(1,262,000)	-	(1,262,000)
Total	257,596	(662,323)	70,692,017	70,287,290

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	65,167,460	65,167,460
Current assets	-	3,343,171	484,533	3,827,704
Creditors due within one year	(7,981)	(2,360,395)	-	(2,368,376)
Creditors due in more than one year	-	(34,025)	-	(34,025)
Provisions for liabilities and charges	-	(3,232,000)	-	(3,232,000)
Total	(7,981)	(2,283,249)	65,651,993	63,360,763

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

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	4,903,527	(1,463,144)
Adjustments for:		
Depreciation	1,072,869	1,128,977
Capital grants from DfE and other capital income	(845,746)	(676,696)
Interest receivable	(649)	(377)
Defined benefit pension scheme obligation inherited	(65,000)	-
Defined benefit pension scheme cost less contributions payable	-	753,000
Defined benefit pension scheme finance cost	118,000	199,000
Decrease in stocks	33	213
Decrease/(increase) in debtors	226,590	(148,531)
(Decrease)/increase in creditors	(7,136)	881,672
Profit on the sale of tangible fixed assets	(3,454,957)	-
Fixed assets transferred on conversion	(1,963,500)	-
Net cash (used in)/provided by operating activities	(15,969)	674,114

21. Cash flows from financing activities

	2023 £	2022 £
Repayment of borrowings	(9,861)	(17,499)
Net cash used in financing activities	(9,861)	(17,499)

22. Cash flows from investing activities

	2023 £	2022 £
Interest received	649	377
Purchase of tangible fixed assets	(1,027,405)	(731,465)
Proceeds from the sale of tangible fixed assets	4,250,306	-
Capital grants from DfE Group	845,746	676,696
Net cash provided by/(used in) investing activities	4,069,296	(54,392)

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	<u>7,143,419</u>	<u>3,099,953</u>

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Transfers £	At 31 August 2023 £
Cash at bank and in hand	3,099,953	4,043,466	-	7,143,419
Debt due within 1 year	(7,639)	9,861	(12,082)	(9,860)
Debt due after 1 year	(34,025)	-	12,082	(21,943)
	<u>3,058,289</u>	<u>4,053,327</u>	<u>-</u>	<u>7,111,616</u>

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

25. Conversion to an academy trust

On 1 September 2022 Far Forest Lea Memorial CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Severn Academies Educational Trust from Worcestershire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings	-	-	1,963,500	1,963,500
Current assets				
Cash - representing budget surplus on LA funds	49,349	-	10,988	60,337
Non-current liabilities				
Defined benefit pension scheme	-	65,000	-	65,000
Net assets	<u>49,349</u>	<u>65,000</u>	<u>1,974,488</u>	<u>2,088,837</u>

26. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>132,613</u>	<u>91,795</u>

27. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are multi-employer defined benefit schemes.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £260,261 were payable to the schemes at 31 August 2023 (2022 - £299,895) 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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The result of the 31 March 2022 valuation is due to be implemented from 1 April 2024 which confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The employer's pension costs paid to TPS in the year amounted to £2,213,972 (2022 - £1,965,470).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,079,162 (2022 - £902,863), of which employer's contributions totalled £852,758 (2022 - £718,439) and employees' contributions totalled £226,404 (2022 - £184,454). The agreed contribution rates for future years are 19.0 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk/government/news/department-for-education-reaffirms-commitment-to-local-government-pension-scheme-guarantee).

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	4.3	4.3
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	5.3	4.3
Inflation assumption (CPI)	2.8	2.8

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

	2023 Years	2022 Years
<i>Retiring today</i>		
Males	21.5	22.6
Females	23.8	25.0
<i>Retiring in 20 years</i>		
Males	22.8	24.1
Females	25.8	27.0

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Sensitivity analysis - impact on net obligations

	2023 £000	2022 £000
Discount rate +0.1%	1,006	2,922
Discount rate -0.1%	1,524	3,549
Mortality assumption - 1 year increase	1,510	3,504
Mortality assumption - 1 year decrease	1,019	2,965
CPI rate +0.1%	1,524	3,549
CPI rate -0.1%	1,005	2,922

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	8,639,000	7,609,000
Corporate bonds	271,000	280,000
Property	968,000	861,000
Cash and other liquid assets	106,000	187,000
Other	1,818,000	1,431,000
Total market value of assets	11,802,000	10,368,000

The actual return on scheme assets was £246,000 (2022 - £-230,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	838,000	1,459,000
Interest income	(486,000)	(174,000)
Interest cost	604,000	373,000
Administrative expenses	15,000	12,000
Total amount recognised in the Statement of Financial Activities	971,000	1,670,000

SEVERN ACADEMIES EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	13,600,000	21,871,000
Conversion of academy trusts	427,000	-
Current service cost	838,000	1,459,000
Interest cost	604,000	373,000
Employee contributions	226,000	184,000
Actuarial gains	(2,429,000)	(10,153,000)
Benefits paid	(202,000)	(134,000)
At 31 August	13,064,000	13,600,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	10,368,000	9,841,000
Conversion of academy trusts	492,000	-
Interest income	486,000	174,000
Actuarial losses	(406,000)	(403,000)
Employer contributions	853,000	718,000
Employee contributions	226,000	184,000
Benefits paid	(202,000)	(134,000)
Administrative expenses	(15,000)	(12,000)
At 31 August	11,802,000	10,368,000

28. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	77,731	99,582
Later than 1 year and not later than 5 years	4,954	27,154
	82,685	126,736

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

29. 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.

30. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Other than Trustees' remuneration there are no further related party transactions entered into during the year.

31. Agency arrangements

The Academy Trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £67,081 (2022 - £20,621) and disbursed £72,303 (2022 - £19,132) from the fund. An amount of £13,346 (2022 - £8,968) is included in other creditors relating to undistributed funds.

The Academy Trust distributed PGCE training bursaries to students as an agent for the NCTL. In the accounting period ending 31 August 2023 the Academy received £40,400 (2022 - £82,000) and disbursed £50,000 (2022 - £72,400) from the fund. An amount of £Nil (2022 - 9,600) is included in other creditors relating to undistributed funds.

The Wyre Forest Schools Sports Partnership is funded by contributions from other schools within the Wyre Forest Area and the Youth Sport Trust. Its objective is to provide opportunities to school children outside of the usual PE provision within schools and encourage life skills. In the accounting period ending 31 August 2023 the Academy received £161,933 (2022 - £194,351) and disbursed £172,773 (2022 - £143,218) from the fund. An amount of £148,255 (2022 - £159,095) is included in other creditors relating to amounts received from schools to be spent on the provision of the funds objective.