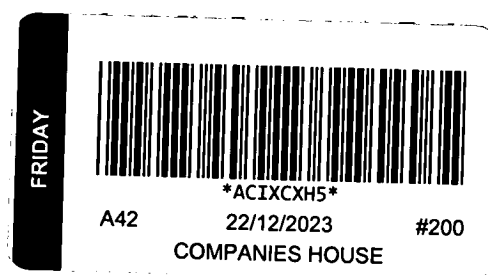


Company Registration Number: 07652306 (England & Wales)

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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



THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Lucille Glencairn-Campbell
David Slater
Alan Neal
Jeff Bate

Trustees

Susan Muggeridge, Chair
Alan Neal, Vice Chair (from 18 October 2022) (resigned 24 August 2023)
Neil Pearson, Vice Chair (from 23 October 2023)
Amjid Raza
Catriona Robinson
Ben Roman, Vice Chair (to 17 October 2022)
Andrew Stanney (appointed 21 March 2023)

Company registered number

07652306

Company name

The Four Stones Multi Academy Trust

Principal and registered office

Brake Lane, Hagley, Stourbridge, West Midlands, DY8 2XS

Company secretary

Philip Andrew Engleheart

Accounting officer

Mark Pollard

THE FOUR STONES MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Senior Leadership Team/Key management personnel

Mark Pollard, Chief Executive Officer & Accounting Officer
Tom Brighton, Chief Financial & Operating Officer (appointed 16 April 2023)
Jessica Hathaway, Chief Operating Officer (resigned 31 December 2022)
Simon Morom, Chief Financial Officer (resigned 15 April 2023)
James Powell, Trust IT Manager
Joanne Edrop, Trust HR Manager
Angela Field, Head of Finance (appointed 27 June 2023)
Ruth Allen, Headteacher, The De Montfort School
James Butler, Headteacher, King Charles I School
Nicola Stanfield, Headteacher, Haybridge High School

Independent auditor

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

Solicitors

Worcestershire County Council Legal & Democratic Services

Browne Jacobson, Victoria Square, Birmingham, B2 4BU

Bankers

Lloyds Bank, 1 Vicar Street, Kidderminster, DY10 1DE

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report, together with the audited financial statements of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

Within this year the Trust operated 3 schools (3 secondaries) across Worcestershire. These schools had a combined pupil admission number (PAN) of 3940 and had a roll of 3124 in the spring 2023 census

Structure, governance and management

a. Constitution

The MAT is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents.

The Trustees of the MAT are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Four Stones Multi Academy Trust.

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

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

Subject to the provisions of the Companies Act 2006, every Trustee of the MAT shall be indemnified out of the assets of the MAT against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the MAT.

d. Method of recruitment and appointment or election of Members and Trustees

The arrangements are as set out in the Articles and Funding agreement in 50B. 'The Members may appoint Directors through such process as they may determine'

The term of office for any Trustee is four years. Subject to remaining eligible any Trustee may be reappointed. The Trustees who served during the year, and to the date these accounts are approved are listed on page 1.

Currently the Trust uses Inspiring Governance and various networking channels for all our Trustee and Member recruitment.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will include training on educational, legal and financial matters.

Trustees have access to a dedicated portal on the MAT's website, where all documentation relating to Trust Board and committee meetings is posted. This portal also holds material they need to undertake their role as Trustees and links to online training resources.

New Trustees are also signposted to this as part of their induction into the MAT.

The MAT continues with its membership of the National Governance Association and Confederation of School Trusts (CST) which keep it informed of relevant changes and statutory regulations, in addition to providing a range of training resources.

f. Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trustees are responsible for the general control and management of the Trust. The Trustees give their time freely and receive no remuneration in their role as Trustees or other financial benefits, other than the Chief Executive Officer who also serves as a Trustee. The Trust Board meets on at least 6 occasions per year and its sub committees at least 3 times per year. The Trust Board is responsible for the strategic direction of the Trust and are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets, and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments.

Local Governing Boards (LGBs) are responsible for implementing and monitoring trust policies linked to Quality of Education, Safeguarding, Behaviour, and attitudes to Learning & Personal Development.

The Senior Management Team control the MAT and its schools on a daily basis, implement the policies laid down by Trustees and report back to them. This team defines the direction of the MAT, quality assures to ensure intelligent accountability and develops and implements plans to meet the MAT's targets and aspirations.

The Trust, as a multi-academy trust, has a Central Office to support its academies in relation to their business support and academic standards.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Key management personnel include those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. All amendments to key management's pay and remuneration are approved by the Trust Pay Committee.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require relevant public sector employers to publish specified information related to facility time provided to trade union officials. The Trust gathers data from the representatives and academies annually in order to calculate and publish the summary data on the Government site

During 2022/23 the schools in the MAT had service level agreements with Worcestershire County Council for trade union facility time. The MAT had no trade union officials and therefore no other costs for paying employees for trade union facility time.

h. Related parties and other connected charities and organisations

The MAT works in partnership with other organisations to further its aims.

- The MAT has a well-established School Centred Initial Teacher Training (SCITT), which trains new entrants to the profession. During 2022/23 the SCITT continued to expand, becoming the largest SCITT in the local area, by continuing to offer both full and part time primary and secondary post graduate programmes, BA Hons primary and early years with Qualified Teacher Status (QTS) three-year undergraduate programme; and an 'Assessment only' programme for unqualified teachers to be able to gain QTS. In line with National and Local statistics, the vast majority of the trainees completed the courses and achieved QTS gaining employment across the West Midlands. In September 2022, the SCITT was successfully awarded reaccreditation, alongside 179 ITT providers across the country, allowing it to continue recruiting and training new entrants beyond 2024.
- The MAT has an established Teaching School Hub which provides the 'Golden Thread' of professional development, not only across the DfE designated area of Sandwell and Dudley, but across Worcestershire and the West Midlands. For the second year the Teaching School Hub has performed beyond expectations, achieving all the 'Golden Thread' KPI targets and has set ambitious targets for 2023/24.
- Haybridge High School undertakes the administration of The Appeals Trust, a fundraising arm of the school which is registered separately as a charity.
- King Charles I School has close working relationships with three connected charities:
 - 1) King Charles the First's School Foundation (One Trustee of the King Charles the First's Foundation is also a Member of the MAT);
 - 2) The Roy Woodward Educational Foundation
 - 3) King Charles the First's School Appeal Trust
 - 4) The Old Carolians Association
- The De Montfort School has close working relationships with a connected charity: The Deacle and Prince Henry's Educational Foundation

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities

a. Objects and aims

ACHIEVING TOGETHER

The Four Stones Multi Academy Trust is a family of like-minded schools, that collaborate to provide mutual support, share their good practice, and learn from each other. Our students deserve the best and we do this most effectively by working together.

We are dedicated to improving standards and are driven to achieve excellence by living and breathing our core values of:

Ambition, Commitment, Creativity, Integrity

We are determined to make a positive difference to the future of our students and their families, the careers of our staff, as well as contributing to the wider and local community.

The core purpose of the Trust is to provide excellence and opportunity for all, enabling lives to be transformed. We want all our students to have access to be successful in a high powered future, whether at university, apprenticeships or employment.

To achieve this, we:

- Invest in teachers and leaders to carry out their roles effectively in order to attain excellence in all our schools;
- Offer a broad, balanced, knowledge rich curriculum. At the same time, we emphasise the importance of educating the whole child with attention to their physical, emotional, and social development and so we are proud of our character development of teamwork, leadership, resilience, and challenge that comes from teaching an academic curriculum and holding students to our high expectations.
- Complement our academic curriculum with an extensive enrichment programme which is known as our 'Character Academy'. From after school clubs to international trips, we give our students access to the cultural literacy to enable them to fully participate in adult educated life.
- Operate with a warm-strict approach ensuring our students can learn in calm and purposeful classrooms, free from distractions and develop the habits that will be necessary to be successful independent adults;

We are:

- One Vision.
- One set of values.
- One Team.
- One Trust.

Achieving Together

- Provide engaging and effective teaching based on our core values and the best and most up-to-date educational practice;
- Are unapologetically ambitious for every student, no matter what their background, prior attainment or needs. We take great pride in developing relationships between students, staff, and families, in order that we can ensure that success is desirable, demanded and achievable; and
- Recognise and celebrate effort, achievement, and excellence.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives

Currently we have four strategic priorities as set by the Trust Board:

Strategic Priority 1: Building a strong agile school improvement model that delivers impact quickly and grows capacity.

Strategic Priority 2: Attracting, Developing and Retaining Great People

Strategic priority 3: Operational Excellence – Developing a scalable and sustainable business service that relieves pressure on school leaders and provides great value for money.

Strategic Priority 4: Organisational Culture - creating a shared culture based across the MAT which all our people value and promote.

Vision

Our vision is to ensure:

- Our four values are at the heart of all that we do – influencing our culture and our students' beliefs and actions.
- Our curriculum is forensically researched, planned and thought through so that our students are equipped with the knowledge they need to be successful in examinations and adult life.
- Teachers can teach, learners can learn because we create school cultures with high expectations of behaviour and conduct where learning is sacrosanct
- Our differences are a strength as schools; our context diversity influences our practice and ability to deliver school improvement.
- Our approach to literacy is outstanding and changes students' lives and access to education.
- We are research-based, we base our practices on what is proven to work.
- We want to further integrate our SCITT/Teaching School Hub as part of the Trust. This helps recruitment, contributes to our CPD programmes and provides opportunities for diversification and networking.
- We grow our own future leaders at all levels; we have high quality CPD. We care about staff development, no matter the pay grade or position.
- We have the best personal development programme as an entitlement for all students .
- We have partnerships with outstanding provision e.g. music, sport, professional bodies, business and universities.
- We are kind and driven; the two are not incompatible
- Our strong, central services ensure leaders have the capacity to drive school improvement. We are experts in our management of finance, estates, HR and ICT.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

Values

Ambition

- We are ambitious for ourselves and our students. We set high expectations and standards and strive to achieve excellence in all that we do.
- We are unashamedly ambitious for the students we serve. We want to provide access to opportunities within the classroom and beyond. We will continue to strive to be the best we can be.

Commitment

- We are committed to being the best we can be. We consistently deliver on expectations, go the extra mile to get the job done and give 100% in all that we do, approaching everything with a "can do attitude".
- We constantly look to improve ourselves and our service, cultivating our knowledge, skill, and attitudes to achieve excellence.

Creativity

- We always seek innovative solutions for our students and staff so that they achieve everything they are capable of.

We believe that creativity is only possible when it is based on knowledge which in turn is based on literacy. Our schools, where students develop the literacy skills on which all further learning depends, cultivate creativity by providing a broad base of academic knowledge that students need to be properly creative.

The knowledge we deliver is powerful in that it changes students' perceptions, values and understanding. It encourages students to ask new questions and explore alternate explanations.

Integrity

- We always do the right thing. We treat others with respect and honesty, take care of our environment and utilise knowledge and understanding wisely.
- We nurture our students so that they become young adults of principle and character who support each other in their quest for excellence.

c. Public benefit

The Trustees confirm that they have complied with the duty set out in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have been serving to the benefit of the pupils and wider public.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

a. Report on the outcomes for Public Examinations/National Tests for Summer 2023

In 2023, Ofqual indicated that GCSEs and A-levels would return to pre-pandemic levels. This meant that national results would be lower than in 2022 and that it would be most meaningful to compare this year's results with 2019, the last year that summer exams were taken before the pandemic.

The following table indicates an overview of KS4 attainment in all schools in the Trust:

KS4 2023	HHS	KC1	TDMS	National
% 5+ in English and Maths	65	45	38	45
% 4+ in English and Maths	83	65	61	65
Attainment 8	53.7	47.5	42.3	46.2

Progress 8 scores show how much progress students at each school made across 8 subject qualifications between the end of key stage 2 and the end of key stage 4, compared to other similar pupils nationally. Progress 8 is a significant headline measure of the performance of schools:

KS4 2023	HHS	KC1	TDMS	National
Progress 8	+0.36	+0.07	+0.44	-0.03

It is pleasing, once again, that all schools in the Trust have a positive progress score for 2023 and that Haybridge High School and The De Montfort School are judged to be statistically above average. TDMS was ranked 4th, HHS 6th and KC1 10th in the Worcestershire LA league tables for progress out of 31 mainstream secondary schools.

At key stage 5 (post-16), given that students were awarded previous GCSE grades by teacher assessment in 2021, there will be no published value-added measures comparing school performance nationally in 2023. However, the following table provides a summary of attainment:

KS5 2023	HHS	KC1	TDMS	National
% of grades A*-B	52	47	24	53.5
% of grades A*-E	99	97	98	97
Average points per entry	34.5 (C+)	33.8 (C+)	27.3 (C-)	35.3 (C+)

We are delighted that these results enabled the vast majority of students to progress to their destination of choice, either in higher education, an apprenticeship or employment.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

b. OFSTED outcomes

Over the last 18 months, each school within the Trust has been subject to routine inspection under the school inspection framework with judgements in the following categories:

- Overall Effectiveness
- Quality of Education
- Behaviour and Attitudes
- Personal Development
- Leadership and Management
- Sixth Form Provision

We are encouraged that each school has been judged to be good in every category, including most recently, in October 2023, when The De Montfort School (sponsored by the Trust from January 2021 and previously 'Inadequate') was subject to its first inspection since redesignation.

Some highlights from inspectors' findings are as follows:

Haybridge High School (inspection September 2022):

- High academic achievement, respectful behaviour and positive, caring relationships are the hallmarks of Haybridge High School.
- Pupils at this school are a delight. They are courteous, welcoming and friendly.
- Senior leaders have exceptionally high aspirations for every pupil and student.

King Charles 1 School (inspection March 2023)

- Leaders set high expectations for pupils' work and behaviour.
- Relationships between staff, pupils and their parents and carers are strong.
- Pupils learn what leaders intend because teachers plan their lessons effectively.

The De Montfort School (inspection October 2023)

- Leaders are clear and consistent in their drive to make the school better.
- Pupils rise to leaders' expectations and achieve well in a range of subjects.
- Pupils enjoy positive and respectful relationships with the staff. The school does much to build pupils' character.

Our Trust is never complacent and continues to tackle individual schools' areas for improvement and develop practice collaboratively that will impact positively across the Trust through our Trust Dividend.

c. Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

d. Promoting the success of the company

In accordance with s.172 of the Companies Act 2006 the duty to promote the success of the MAT was complied with by our Trust Board through developing the MAT Strategic Plan and in the following ways:

- Regularly monitoring its progress towards achieving its objectives through the Chief Executive Officer's half termly reports which highlight progress against the MAT's development plan
- Please refer to 'Achievements and Performance' to see the impact of the MAT's work on Ofsted judgements, number of students on roll and destinations data;
- The Trustees have asked the Chief Executive Officer to develop and grow the MAT to continue to improve the education and life chances of a larger group of students. It is anticipated that the MAT will grow in a planned, gradual and carefully considered way and there are certainly no plans to develop at speed. The priority is to ensure that the MAT grows at a rate which can be best managed so as to support all its schools to maintain and improve performance.

e. Engagement with employees (including disabled persons)

Employees are regularly consulted on issues of concern to them by means of regular staff forums and other meetings and are kept informed on specific matters directly by the Key Management Personnel and the Senior Leadership Teams in the individual schools.

In accordance with the relevant policies (e.g. accessibility plans, equal opportunities, health and safety and recruitment and selection) the schools in the MAT have long established fair employment practices in the recruitment, selection, retention and training of disabled staff. For example -

- Under the 'Two Ticks scheme' the MAT undertakes to interview disabled people who meet the minimum essential criteria detailed in the person specification and asks candidates if they require any special aids, adaptations or conditions for the interview; and
- The MAT monitors the physical features of its premises to consider whether they might not place anyone with a disability at a substantial disadvantage and, where necessary, takes reasonable steps to improve access.

In addition, the MAT has an Employee Assistance Programme for all its employees and is working hard to reduce workload and improve well being.

f. Engagement with suppliers, customers and others in a business relationship with the trust

The MAT is keen to foster its relationship with students, parents/carers, suppliers and the wider community.

- Local schools: Please refer to 'Related Parties and other Connected Charities and Organisations';
- Parents/carers and students: The schools in the MAT have good relationships with the students and their parents/carers.
- Suppliers:

The MAT supports the principles set out within the Prompt Payment Code (PPC): to pay suppliers on time; give clear guidance to suppliers; and encourage good practice. The PPC encourages payment within a maximum of 60 days (in line with late payment legislation requirements) and works towards adopting 30 days as the norm.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial Review

The majority of the MAT's income is obtained from the ESFA in the form of annual grants. The grants received from the ESFA during the year ending 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The MAT also received grants for tangible fixed assets and fixed asset donations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants or donations are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2023, total expenditure of £24.7 million (2022: £23.5 million) was covered by recurrent grant funding from the ESFA together with other incoming resources resulting in total incoming resources of £24.8 million (2022: £22.5 million). Excluding transactions involving fixed assets and pension liabilities the excess of expenditure over income for the year was £0.01 million (2022: £0.03 million). At 31 August 2023 the net book value of tangible fixed assets was £59.7 million (2022: £59.5 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and the associated support services to the students of the MAT and for the provision of leisure facilities to the community in accordance with the Articles of Association.

At 31 August 2023 the LGPS pension liability deficit was £0.4 million (2022: £3.8 million), this reduction being due to an £3.6 million (2022: £7 million) gain on financial assumptions made by the Actuaries. The Trust Board recognises that the defined benefit scheme deficit represents a significant potential liability. However, as the Trustees consider the MAT is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised. During 2022/23, the MAT continued to pay extra contributions into the Scheme to cover the potential impact of the McCloud judgement.

At the year end, the MAT had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

Despite the MAT receiving its main funding directly from the ESFA, the formula used to distribute this funding is driven by the local authority. The three year settlement for schools (announced in the September 2019 spending round) has had a significantly positive impact on the MAT's budget plans.

Key financial policies adopted or reviewed during the year include the MAT's Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Trust Board, Finance, Audit and Risk Committee, Chief Executive Officer, Chief Financial Officer, Headteachers, budget holders and other staff, as well as delegated authority for spending.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

The level of reserves held at each school at 31 August 2023 is considered to be sufficient and in line with the Trust's reserves policy.

Currently the Trust is at a healthy level at 6.8% of recurring income at 31 August 2023.

The trustees will continue to review the reserve levels annually and agree an appropriate use of unrestricted and designated funds for strategic development, school improvement, capital, and other operational investment on a sustainable basis. The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

b. Investment policy

The Trust has an Investment Policy which permits the deposit of surplus funds into appropriate investment vehicles (UK based, at least investment grade) taking into account security, liquidity and yield with security being of paramount importance.

c. Principal risks and uncertainties

Trustees work with senior officers in reviewing the major risks to which each academy and collectively the Trust, are exposed, identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees regularly via sub-committees. The Board itself also considers the whole risk register. The Trustees assess the principal risks and uncertainties facing the Trust as follows:

- Quality of teaching does not improve provision and outcomes in our schools.
- The inability to balance all schools budgets
- Shared services do not provided 'added value'
- Outcomes and life chances of TFS Pupil Premium pupils do not improve.
- The SCITT and Teaching school does not flourish and grow.
- Risk of the impact an uncontrollable event will have on the functions of the MAT and schools e.g. theft, flood, fire, terror threat, cyber security incident etc.
- Not all staff are engaged in supporting and delivering Trust and school level priorities and targets.

During the period to 31 August 2023 the Trustees are satisfied that the major risks to which the MAT has been exposed have been reviewed and that systems or procedures have been established to manage those risks.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

As a large organisation, the MAT is required to report its energy usage and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 because it meets the thresholds for reporting.

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting. We have used AMR data for both electricity and gas meters and cross referenced this against the utility bills. We have taken the claimed mileage from the payroll in whole pounds and divided this by 0.40p as this is the amount per mile that is paid to staff for personal mileage. The mini bus mileage is taken directly from the mini bus odometers.

The recommended ratio measurement for the education sector is: total gross emissions in metric tonnes divided by the number of students.

The data contained within this table for 2022/23 covers all schools (and sites) within the MAT.

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	5,083,408	5,077,114
Energy consumption breakdown (kWh):		
Gas	3,199,205	3,407,946
Electricity	1,876,835	1,641,596
Transport fuel	5,000	27,572
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	585.23	628.93
Owned transport	1.86	4.08
Total scope 1	<u>587.09</u>	<u>633.01</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>388.64</u>	<u>382.72</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned vehicles	<u>-</u>	<u>2.65</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>975.73</u>	<u>1,018.38</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.316</u>	<u>0.31</u>

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO₂ equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The MAT have monitored the AMR data and the school occupancy and adjusted the BEMS system via Place Partnership to control unnecessary energy consumption. All anomalies are queried and investigated. Energy cost (and ultimately consumption) are one of the key financial performance indicators for the MAT are regularly monitored and reported on during the year.

- We have the majority of the trust estate moved across to LED lighting
- We are currently looking into the value of installing solar thermal panels on the roof of the trust's academies in the next 12 months
- We are in the process of moving all our servers to the cloud. 7.
- We plan to energy audit in our academies to understand the actions we need to take to reduce our carbon footprint.

Plans for future periods

The future plans for the MAT include:

- To continuously deliver the objectives as set out in the MAT development plan
- Internal growth, ensuring all our schools reach capacity
- Exploring opportunities for growth if the circumstances are right

Funds held as custodian on behalf of others

The MAT does not hold any funds as custodian trustee on behalf of others.

Fundraising

The MAT carries out a limited amount of fundraising at a local level, mindful of the communities within which it operates. However, this was significantly impacted by the COVID 19 pandemic. Where fundraising has been undertaken, systems and controls are in place to separate and protect funds. The MAT is mindful of responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in each school in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the MAT's complaints procedure.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)


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

Disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

- 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, on 13/12/2023 and signed on its behalf by:



Susan Muggeridge
Chair of Trustees

THE FOUR STONES MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

Trustees acknowledge they have overall responsibility for ensuring that the MAT 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 Trust Board has delegated the day-to-day responsibility to the Accounting Officer for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements assigned to it in the Funding Agreement between the MAT and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

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

The Trust Board has established a committee structure consisting of the following:

- Finance, Audit and Risk Committee (consisting only of Trustees);
- Standards and Curriculum Committee (consisting only of Trustees); and
- Local Governing Bodies for its constituent schools.

The Trust Board has also appointed a committee for the purposes of appraisal and pay determination for the relevant members of the MAT's Executive and Central Teams.

All committees have approved terms of reference and delegated powers set out in the MAT's scheme of delegation. The LGBs are also authorised to form subcommittees for purposes of performance related pay determinations, for admissions, for student discipline, for staff discipline and grievance matters and appeals, and for complaints.

Governance Reviews

An external review of governance was completed by an experience NLG in December 2022. The focus was on the trust board, but it inevitably involved consideration of some aspects of local governing arrangements in terms of establishing clarity of roles, the effectiveness of communication and perspectives on relationships, and how governance arrangements are developing across the trust.

We are currently in the process of implementing all recommendations

The MAT is looking to recruit further Trustees (and particularly with expertise in: finances (e.g. auditing and accounting), the secondary and higher education sectors; marketing; and HR) to build and strengthen the Trust Board and provide less of an overlap between the Trust Board and its committees.

Trust Board

Functions: Corporate and strategic governance; MAT vision and ethos; curriculum and standards; trust self evaluation; MAT development planning; approval of MAT budget; strategic risk management and approval of areas for internal scrutiny; Trustees' annual report and accounts; core MAT policies; determining and reviewing the MAT's senior level staffing needs and structure; determining and reviewing the MAT's committee structure and scheme of delegation; safeguarding; special needs and disabilities.

THE FOUR STONES MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Membership and attendance at meetings during the period were as follows:

Trustee	Meetings attended	Out of a possible
Susan Muggeridge, Chair	6	6
Alan Neal, Vice Chair (from 18 October 2022) (resigned 24 August 2023)	5	5
Neil Pearson, Vice Chair (from 23 October 2023)	5	6
Amjid Raza	4	6
Catriona Robinson	5	6
Ben Roman, Vice Chair (to 17 October 2022)	5	6
Andrew Stanney	2	2
Catriona Robinson	4	6

The composition of the board of Trustees hasn't changed but the board continue to search for new members to build and strengthen the Trust Board and provide less of an overlap between the Trust Board and its subsidiary committees.

The Trustees engage both external and internal auditors to ensure that the financial information they receive is accurate and reliable and further independent audits regarding non-financial areas such as Safeguarding, Single Central Records, Quality of Provision for Students and attendance.

Two days of NGA governance consultancy was undertaken in November 2022. This was with a view to seeking feedback on our current arrangements in terms of best practice and compliance and in beginning the work to create a trustee/governance agenda calendar that drives the programme of trustee meetings/LGBs. We await the results from this review.

We also want to consider the following ideas regarding governance development:

- a.) A MAT governance conference
- b.) Trustee strategy conference
- c.) Further training for trustees and governors
- d.) Governor/Trustee induction
- e.) Further ideas for recruitment
- f.) Structure of governance across the MAT

Finance, Audit and Risk Committee

Functions: Preparation of the annual budget (revenue and capital) for approval by the Trust Board; monitoring income and expenditure on a twice termly basis; medium and longer term financial planning; setting annually, and monitoring termly, the MAT's financial key performance indicators; review and adoption of HR related policies; development of, and works on, the school sites and buildings; health and safety, security and accessibility on the school sites; implementation of external audit recommendations; ensuring compliance with the Academy Trust Handbook as currently in force; acting as the internal Audit Committee; termly monitoring and reporting on the strategic risk register; direction of and reporting on, the MAT's internal audit/scrutiny programme; annual review of the trust's finance policy for Trust Board approval.

THE FOUR STONES MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Membership and attendance at meetings during the year were as follows:

Trustee	Meetings attended	Out of a possible
Susan Muggeridge	4	4
Alan Neal	3	4
Neil Pearson	4	4
Amjid Raza	4	4
Andrew Stanney	1	1

Standards Committee

Functions: The powers and functions delegated by the Board to the Standards and Curriculum Committee are as set out below.

Education

To consider all education matters relating to the performance of each academy within The Four Stones Multi Academy Trust

Membership and attendance at meetings during the year were as follows:

Trustee	Meetings attended	Out of a possible
Susan Muggeridge	6	6
Catriona Robinson	4	6
Neil Pearson	5	6

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the MAT delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes as well as estates safety and management achieved in return for the taxpayer resources received.

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

During the 2022/23 academic year the MAT's financial position continued to be strong. A balanced budget was set in the summer of 2022. The Accounting Officer for the MAT has delivered improved value for money during the year in the following ways:

1. *Sharing of subject specific staff across all Trust schools*
2. Further sharing of sixth form courses across Haybridge High School and King Charles I School so that we can maintain the breadth of choice but also provide improve the sustainability of the post 16 provision.
3. The MAT works to achieve the best outcomes possible for all students thereby ensuring the best life chances for everybody in its care. This is achieved by having a regular focus on improving the quality of leadership at middle and senior leadership and the quality of teaching across all key stages. The progress of the students was regularly reviewed and evaluated so that strategies could be adapted to improve the outcomes.
4. Benchmarking: The MAT monitors its financial information against similar organisations using the DfE's school's financial benchmarking service and 'School resource management self assessment dashboard'.
5. There has also been further group wider procurement across our Estate.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

During 2022/23 the Trustees set the following key financial performance indicators:

- All schools within the MAT will reduce the expenditure on bought in professional services and contracts.
- All schools within the MAT will work to try and reduce the average teacher cost and improve the pupil teacher ratio.
- Where possible, all schools within the MAT should continue to work towards increasing the 'teacher contact ratio' to 0.78 and continue to work towards a rating of 'green' against the thresholds on the 'School resource management self assessment dashboard'.

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 the MAT's 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 at the MAT for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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 as appropriate, by the Trust Board;
- Regular reviews of reports which indicate financial performance against budgets and of major purchase plans, capital works and expenditure programmes;
- Regular review of medium term financial projections and the development of budget plans;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing guidelines;
- A scheme of financial delegations which includes the need for major spending decisions to be considered and approved by the Finance, Audit & Risk Committee or the Trust Board before commitments are made;
- Internal staff delegations of authority and separation of duties; and Identification and management of risks.
- Appointment of a Head of Estates and introduction of internal Health and Safety Consultant. We also undertake numerous regulatory surveys including RAAC.

The MAT is committed to ongoing review and development of its control framework through an action plan agreed by the Trust Board and monitored by the Finance, Audit and Risk Committee. The Committee consists only of Trustees with the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer and the clerk in attendance. The minutes of the Trust Board and Finance, Audit and Risk Committee meetings evidence robust scrutiny of financial and non financial matters. Internal controls are in place at the MAT and are achieved by:

THE FOUR STONES MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Detailed budgeting and monitoring systems which are reviewed and agreed by the Trust Board;
- Formalised policies regarding financial control (including procurement, financial systems and practices). The MAT has a thorough set of financial procedures which are regularly reviewed. These detail the MAT's financial powers of delegation, expenditure limits for attracting written quotations/tenders and procedures to ensure a full and clear division of duty and audit trails for all expenditure.
- A clear and detailed scheme of delegation and segregation of duties;
- Assessment of risk by the review of the risk register on a termly basis.
- Ensuring that all Members, Trustees, Governors, Officers and members of the MAT's Executive and Central Teams complete a register of pecuniary interests form annually. These are published on the relevant school's website and the MAT's website. Declarations are also invited (as a standing item) at the start of each meeting of the Trust Board and all its committees in relation to any specific item(s) on the agenda, and in the event of a personal or pecuniary interest being disclosed which may influence discussion or impact on a decision, the Member, Trustee or Governor concerned will be expected to withdraw from the meeting whilst the discussion and decision takes place; and
- Independent checking of financial and non financial risks. During 2022/23, the MAT bought in internal audit service from Optimum.

Based on the entirety of the internal scrutiny programme, the Trustees have confidence in the effectiveness of the MAT's system of internal control.

Review of effectiveness

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

- the work of the MAT's internal auditors;
- the financial management and governance self-assessment process;
- the work of the executive officers and finance team 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 committee and a plan to address weakness if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13/12/2023

and signed on



Susan Muggeridge
Chair of Trustees



Mark Pollard
Accounting Officer

THE FOUR STONES MULTI ACADEMY TRUST
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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Four Stones Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 Academies Trust Handbook 2022.

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



Mark Pollard
Accounting Officer
Date: 13/12/2023

THE FOUR STONES MULTI ACADEMY 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:

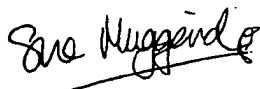
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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



Susan Muggeridge
Chair of Trustees

Date: 13/12/2023

THE FOUR STONES MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of The Four Stones Multi Academy 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.

THE FOUR STONES MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY 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.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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 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 within the timing and completeness of income recognition of non-grant income and 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. In addition to this we have also designed audit procedures over income to test the timing and completeness of non-grant income recognition in the year.

THE FOUR STONES MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY TRUST (CONTINUED)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Dave Darlaston (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: 15/12/23.

THE FOUR STONES MULTI ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FOUR STONES MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 May 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Four Stones Multi Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Four Stones Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Four Stones Multi Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 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 FOUR STONES MULTI ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FOUR STONES MULTI ACADEMY 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.



Crowe U.K. LLP

Reporting Accountant

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

Date: 15/12/2023

THE FOUR STONES MULTI ACADEMY 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	-	166,827	1,120,001	1,286,828	1,048,785
Other trading activities		693,114	-	-	693,114	548,715
Investments		10,926	-	-	10,926	2,459
Charitable activities:						
Academy Trust educational operations		319,375	20,629,870	-	20,949,245	19,803,521
Teaching school hub		-	391,649	-	391,649	189,120
SCITT		-	1,448,061	-	1,448,061	879,088
Total income		1,023,415	22,636,407	1,120,001	24,779,823	22,471,688
Expenditure on:						
Charitable activities:						
Academy Trust educational operations		502,773	20,519,555	1,972,812	22,995,140	22,537,208
Teaching school hub		-	385,573	-	385,573	272,629
SCITT		-	1,344,631	-	1,344,631	706,626
Total expenditure		502,773	22,249,759	1,972,812	24,725,344	23,516,463
Net income/(expenditure)		520,642	386,648	(852,811)	54,479	(1,044,775)
Transfers between funds	16	(216,350)	(651,297)	867,647	-	-
Net movement in funds before other recognised gains		304,292	(264,649)	14,836	54,479	(1,044,775)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	3,603,000	-	3,603,000	7,319,000
Net movement in funds		304,292	3,338,351	14,836	3,657,479	6,274,225

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,298,986	(3,700,275)	60,553,471	58,152,182	51,877,957
Net movement in funds	304,292	3,338,351	14,836	3,657,479	6,274,225
Total funds carried forward	1,603,278	(361,924)	60,568,307	61,809,661	58,152,182

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

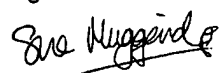
The notes on pages 34 to 63 form part of these financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07652306

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	59,714,971	59,478,325
Current assets			
Debtors	14	1,278,358	1,667,748
Cash at bank and in hand		3,625,525	2,652,426
		<u>4,903,883</u>	<u>4,320,174</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(2,441,193)	(1,811,317)
Net current assets		<u>2,462,690</u>	<u>2,508,857</u>
Total assets less current liabilities		<u>62,177,661</u>	<u>61,987,182</u>
Defined benefit pension scheme liability	24	(368,000)	(3,835,000)
Total net assets		<u><u>61,809,661</u></u>	<u><u>58,152,182</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	60,568,307	60,553,471
Restricted income funds	16	6,076	134,725
		<u>60,574,383</u>	<u>60,688,196</u>
Restricted funds excluding pension asset	16	60,574,383	60,688,196
Pension reserve	16	(368,000)	(3,835,000)
Total restricted funds	16	<u>60,206,383</u>	<u>56,853,196</u>
Unrestricted income funds	16	<u>1,603,278</u>	<u>1,298,986</u>
Total funds		<u><u>61,809,661</u></u>	<u><u>58,152,182</u></u>

The financial statements on pages 30 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Susan Muggeridge
Chair of Trustees
Date: 13/12/2023

The notes on pages 34 to 63 form part of these financial statements.

THE FOUR STONES MULTI ACADEMY 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 provided by operating activities	18	2,031,325	892,623
Cash flows from investing activities	20	(1,038,226)	(312,200)
Cash flows from financing activities	19	(20,000)	20,000
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		973,099	600,423
Cash and cash equivalents at the beginning of the year		2,652,426	2,052,003
Cash and cash equivalents at the end of the year	21, 22	<hr/> 3,625,525 <hr/>	<hr/> 2,652,426 <hr/>

The notes on pages 34 to 63 form part of these financial statements

THE FOUR STONES MULTI ACADEMY 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 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.

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Depreciation is provided on the following bases:

Freehold property	- 50 Years
Long-term leasehold property	- 50 Years
Long-term leasehold land	- 125 Years
Furniture and equipment	- 3-12 Years
Motor vehicles	- 5 Years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.8 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

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.

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

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 27.

1.10 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.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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 24, 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.

Where a scheme is in a surplus according to the accounting valuation the associated asset has not been recognised on the basis that it is not likely to be recoverable either through future reductions in contributions rates or future repayments. Further details of pension assets not recognised can be found with the pensions note to the financial statements.

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.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	166,827	-	166,827
Capital Grants	-	1,120,001	1,120,001
	<u>166,827</u>	<u>1,120,001</u>	<u>1,286,828</u>

	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	147,024	-	147,024
Capital Grants	-	901,761	901,761
	<u>147,024</u>	<u>901,761</u>	<u>1,048,785</u>

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**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 £
Educational operations			
DfE/ESFA grants			
General Annual Grant	-	18,494,972	18,494,972
Other DfE/ESFA grants			
Pupil Premium	-	579,794	579,794
Others	-	945,501	945,501
Rates relief	-	59,422	59,422
	-	20,079,689	20,079,689
Other Government grants			
Local authority grants	-	381,655	381,655
Other income from the Academy Trust's educational operations	319,375	-	319,375
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	168,526	168,526
	319,375	20,629,870	20,949,245
 Teaching school hub - DfE/ESFA grants	 -	 391,649	 391,649
 SCITT	 -	 1,448,061	 1,448,061
	319,375	22,469,580	22,788,955

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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>
Educational operations			
DfE/ESFA grants			
General Annual Grant	-	18,085,617	18,085,617
Other DfE/ESFA grants			
Pupil Premium	-	581,402	581,402
Rates relief	-	82,110	82,110
Others	-	484,873	484,873
	-	19,234,002	19,234,002
Other Government grants			
Local authority grants	-	301,544	301,544
Other income from the Academy Trust's educational operations	186,435	-	186,435
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	81,540	81,540
	186,435	19,617,086	19,803,521
 Teaching school hub - DfE/ESFA grants	-	189,120	189,120
 SCITT	-	879,088	879,088
	186,435	20,685,294	20,871,729

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Hire of facilities	431,124	431,124
Other income	10,703	10,703
Self generated income	251,287	251,287
	<u>693,114</u>	<u>693,114</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	389,787	389,787
Other income	46,411	46,411
Self generated income	112,517	112,517
	<u>548,715</u>	<u>548,715</u>

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

6. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational operations:				
Direct costs	12,473,714	1,919,817	1,676,468	16,069,999
Allocated support costs	3,821,853	1,200,245	1,903,043	6,925,141
Teaching school hub:				
Direct costs	110,353	-	-	110,353
Allocated support costs	31,543	-	243,677	275,220
SCITT:				
Direct costs	399,440	-	-	399,440
Allocated support costs	137,982	56,997	750,212	945,191
	16,974,885	3,177,059	4,573,400	24,725,344
	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational operations:				
Direct costs	13,523,361	1,915,185	1,021,305	16,459,851
Allocated support costs	3,195,169	1,546,488	1,335,700	6,077,357
Teaching school hub:				
Direct costs	119,475	-	-	119,475
Allocated support costs	47,618	-	105,536	153,154
SCITT:				
Direct costs	251,792	-	4,170	255,962
Allocated support costs	61,257	29,082	360,325	450,664
	17,198,672	3,490,755	2,827,036	23,516,463

THE FOUR STONES MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Analysis of support costs

	Teaching school hub 2023 £	Educational operations 2023 £	SCITT 2023 £	Total 2023 £
Staff costs	31,543	3,821,853	137,982	3,991,378
IT Support Services	-	335,294	-	335,294
Premises costs	-	1,278,321	56,997	1,335,318
Other support costs	243,677	1,453,223	750,212	2,447,112
Governance costs	-	36,450	-	36,450
Total 2023	275,220	6,925,141	945,191	8,145,552

	Teaching school hub 2022 £	Educational operations 2022 £	SCITT 2022 £	Total 2022 £
Staff costs	47,618	3,195,169	61,257	3,304,044
IT Support Services	3,415	115,001	808	119,224
Premises costs	-	1,546,488	29,082	1,575,570
Other support costs	102,121	1,183,504	359,517	1,645,142
Governance costs	-	37,195	-	37,195
	153,154	6,077,357	450,664	6,681,175

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	21,417	21,417
Depreciation of tangible fixed assets	1,919,817	1,915,185
Fees paid to auditor for:		
- audit	19,425	18,600
- other services	1,365	1,300

THE FOUR STONES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	12,314,147	11,921,846
Social security costs	1,222,616	1,177,554
Pension costs	2,949,690	3,404,520
	<u>16,486,453</u>	<u>16,503,920</u>
Agency staff costs	448,175	607,202
Staff restructuring costs	40,257	87,550
	<u>16,974,885</u>	<u>17,198,672</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	4,020	30,281
Severance payments	36,237	57,269
	<u>40,257</u>	<u>87,550</u>

b. Severance payments

The Academy Trust paid 3 severance payments in the year (2022 - none), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	3	3
£75,001 - £100,000	-	1

c. Special staff severance payments

There were three non statutory/non-contractual severance payments during the year amounting to £36,237. The individual payments were £16,466, £7,594 and £12,177.

THE FOUR STONES MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Staff (continued)

d. Staff numbers

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

	2023 No.	2022 No.
Teachers	210	208
Administration and support	163	169
Management	8	7
	381	384

e. 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	7	4
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	3	3
In the band £90,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	-	1

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £858,612 (2022 - £968,551).

THE FOUR STONES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Central services

In our MAT, we understand that every school is different and that every school is at a different point in their journey to excellence. Our highly qualified and experienced Executive and Central Teams will work with leaders, Trustees and Governors to assess every aspect of need and form a complete picture of how we can best support the school. The Executive and Central Teams provide the background operations and ensure they benefit and meet the needs of all the schools. By centralising the key services the MAT can not only realise benefits in terms of economies of scale but also free up the headteachers' capacity to focus on school improvement.

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

- School Improvement
- Safeguarding
- Human Resources
- Estates and Facilities
- GDPR/data protection
- IT
- Procurement and organisation of the mandatory services

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

A central contribution will be agreed at school level to pay for any services that are provided by the MAT centrally to make them more cost-effective. Over a period of time we will work towards the central contribution being between 5% and 7% of the total GAG and this would be dependent on the needs of the individual schools within the MAT and the regular internal risk assessment. The central contribution will be reviewed periodically to ensure that it continues to meet the needs of each individual school.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Haybridge High School	455,607	452,962
King Charles I School	378,806	336,963
The De Montfort School	304,215	352,043
Total	1,138,628	1,141,968

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE FOUR STONES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where 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 Trust 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.

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	24,548,898	40,372,489	3,062,662	55,410	68,039,459
Additions	178,193	1,793,318	197,642	-	2,169,153
Disposals	(12,690)	-	-	-	(12,690)
At 31 August 2023	<u>24,714,401</u>	<u>42,165,807</u>	<u>3,260,304</u>	<u>55,410</u>	<u>70,195,922</u>
Depreciation					
At 1 September 2022	4,835,000	2,096,069	1,578,225	51,840	8,561,134
Charge for the year	492,249	826,686	597,312	3,570	1,919,817
At 31 August 2023	<u>5,327,249</u>	<u>2,922,755</u>	<u>2,175,537</u>	<u>55,410</u>	<u>10,480,951</u>
Net book value					
At 31 August 2023	<u>19,387,152</u>	<u>39,243,052</u>	<u>1,084,767</u>	<u>-</u>	<u>59,714,971</u>
At 31 August 2022	<u>19,713,898</u>	<u>38,276,420</u>	<u>1,484,437</u>	<u>3,570</u>	<u>59,478,325</u>

The long leasehold property is leased from Worcestershire County Council, relating to the land and buildings at King Charles I School and The De Montfort School is leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2022 - £nil).

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14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	70,342	57,455
Other debtors	93,050	123,491
Prepayments and accrued income	1,114,966	1,486,802
	<u>1,278,358</u>	<u>1,667,748</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Salix loans	-	20,000
Trade creditors	509,717	316,684
Other taxation and social security	298,075	288,315
Other creditors	351,042	463,896
Accruals and deferred income	1,282,359	722,422
	<u>2,441,193</u>	<u>1,811,317</u>

	2023 £	2022 £
Deferred income at 1 September 2022	9,036	86,673
Resources deferred during the year	99,731	9,036
Amounts released from previous periods	(9,036)	(86,673)
	<u>99,731</u>	<u>9,036</u>

At the balance sheet date the Academy Trust is holding amount received in advance in relation to school fund carried forward, SCITT grants, SEN & Trips.

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	1,014,786	868,656	(502,773)	(216,350)	-	1,164,319
Sinking Funds	284,200	154,759	-	-	-	438,959
	<u>1,298,986</u>	<u>1,023,415</u>	<u>(502,773)</u>	<u>(216,350)</u>	<u>-</u>	<u>1,603,278</u>
Restricted general funds						
General Annual Grant	125,445	18,494,972	(18,072,549)	(547,868)	-	-
Pupil premium	9,280	579,794	(589,074)	-	-	-
Rates relief	-	59,422	(59,422)	-	-	-
Other DfE/ESFA grants	-	945,501	(945,501)	-	-	-
Local authority grants	-	381,655	(381,655)	-	-	-
COVID-19 recovery premium	-	168,526	(168,526)	-	-	-
Restricted donations	-	166,827	(166,827)	-	-	-
Teaching Hub	-	391,650	(385,574)	-	-	6,076
SCITT	-	1,448,060	(1,344,631)	(103,429)	-	-
Pension reserve	(3,835,000)	-	(136,000)	-	3,603,000	(368,000)
	<u>(3,700,275)</u>	<u>22,636,407</u>	<u>(22,249,759)</u>	<u>(651,297)</u>	<u>3,603,000</u>	<u>(361,924)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. 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 assets	59,478,325	-	(1,972,812)	2,209,458	-	59,714,971
DfE/ESFA capital grants	1,075,146	1,120,001	-	(1,341,811)	-	853,336
	<u>60,553,471</u>	<u>1,120,001</u>	<u>(1,972,812)</u>	<u>867,647</u>	<u>-</u>	<u>60,568,307</u>
Total Restricted funds	<u>56,853,196</u>	<u>23,756,408</u>	<u>(24,222,571)</u>	<u>216,350</u>	<u>3,603,000</u>	<u>60,206,383</u>
Total funds	<u>58,152,182</u>	<u>24,779,823</u>	<u>(24,725,344)</u>	<u>-</u>	<u>3,603,000</u>	<u>61,809,661</u>

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

Unrestricted funds

The unrestricted fund represents funds available to the Trustees to apply for the general purposes of the Academy Trust.

Restricted general funds

This fund represents grants received for the Academy Trust's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy Trust at the year end.

Restricted fixed asset funds

This fund represents the net book value of fixed assets that the Academy Trust have purchased out of grants received and have been transferred on conversion.

Transfers represent maintenance expenditure (funded from Devolved Formula Capital) to the General Annual Grant and fixed assets purchased out of the General Annual Grant.

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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16. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	734,687	737,609	(173,310)	-	-	1,298,986
Restricted general funds						
General Annual Grant	(9,825)	18,085,617	(17,853,571)	(96,776)	-	125,445
Pupil premium	79,452	581,402	(651,574)	-	-	9,280
Other DfE/ESFA grants	-	566,983	(566,983)	-	-	-
Local authority grants	-	301,544	(301,544)	-	-	-
COVID-19 recovery premium	17,256	81,540	(98,796)	-	-	-
Restricted donations	-	147,024	(147,024)	-	-	-
Teaching Hub	-	189,120	(189,120)	-	-	-
SCITT	127,268	879,088	(1,006,356)	-	-	-
Pension reserve	(10,541,000)	-	(613,000)	-	7,319,000	(3,835,000)
	<u>(10,326,849)</u>	<u>20,832,318</u>	<u>(21,427,968)</u>	<u>(96,776)</u>	<u>7,319,000</u>	<u>(3,700,275)</u>

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

**Restricted fixed
asset funds**

Restricted fixed assets	60,177,090	-	(1,915,185)	1,216,420	-	59,478,325
DfE/ESFA capital grants	1,293,029	901,761	-	(1,119,644)	-	1,075,146
	<u>61,470,119</u>	<u>901,761</u>	<u>(1,915,185)</u>	<u>96,776</u>	<u>-</u>	<u>60,553,471</u>
Total Restricted funds	<u>51,143,270</u>	<u>21,734,079</u>	<u>(23,343,153)</u>	<u>-</u>	<u>7,319,000</u>	<u>56,853,196</u>
Total funds	<u><u>51,877,957</u></u>	<u><u>22,471,688</u></u>	<u><u>(23,516,463)</u></u>	<u><u>-</u></u>	<u><u>7,319,000</u></u>	<u><u>58,152,182</u></u>

Total funds analysis by academy

The Trust pools all free reserves at the end of each year into the central Trust therefore reserves by school aren't able to be disclosed.

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
Haybridge High School	4,934,611	983,456	131,641	2,328,200	8,377,908
King Charles I School	4,196,974	1,339,226	228,085	1,655,167	7,419,452
The De Montfort School	3,383,265	962,773	191,774	1,008,927	5,546,739
The Four Stones Multi Academy Trust	490,795	683,785	162,799	124,049	1,461,428
Academy Trust	13,005,645	3,969,240	714,299	5,116,343	22,805,527

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Haybridge High School	4,513,598	725,680	81,665	2,059,233	7,380,176
King Charles I School	4,625,442	803,521	77,401	1,172,028	6,678,392
The De Montfort School	3,776,958	565,741	77,609	845,554	5,265,862
The Four Stones Multi Academy Trust	607,363	1,100,227	130,413	438,845	2,276,848
Academy Trust	13,523,361	3,195,169	367,088	4,515,660	21,601,278

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

17. 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	-	-	59,714,971	59,714,971
Current assets	1,603,278	2,447,269	853,336	4,903,883
Creditors due within one year	-	(2,441,193)	-	(2,441,193)
Provisions for liabilities and charges	-	(368,000)	-	(368,000)
Total	1,603,278	(361,924)	60,568,307	61,809,661

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	-	-	59,478,325	59,478,325
Current assets	1,298,986	1,946,042	1,075,146	4,320,174
Creditors due within one year	-	(1,811,317)	-	(1,811,317)
Provisions for liabilities and charges	-	(3,835,000)	-	(3,835,000)
Total	1,298,986	(3,700,275)	60,553,471	58,152,182

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**NOTES TO THE FINANCIAL STATEMENTS
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18. 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)	54,479	(1,044,775)
Adjustments for:		
Depreciation	1,919,817	1,915,185
Capital grants from DfE and other capital income	(1,120,001)	(901,761)
Interest receivable	(10,926)	(2,459)
Defined benefit pension scheme cost less contributions payable	520,000	431,000
Defined benefit pension scheme finance cost	479,000	182,000
Decrease in debtors	389,390	109,970
(Decrease)/increase in creditors	(213,124)	203,463
Loss on sale of assets	12,690	-
Net cash provided by operating activities	2,031,325	892,623

19. Cash flows from financing activities

	2023 £	2022 £
Net salix loans	(20,000)	20,000
Net cash (used in)/provided by financing activities	(20,000)	20,000

20. Cash flows from investing activities

	2023 £	2022 £
Interest receivable	10,926	2,459
Purchase of tangible assets	(2,169,153)	(1,216,420)
Capital grants from DfE Group	1,120,001	901,761
Net cash used in investing activities	(1,038,226)	(312,200)

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	<u>3,625,525</u>	<u>2,652,426</u>

22. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,652,426	973,099	3,625,525
Debt due within 1 year	(20,000)	20,000	-
	<u>2,632,426</u>	<u>993,099</u>	<u>3,625,525</u>

23. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>704,711</u>	<u>-</u>

24. 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 Mercer. Both are multi-employer defined benefit schemes.

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 £302,573 were payable to the schemes at 31 August 2023 (2022 - £278,397) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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 £2,949,690 (2022 - £2,018,803).

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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24. 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 £914,000 (2022 - £938,000), of which employer's contributions totalled £729,000 (2022 - £774,000) and employees' contributions totalled £185,000 (2022 - £164,000). The agreed contribution rates for future years are 16.9 per cent for employers and between 5.5 - 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension 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).

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.4	4.3
Inflation assumption (CPI)	2.8	2.9

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

	2023	2022
	Years	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	25.6	27.0

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24. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(206,000)	(284,000)
Discount rate -0.1%	209,000	290,000
Mortality assumption - 1 year increase	256,000	305,000
Mortality assumption - 1 year decrease	(251,000)	(299,000)
CPI rate +0.1%	209,000	291,000
CPI rate -0.1%	(206,000)	(285,000)

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	8,920,000	7,938,000
Corporate bonds	280,000	292,000
Property	999,000	898,000
Cash and other liquid assets	110,000	195,000
Other	1,876,000	1,492,000
Total market value of assets	12,185,000	10,815,000

The actual return on scheme assets was £242,000 (2022 - £243,000).

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

	2023 £	2022 £
Current service cost	705,000	1,205,000
Net interest	148,000	171,000
Total amount recognised in the Statement of Financial Activities	853,000	1,376,000

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24. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	14,650,000	21,076,000
Current Service Cost	705,000	1,205,000
Interest cost	627,000	355,000
Employee contributions	185,000	164,000
Actuarial gains	(3,361,000)	(7,745,000)
Benefits paid	(253,000)	(405,000)
At 31 August	12,553,000	14,650,000

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

	2023 £	2022 £
At 1 September	10,815,000	10,535,000
Interest income	479,000	184,000
Actuarial gains/(losses)	242,000	(426,000)
Employee contributions	185,000	164,000
Benefits paid	(253,000)	(405,000)
Employer contributions	729,000	774,000
Administrative expenses	(12,000)	(11,000)
At 31 August	12,185,000	10,815,000

25. 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	13,126	21,417
Later than 1 year and not later than 5 years	1,853	14,980
	14,979	36,397

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NOTES TO THE FINANCIAL STATEMENTS
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26. 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.

27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. 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.

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2023, the Trust received £26,163 (2022: £36,606) and disbursed £26,890 (2022: £28,861) from the fund. An amount of £6,507 (2022: £7,745) is included within creditors relating to undistributed funds that are due to the ESFA.

The Academy Trust also distributes SCITT bursary funds to student teachers as an agent for the ESFA. In the year ended 31 August 2023, the Trust received £484,200 (2022: 247,100) and disbursed £465,600 (2022: £256,200) from the fund. An amount of £44,900 (2022: £9,100) is included within creditors relating to undistributed funds that are due to the ESFA.