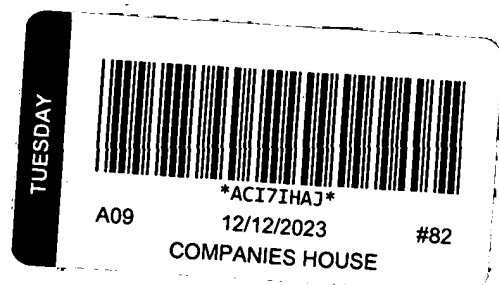


Company Registration Number: 07652902 (England & Wales)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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



SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 26
Governance Statement	27 - 32
Statement on Regularity, Propriety and Compliance	33
Statement of Trustees' Responsibilities	34
Independent Auditors' Report on the Financial Statements	35 - 38
Independent Reporting Accountant's Report on Regularity	39 - 40
Consolidated Statement of Financial Activities Incorporating Income & Expenditure Account	41 - 42
Consolidated Balance Sheet	43 - 44
Academy Balance Sheet	45 - 46
Consolidated Statement of Cash Flows	47
Notes to the Financial Statements	48 - 79

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

F Bodenham
G Knights
C Lennard
L Ross
S Twiselton

Trustees

A Carter, (CEO and Accounting Officer)
A Abid
K Boyce
A Chester
C Handley
G Kendall
C Lennard, (Vice Chair)
S Patterson
J Pratt (appointed 1 June 2023)
L Ross, (Chair)
S Shoveller

Company registered number

07652902

Company name

South Farnham Educational Trust

Principal and registered office

South Farnham School, Menin Way, Farnham, Surrey, GU9 8DY

Company secretary

C Booth

Chief executive officer

A Carter

Senior management team

A Carter, Chief Executive Officer
C Harnden, Deputy Chief Executive Officer, Director of Teaching School Hub & Director of Surrey South Farnham SCITT
C Booth, Finance & Business Director
A-M Bahaire, Director of ITT
C Donnachie, Deputy Director of Teaching School Hub
E Whitbourn, Headteacher South Farnham School
G West, Headteacher Highfield South Farnham School
F O'Neill, Headteacher The Raleigh School
N Mann (until 31 December 2022), Co-Headteacher Wallace Fields Infant School & Nursery
J Hallums (until 16 April 2023), Co-Headteacher Wallace Fields Infant School & Nursery
K Muir (from 17 April 2023), Headteacher Wallace Fields Infant School & Nursery
D Heatley, Headteacher Busbridge Infant School
J Allen, Headteacher Great Bookham School

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

C Edwards (from 1 June 2023), Headteacher Brighton Hill Community School
J Downing (from 17 April 2023), Trust Headteacher

Independent auditors

James Cowper Kreston Audit, Reading Bridge House, George Street, Reading, RG1 8LS

Bankers

HSBC, 33 The Borough, Farnham, Surrey, GU9 7NJ

Solicitors

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

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

The Trustees of South Farnham Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as South Farnham Educational Trust.

The Academy Trust was incorporated on 31st May 2011 and opened as an Academy on 1st July 2011 is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The trust operates six primary academies and one secondary school in the south-east of England. Its academies have a combined pupils on roll of 3,539 (excluding 109 nursery children) in the school census on 5 October 2023 (2,250 excluding 92 Nursery children on 6 October 2022).

Members' Liability

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

Trustees' Indemnities

The Trust has joined the Department for Education's risk protection scheme that offers indemnity to cover Trustees and officers in respect of losses arising as a result of claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of the indemnity is £10,000,000.

Principal activities

The principal activity of the academy trust is to advance for the public benefit by establishing, maintaining and carrying on managing and developing the schools offering a broad and balanced curriculum and training teachers through the SCITT and Teaching School Hub.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Method of Recruitment and Appointment or Election of Trustees

The members may appoint up to six directors through ordinary resolution. The Academy Trust may also appoint any Co-opted Trustee. Parent and staff representatives are within the local governing body at each individual school.

The Board of Trustees have overall responsibility and ultimate decision making authority for all work of the Trust including the establishing and running of the academies operated by the Trust. In order to assist with the discharge of their responsibilities, the Directors have established a Local Governing Body for each academy pursuant to Articles 100 to 104 of the Articles of Association of the Trust. This arrangement will be reviewed annually. The Trust has updated its articles to the latest model from the DfE with a minimum size of three and is not subject to any maximum.

Trustees and Local Governors are appointed for a 4 year period. Subject to remaining eligible to be a particular type of Governor, any Governors can be re-appointed or re-elected.

When appointing new Trustees, the Trust Board will give consideration to the skills and experience mix of existing Trustees in order to ensure the Trust Board has the necessary skills to contribute fully in the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are appointed based on the skills that they will bring to the Trust Board. Trustees receive information relating to the Trust and attend a briefing and receive an induction pack on the role and responsibilities of Trustees. There is a SFET Governance Portal on SharePoint providing access to information needed to undertake their Governance roles. The Trust has a service level agreement for Trustee support and training for Trustees and Local Governing Members is offered through this NGA training programme. All Trustees and Local Governors are members of the NGA and have access to the induction and other training courses on offer. Safeguarding, Health & Safety, Fire Safety and GDPR training is also offered through the Every training module and Cyber-Security training is provided via the NCSC training module.

During the period Trustees and Local Governors were offered all necessary training through a mixture of in-house and external courses and webinars. Training was a mixture of in person and online during 2022-23.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Organisational Structure

The Trust has converted from a single academy trust to a multi-academy trust and has sponsored another academy, Highfield South Farnham. From September 2016 it took on full responsibility for the Surrey South Farnham SCITT, previously a partnership with Surrey County Council. The Raleigh School, a single convertor academy joined the Trust on 1st July 2017. On 1st September 2021 Wallace Fields Infant School and Nursery joined the Trust. On 1st April 2022 Busbridge Infant School joined the Trust and on 1st July 2022 Great Bookham School joined the Trust. On 1st June Brighton Hill Community School, a secondary school in Basingstoke joined the Trust. This was the first Hampshire school to join the Trust. The Trust is now working with a number of potential new schools to develop a multi-academy trust that seeks to develop excellence across Surrey, Hampshire and beyond. The Accounting Officer is the Chief Executive Officer, Sir Andrew Carter. In an exciting initiative St.Mary's, Frensham, joined SFET as an 'associate member' on 13th September 2017. This is an affirmation of the close relationship between SFET and St.Mary's and our wish to work together in the on-going development of primary pedagogical excellence. SFET will share Continual Professional Development opportunities with St.Mary's and their staff will contribute to the delivery of the professional studies programme of Surrey South Farnham SCITT. The purpose of Associate Membership is to have a shared approach to school improvement and educational provision for the benefit of the children, families and the broader school community.

The structure consists of four levels: the Trustees, Local Governing Body Members, Senior Leadership Team and Middle Leadership/Heads of Year & Curriculum faculties. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trust Senior Leadership Team consists of the Chief Executive Officer, the Deputy Chief Executive Officer (also Director of the Teaching School Hub), the Director of ITT, the Deputy Director of the Teaching School Hub, the Headteachers and the Finance & Business Director. These leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them.

The Trust Board has twelve sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Chief Executive Officer (the Accounting Officer) and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-Committee detail the School's authorised spending limits.

The sub-committees of the Trust Board are the:

- Finance Committee (including the functions of an audit and risk committee)
- Pay, Personnel & Performance Committee
- Admissions Committee
- South Farnham School Local Governing Body
- Highfield South Farnham Local Governing Body
- The Raleigh School Local Governing Body
- Wallace Fields Infant School and Nursery Local Governing Body
- Busbridge Infant School Local Governing Body
- Great Bookham School Local Governing Body
- Brighton Hill Community School Local Governing Body
- SCITT Strategic Board
- TSH Strategic Board

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration of key management personnel

The Pay Committee meet at least once a year to discuss the performance of senior leadership and the arrangements for setting the pay and remuneration of all key management personnel. External advice has been taken by the committee from an external consultant who reviewed the procedures used for this process. Remuneration is set at appropriate levels taken from the school leadership scales, taking into account performance review. The Pay, Personnel & Performance Committee sets the remuneration for the CEO. Benchmarking for this has been used from the Queens Street Group and CST data.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2020, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

There were no employees who were relevant union officials during the relevant period.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust. Each of the Academies within the Trust has a PTA that raises money for the schools through fundraising activities. South Farnham School, The Raleigh School and Great Bookham School also have charitable trusts that raise additional funds for their school. South Farnham School Services Ltd is a wholly owned subsidiary of South Farnham School Trust. None of these organisations are controlled by South Farnham Educational Trust and are not included within these financial statements. On 30th November 2022 South Farnham Enterprises was incorporated (Co Number:14515949). This company is a wholly owned subsidiary of South Farnham Educational Trust and results for this company are included in these financial statements. This trading company was set up to run a Pre-School at Great Bookham School and Before & After School Care and Extended Day Activities at Great Bookham School and Busbridge Infant School.

Engagement with employees (including disabled persons)

All employees are given an induction pack and relevant training on joining the trust. Policies and procedures are available to all staff on SharePoint and the Employee Portal and staff are made aware of the factors that affect the wellbeing and performance of children in school. Regular staff meetings ensure staff are involved in decision making and that their views are considered. Applications for job vacancies that arise are welcomed from all, including employees who are disabled. Any employee that may become disabled whilst working for the Trust would be given suitable support with the guidance of occupational health specialists. Training, career development and promotion is encouraged for all staff including disabled employees.

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

The Trust, each school, the SCITT and the Teaching School Hub all keep their websites up to date with current news and key performance data information to ensure maximum engagement with all of their stakeholders. This includes parents, pupils, staff, trustees, local governors, trade suppliers, customers and the wider community. Staff continually work hard to build a community, engage with other schools and inspire those people they work with. The regular publication of newsletters at each school ensures parents and other stakeholders are kept up to date with current news and remain fully engaged with the schools.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Objectives and Activities

Objects and Aims

The principal objects of the company as set out in its Articles of Association are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Whilst all schools in our Trust will have their distinctive features, all will show commitment to, and be accountable for, a shared drive for excellence in all aspects of educational provision.
All staff will be valued and will be provided with a safe and professional working environment.

There will be high expectation and challenge for every pupil to fully develop and achieve intellectually, physically, socially and aesthetically.

All policies, procedures and practices will be developed in conjunction with stakeholders, as appropriate, and directed, approved and monitored by the Trust.

All pupils are encouraged to:-

- develop into happy and confident individuals with a secure foundation in learning that will last throughout their lives.
- develop lively and enquiring minds through knowledge with understanding.
- establish a command of the subjects contained in the National Curriculum.
- value and understand religious and moral beliefs, develop a respect for the views of others and an understanding of British values.
- understand something of the world in which we live with regard for our mutual dependence on others as individuals, groups and nations.
- appreciate human achievements and aspirations.

All schools in the Trust will provide:-

- a school environment in which children can enjoy learning and developing social skills with others
- a differentiated and challenging curriculum including rigorous assessment procedures which ensures that no child is overlooked and every child succeeds
- whole school and individual staff professional development which ensures the highest quality of teaching and learning
- whole-school procedures and practices which ensure consistency and clarity of approach to the education of the children representative of the principles and aims above

The Trust and all member schools will aim to:-

- play their part in raising national standards in education through sharing good practice with other school and teachers across the country
- take a leading role in national initiatives and be in the forefront of educational thinking and improvement

The Academy Trust has the responsibility and authority to ensure that all schools within the Trust fulfil the principles and aims outlined above.

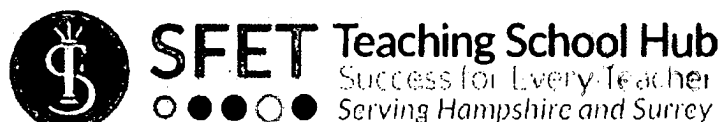
SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Activities

Teaching School Hub



South Farnham School has been designated as a Teaching School Hub. This newly designated status has built upon the school's experience as a National Support School and their work as a pioneering cohort one Teaching School in 2011. We are delighted to continue with this important strategic role which places us at the heart of the national educational agenda.

Teachers across the country benefit from vital developmental support and expert advice, allowing them to improve a broad range of vital teaching skills. The teaching workforce will get best-practice and expert advice on how best to engage with pupils, lesson planning, and classroom management, as the Teaching School Hubs programme is rolled out across the country.

South Farnham School is one of only 87 schools in England selected to be designated as a Teaching School Hub. Each hub works with a designated area ensuring coverage across the country, serving on average around 250 to 350 schools each. They will provide high-quality professional development to teachers and leaders at all stages of their career and play a key role in helping to build up trainee teachers as they enter the workforce. This will further level up the quality of teaching, allowing every child to receive a world-class start in life no matter where they are born.

South Farnham School lead the SE11 region (289 schools in Guildford, Waverley, Rushmoor, Hart, East Hampshire, Basingstoke and Deane) whilst continuing to work with their current partner schools across Surrey, Sussex, Berkshire, Hampshire and the London Boroughs. Relationships with neighbouring Teaching School Hubs, curriculum hubs, research schools and national providers have been developed to draw upon the best of regional and national expertise as South Farnham School introduce some of the most exciting changes to teacher development in a generation.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)



Teaching School Hubs will provide high-quality professional development to teachers at all stages of their careers. South Farnham School will be expected to play a significant role in delivering:

- school-based initial teacher training (ITT) - South Farnham SCITT trained 169 trainees in 2021-22 and 144 trainees in 2022-23 and is currently training 124 trainees.
- the early career framework - we are currently training over 600 new teachers (615 ECTs and 590 mentors). A two-year programme.
- the new specialist national professional qualifications (NPQ) and the revised leadership NPQs (we have recruited over 1,000 2021-present). We will recruit for an additional February cohort.
- Appropriate Body services for early career teachers (we are assessing 720 Early Career Teachers)
- Teacher development and training. The hub is delivering the National SENCO Award in partnership with the University of Roehampton.

South Farnham School's designation as a Teaching School Hub has recognised the substantial contribution that it makes to teacher development in the area. Surrey South Farnham SCITT has been re-accredited by the Department for Education and is graded Outstanding by OFSTED (July 2023).

The Teaching School Hub website provides full information regarding the wealth of opportunities available to teachers, leaders and schools in the region: www.tshubsfet.org.uk.

More information on Teaching School Hubs is available on gov.uk: Teaching school hubs - GOV.UK (www.gov.uk).

Teaching School Hub Council

The Department for Education have appointed members to the new teaching school hubs council (TSHC). This is the sector body for teaching school hubs. The TSHC advocates for a great education for every pupil, regardless of their background, and supports the national network of teaching school hubs in England.

Claire Hamden (Deputy CEO) has been appointed to the council for 2021-24 and will chair a new ITT national advisory group.

The TSHC has 2 specific functions:

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

1. an advisory function - representing the network of teaching school hubs, engaging with and advising the Department for Education (DfE) on national policy
2. a capacity building function - supporting the creation and growth of teaching school hubs, ensuring capacity for successful delivery of the:
 - early career framework (ECF)
 - national professional qualifications (NPQs)
 - initial teacher training (ITT)
 - appropriate body (AB) role
 - additional continuing professional development (CPD)

The Teaching School Hub works with South Farnham School to offer professional development for Teaching Assistants. Tutorial/workshops are delivered at South Farnham School and virtually throughout the year. Each candidate has personalised training plan with tailored online learning modules to work through.

South Farnham Teaching School is an Appropriate Body (AB) for the Professional Induction of Newly Qualified Teachers and Early Career Teachers for primary, secondary and SEND schools and academies across Surrey and Hampshire. This service is built around the three main responsibilities of administration, quality assurance and supporting & monitoring. It is the responsibility of schools to ensure that they commit appropriate resources to the induction of newly qualified/early career teachers. It is the responsibility of the Appropriate Body to ensure quality of this induction provision. The South Farnham Teaching School AB programme is a streamlined assessment process related to the Teachers' Standards; it is focused on efficient use of time for greatest impact on the teacher's progress and attainment.

Our Appropriate Body will:

- Register and monitor the progress of ECTs and report to the TRA
- Make decisions on the outcome of statutory induction for ECTs
- Hold half termly twilight training meetings and clinics at different venues across Surrey and Hampshire at no extra cost for ECTs
- Deliver a training session for Induction Tutors and mentors of ECTs who are new to the South Farnham Teaching School Appropriate Body
- Provide a handbook for all ECTs and Induction Tutors and mentors
- Quality assure schools' systems for monitoring, supporting and assessing ECTs
- Provide phone/ email support for Headteachers and Induction Tutors

Relationships, Sex and Health Education (RSHE)

Our Teaching School Hub has ensured that school leaders can continue to access free RSHE training and resources. Following a successful bid, South Farnham School was designated as a RSHE Hub for the South East region (primary and secondary) by the Department for Education. Our lead subject experts have worked with DfE resources to create and facilitate a full training package. A 'train the trainer' approach ensured that training can be cascaded to additional schools by participants. Peer support is offered to all participating schools along with a dedicated resource area on our website. Our RSHE hub demonstrated capacity and swift reach to 300+ primary schools in the South East during summer 2020 with over 500 additional schools were trained during 2020-22. Regional webinars have engaged RSC teams, DfE, LAs, PHE and others in advisory roles to ensure that as many schools as possible can benefit from our support to successfully implement statutory changes.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Professional Development

As a Teaching School we offer a range of professional development opportunities for teachers and school support staff, extending our strong learning culture to schools we work with. Continual professional development is a fundamental right and responsibility of every teacher. SFET Teaching School Hub has developed a comprehensive programme of training which addresses the needs of all adults working with children, whatever their experience or stage of career development. We have training facilities for groups of all sizes, all with access to a wide range of multi-media resources, delivered by outstanding practicing professionals. In addition, these programmes provide wide ranging CPD for the team of staff who plan and deliver the training.

Surrey Schools Learning Partnership

As part of Surrey Teaching Schools Network we have been instrumental in the development of Surrey Schools Alliance for Excellence (SAfE); a collaboration with the Surrey Phase Councils and Surrey County Council to develop and deliver a sustained approach to support outstanding teaching, learning and leadership in schools. We have provided case studies of best practice, Headteacher training on safe and effective remote recruitment and input into a school audit to consider post-COVID recovery in education and the importance of quality first teaching. We continue to provide training materials and facilitators for schools in the Region and are commissioned to run programmes on behalf of SAfE each year.

South Farnham SCITT

South Farnham has an established role in the training of teachers having been a Recommending Body in its own right, part of the Surrey Designated and Accredited Recommending Body and then the Surrey Primary EBITT. In September 2012, in collaboration with Surrey LA and Babcock International, the Surrey South Farnham SCITT opened providing much needed primary ITT provision in the county of Surrey and surrounding areas. On 1st September 2016 the SCITT was migrated to South Farnham Educational Trust.

Whilst developing a unique and distinctive school-led programme, South Farnham SCITT has built on the qualities of the graduate teacher methodology of the EBITT. The programme is built around a trainee having an on-going experience in one host school together with a six-week experience in a contrasting school and several subject-related short experiences. Types of programme include School Direct Tuition Fee, School Direct Salaried, Postgraduate Teacher Apprenticeships and Assessment Only.

South Farnham SCITT are nationally recognised for school direct recruitment, quality of provision and employment and are the largest Primary SCITT operating in Surrey. In March 2014 and July 2023 OFSTED inspection teams described South Farnham SCITT as 'Outstanding' in all categories (described practice as 'exemplary'). The 2015 Good Teacher Training Guide rated South Farnham SCITT in the top 10 of UK providers and in 2017 as top of the UK table for employment. NCTL further recognised SSF in 2016 with a three-year allocation of places (an honour given to top HEIs and SCITTs). In 2017 the NCTL awarded South Farnham SCITT with a 'multi-year allocation'. This provided an unlimited allocation of places for the years ahead. This year, the Department for Education have accredited the SCITT to deliver ITT post-2024. The accreditation process was designed to ensure that all ITT providers can deliver high-quality ITT against new quality requirements. In July 2023 South Farnham SCITT was awarded an Outstanding Ofsted report.

Sir Andrew Carter, KBE (CEO of South Farnham Educational Trust) is regularly invited to speak at national conferences and educational events about the future of ITT, QTS and has chaired the Trailblazer employer group for the new Postgraduate Teacher Apprenticeship (a post taken up by our Deputy CEO & Director of TS Hub, Claire Harnden). In 2015, Andrew was asked to conduct a national review of ITT and a report containing recommendations for Government was published (The Carter Review). Three significant reports followed to develop three important recommendations (training on behaviour management, a core curriculum for ITT and national mentor standards). South Farnham SCITT is proud to feature as a case study in the national mentor standards.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Over 200 primary schools throughout Surrey and the surrounding areas make up the South Farnham SCITT partnership. South Farnham SCITT retains the services of a panel of talented heads, consultants, deputies and senior staff very familiar with the current ITE programmes. Internal quality assurance largely comes from this body whilst the external quality assurance is provided by Andy Ogden (NASBTT Trustee, Deputy CEO of Tarka Trust and previous Programme Manager of the Devon Primary SCITT). Ann-Marie Bahaire is our Director of ITT and has a team of four Cohort Leads overseeing regional hub areas.

For 2023-24 there are 124 trainees. This provides extensive CPD opportunities for the class teachers, mentors and Support Tutors who work with the trainees as well as the wide team of staff who plan and deliver the training.

The class of 2021-22 celebrated their SCITT Graduation with a ceremony at Guildford Cathedral on Friday 20th October, 2022. Russell Hobby, CBE (CEO) presented certificates. The class of 2022-23 will be celebrating their graduation in October 2023.

The children of South Farnham Educational Trust provided a beautiful choral opening to the ceremony.



Following an inadequate OFSTED, The Solent SCITT closed. Our SCITT supported provision in this region and has opened a Solent training hub.

George Abbot SCITT has partnered with South Farnham SCITT. All primary ITT provision is now run by South Farnham SCITT with recruitment to secondary programmes planned for a 2024 start. An exciting development. Growth areas include the Solent, Hampshire (Basingstoke in particular), Sussex and Hillingdon.

Ann-Marie Bahaire has provided external examination services and compliance audits for a SCITT in Pimlico and Milton Keynes.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

South Farnham SCITT operates as an End Point Assessment Organisation (EPAO) for the Teacher Apprenticeship. The SCITT has conducted over 120 assessments to date.

Claire Harnden continues to work as a NASBTT Trustee (National Association of School Based Teacher Trainers), member of the DfE ITT Advisory Group (ITTAG), Chair of the London and South-East 3 network, Chair of the TSHC ITT and AB Advisory Board and Chair of the Teacher Trailblazer Group.

All of these activities support our aim to play our part in the national education agenda for the benefit of the education of all children. The children are educated in an environment where learning is seen to be a lifelong activity.

National Support School

Sir Andrew Carter has worked as a National Leader of Education and South Farnham School has been designated a National Support School. This allows us to continue our well-established role in the raising of standards in other schools both in Surrey and nationally. We have visits from approx. 30-40 schools annually, to work with Leadership Teams, Governors and School Business Managers.

In a more formal role we support schools in difficulty, sometimes working in partnership with the Local Authority. As a National Support School, we have supported several schools in Special Measures/R.I. through the Deployment Fund (National College) and in conjunction with Surrey LA School Improvement programmes. We continue to support schools across Surrey, and further afield, in difficult circumstances. We play a key role in our local Maths Hub and Farnham Confederation with teachers delivering training and working on collaborative cross-phase projects.

South Farnham School is a lead school in ITT, Mathematics, AfL, Leadership and Management and School Business Management and act in an advisory capacity with the DfE and other national organisations such as the National Centre for Excellence in Mathematics.

Sir Andrew Carter has been appointed as a Primary Academy Associate and is part of a small team of primary academy Headteachers (around 15 nationally) who offer advice and support to schools across the country who wish to become academies.

As the Lead Primary school in our Regional Maths Hub we are further developing Maths Mastery, curriculum development and variation and providing support for other schools in developing their mathematical teaching and pedagogy. The Deputy CEO is a member of the NE Hants and Surrey Maths Hub Strategic Board.

In addition, we are the Lead Primary school in our Regional Science Learning Partnership and we provide professional development for science curriculum leaders and teachers as well as for colleagues delivering training.

The Chief Executive Officer sits on: the Surrey Primary Council; Surrey LA Finance Forum, the South East RSC Advisory Board and the Queen Street Group and speaks on financial and other educational issues at venues across the UK.

A distinctive aim of the trust is its enduring quest for excellence. Tangible evidence of this is the 'outstanding' (OFSTED 2012 – South Farnham School, 2017 – The Raleigh School, 2018 – Highfield South Farnham and 2021 – Wallace Fields Infant School and Nursery) environment which has been developed for teaching and learning.

We are committed to the widest possible provision for our pupils. Extended provision includes over 45 extracurricular clubs a week and a before and after school care facility at all school sites.

There is extensive use of the buildings by the community during the school day and in the evenings e.g. choirs, Pilates and local community groups.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Our 'Bright Futures' Programme is an initiative which introduces primary age children to the world of work and wealth creation through structured involvement of members of the local community. Children begin to develop an awareness of the relevance of their learning to future hopes and aspirations and an understanding is fostered of the responsibilities and opportunities of being a contributing adult.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit education in the Surrey area and the surrounding area, offering a broad curriculum.

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

Key Stage 2 Results

We are delighted with our 2022-23 End of Key Stage 2 Results.

KS2 Progress:[illegible]

We are also delighted with our 2022-23 End of Key Stage 1 Results

		South Farnham School Contact: 01253 721219 2020-21: 95% 95% 95% 95% 95% 2021-22: 95% 95% 95% 95% 95%			Highfield School Contact: 01253 721219 2020-21: 95% 95% 95% 95% 95% 2021-22: 95% 95% 95% 95% 95%			The Raleigh School Contact: 01253 721219 2020-21: 95% 95% 95% 95% 95% 2021-22: 95% 95% 95% 95% 95%			Wallace Field Infant School Contact: 01253 721219 2020-21: 95% 95% 95% 95% 95% 2021-22: 95% 95% 95% 95% 95%			Busbridge Infant School Contact: 01253 721219 2020-21: 95% 95% 95% 95% 95% 2021-22: 95% 95% 95% 95% 95%			The Great Bookham School Contact: 01253 721219 2020-21: 95% 95% 95% 95% 95% 2021-22: 95% 95% 95% 95% 95%		
		Reading	Writing	Maths	Reading	Writing	Maths	Reading	Writing	Maths	Reading	Writing	Maths	Reading	Writing	Maths	Reading	Writing	Maths
Children achieving expected standard + (%):																			
2021-22	National	97%	98%	98%	97%	98%	98%	97%	98%	98%	97%	98%	98%	97%	98%	98%	97%	98%	98%
	School	97%	97%	98%	80%	73%	90%	87%	76%	90%	90%	90%	93%	67%	91%	98%	73%	68%	81%
		Combined: 97%			Combined: 73%			Combined: 77%			Combined: 90%			Combined: 88%			Combined: 68%		
2022-23	National	99%	98%	98%	99%	98%	98%	99%	98%	98%	99%	98%	98%	99%	98%	98%	99%	98%	98%
	School	99%	98%	100%	87%	85%	88%	90%	83%	97%	88%	87%	92%	89%	88%	98%	63%	50%	68%
		Combined: 98%			Combined: 85%			Combined: 80%			Combined: 83%			Combined: 86%			Combined: 50%		
Children achieving higher standard (Greater Depth - %):																			
2021-22	National	18%	8%	15%	18%	8%	15%	18%	8%	15%	18%	8%	15%	18%	8%	15%	18%	8%	15%
	School	66%	37%	61%	30%	27%	22%	35%	23%	28%	42%	20%	38%	55%	5%	40%	41%	32%	32%
		Combined: 32%			Combined: 20%			Combined: 18%			Combined: 23%			Combined: 5%			Combined: 18%		
2022-23	National	19%	3%	17%	19%	8%	17%	19%	8%	17%	19%	8%	17%	19%	8%	17%	19%	8%	17%
	School	70%	28%	55%	33%	33%	40%	42%	31%	39%	40%	23%	30%	41%	25%	42%	30%	7%	32%
		Combined: 22%			Combined: 32%			Combined: 17%			Combined: 20%			Combined: 21%			Combined: 3%		

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Multiplication Check

	South Farnham School (Authorised 2011/2012, 2013/2014, 2015/2016)					Highfield School (Authorised 2011/2012, 2013/2014, 2015/2016)					The Raleigh School (Authorised 2011/2012, 2013/2014, 2015/2016)					The Great Bookham School (Authorised 2011/2012, 2013/2014, 2015/2016)				
	100%	96%	92%	Expected 80%	Chs that did not take	100%	96%	92%	Expected 80%	Chs that did not take	100%	96%	92%	Expected 80%	Chs that did not take	100%	96%	92%	Expected 80%	Chs that did not take
2021-22	100% (25/25)	96% (24/25)	92% (23/25)	80% (20/25)		100% (25/25)	96% (24/25)	92% (23/25)	80% (20/25)		100% (25/25)	96% (24/25)	92% (23/25)	80% (20/25)		100% (25/25)	96% (24/25)	92% (23/25)	80% (20/25)	
2022-23	100% (25/25)	100%	100%	0%		53% (27/51)	67%	79%	13%		58% (29/50)	70%	83%	2%		47% (23/49)	74%	79%	37%	5%
	100% (25/25)	100%	100%	0%		80% (40/50)	80%	80%	13%		100% (50/50)	100%	100%	0%		61% (30/49)	53%	71%	21%	100%

Key Performance Indicators

Overall Performance

- MAT KS2 outcomes are 24.5% (expected/combined) and 20.5% (greater depth/combined) above national averages.
- SFET KS2 average – 83.5% expected standard, 28.5% greater depth (combined). National average: 59% exp. and 8% greater depth (FFT)
- SFET KS1 average – 82% expected standard, 19% greater depth (combined). National average: awaiting publication of national data
- SFET MTC average – 80% achieved 100% (25/25). National averages have not been provided for 2023 at this time. To provide a benchmark, the 2022 mean average score nationally was 19.8 marks out of 25.
- SFET Phonics screening average – 89% (year one) and 98% (year two)
- SFET EYFS average – 87% GLD. National average: 68%
- KS4 outcomes at Brighton Hill Community School (new school June 2023):
- English (82% grade 4+) are 18% higher than national (64.2%)
- Maths (81% grade 4+) are 20% higher than national (60.7%)
- Science above national average in all measures
- Sustained exceptional outcomes over five years
- South Farnham School maintained 100% KS2 meeting expected (combined) with a cohort of 135 year six children, 48% greater depth (combined)
- Highfield South Farnham School achieved 27% above national measure at KS2 (combined exp.)
- Raleigh highest KS2 outcomes to date and achieved 100% KS2 GPS and Maths (95% combined exp.)
- Sunday Times Parent Power 2022 – South Farnham School retained its place 11th nationally (top 0.07% of schools) and the top primary state school in Surrey. The Raleigh School is 2nd and Highfield 6th in Surrey.

Attendance & Safeguarding

- Effective arrangements for and culture of safeguarding in all schools
- External safeguarding audits commissioned and completed.
- CPOMs put in place for use in/across all schools. Staff training undertaken and staff are developing confidence with its use.
- Attendance across the Trust (national 2022-23: all schools 92.5%; primary schools 94%):
- South Farnham School – 96.0% (0.7% unauthorised)
- Highfield South Farnham School – 94.1% (0.8% unauthorised)
- The Raleigh School – 96.3% (0.6% unauthorised)
- Wallace Fields Infant School – 95.5% (0.9% unauthorised)
- Busbridge Infant School – 96.9% (0.6% unauthorised)
- Great Bookham School – 93.0% (2.4% unauthorised)
- Brighton Hill Community School – 91.4% (1.6% unauthorised)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Ofsted

During 2022-23 Surrey South Farnham SCITT achieved an Outstanding judgement in an inspection in July 2023.

During 2021-22 Wallace Fields Infant School and Nursery achieved an Outstanding judgment in an inspection in December 2021.

A distinctive feature of South Farnham School has been its achievement of four Outstanding OFSTED reports (1998, 2003, 2007 and 2012) with no key issues. This demonstrates the sustained period of high performance standard attained by the school.

Contribution to the national education agenda

- SFET became one of the National Institute of Teaching's 12 Associate Colleges – the UK's newly appointed teacher and leadership development organisation.
- Sir Andrew Carter has been re-elected as member of the national Headteacher Advisory Board (RSC)
- Claire Harnden reappointed to new Teaching School Hub Council, will now chair the AB/ITT Advisory Board and has joined the Strategic Board for the regional Maths Hub
- Andrew Carter, Claire Harnden and Claire Donnachie are chairing the Teaching Apprenticeship Trailblazer group
- Andrew Carter/Claire Harnden have continued to meet with DfE regarding the Teacher Apprenticeship programme and ITT.
- The SFET phonics scheme (Phonics Steps) received accreditation from the DfE. Teachers across the Trust have contributed to the recording and editing of staff training, resources and creation of materials
- National roll-out of ECF, changes to Induction, RSHE and NPQs in the South-East
- Andrew Carter/Claire Harnden/Claire Booth/Claire Buckton active members of Queen Street Group CEO, Education, Finance and HR groups. Articles composed by SFET (published)
- Claire Harnden has attended national ITT Advisory Group meetings with DfE and chairs LSE3 regional ITT network for DfE

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

Financial Performance Indicators

Although the Trust's funding agreement is not subject to a specific carry forward limit on the amount of GAG funding, one of the main financial performance indicators is the level of reserves held at the balance sheet date and, in particular the amount of GAG funding carried forward at the balance sheet date.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 3,539 which is an increase of 57% over the previous year due to the expansion of pupil numbers at Highfield South Farnham and the addition of a new secondary school during the year (Brighton Hill Community School).

As a result the ratio of GAG funding per pupil was £5,449 for the period ended 31 August 2023.

Staffing costs are another key performance indicator for the trust and the percentage of total staff costs to total income for the period was 69.90%, while the percentage of staff costs to total costs was 68.72%

Going concern

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

Financial Review

Most of the Trust's income is obtained from the Education Funding and Skills Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2023 and the associated expenditure are shown as restricted funds in the statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and these are shown as Restricted Fixed Asset Funds. During the year ended 31st August 2023 the Trust received Devolved Formula Capital grant from the ESFA for each academy, Condition Improvement Funding and this year a new grant, Additional Capital Allocation Funding. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

During the year ended 31 August 2023, total expenditure of £18,555,898 was met by recurrent grant funding from the ESFA together with other incoming resources. At 31st August 2023, the balance of the GAG Restricted Fund was £341,453, which is after a transfer of £214,269 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

A £25,000 pre-opening grant was provided to support the conversion costs at Brighton Hill Community School. The SCITT received partnership funding to develop a partnership with a secondary school and develop a secondary curriculum.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

(continued)

During the year to 31st August 2023 the Trust received £43,941 Covid Recovery Premium and used £21,708 funding for the National Tutoring Programme which has allowed for investment in additional staff to support pupils to catch up for lost learning during Covid and to teach an ambitious and broad curriculum. The premium has been used to improve classroom pedagogy, provide targeted support and support whole-school strategies and is targeted at those children who need it the most.

The Trust applied for capital bids to the Condition Improvement Fund and during the year received funding for two bids, Roofing Repairs at South Farnham School and a Security & Safeguarding Project at Wallace Fields Infant School and nursery. Due to the timing of the announcement last year of CIF bid results, the project had a later timescale and was completed by March 2023. This was an asbestos removal project at Highfield South Farnham and the works at Highfield could only be carried out during the school holiday periods.

During 2022-23 the Trust has completed a new library building project at South Farnham School infant site at a total cost of £68,141 from Trust reserves.

The Trust invested heavily in IT infrastructure and equipment provision during the year including a new video wall at Wallace Fields Infant School & Nursery (£15,373), a computer network rebuild across four schools in the Trust in October 2022 (£47,250), and infrastructure upgrade of wi-fi and switches at South Farnham School (£58,807) and Highfield South Farnham (£42,996) during August 2023. These projects were funded from Trust reserves and Devolved Formula Capital Funding.

A building extension at Busbridge Infant School commenced during 2022-23 and is expected to be complete by December 2023. This new space will enhance the facilities at the school and is being funded mainly from Trust reserves. Expenditure incurred to 31st August 2023 was £448,602.

At Brighton Hill Community School refurbishment of the DT classrooms took place in August 2023. Expenditure to 31st August was £154,123 and was funded from capital grants and Trust reserves.

At 31 August 2023 the net book value of fixed assets was £53,695,467. Movements in tangible assets is shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi-Academy Trust.

At 31 August 2023 the value of the LGPS pension deficit was £749,000. A detailed explanation of the actuarial basis of this valuation is shown in note 30. This deficit does not exceed the unrestricted funds of the charity and the trustees do not consider this to impact their assessment of going concern.

The balance of total funds held at 31st August 2023 were £56,429,631 which comprised the following:

Restricted Funds (excluding Pension Liability)	£610,972
Restricted Pension Liability Fund	(£749,000)
Restricted Fixed Asset Fund	£53,777,132
Unrestricted Funds	£2,790,527

The key financial policies reviewed and adopted during the period included the Financial Policy and Procedures Handbook, which lays out the framework for the Academy's financial management, including financial responsibilities of the Trust Board, Headteachers, managers, budget holders and other staff, as well as the delegated authorities for spending. This policy review included Charging and Remittances, Lettings, Reserves and Asset Management.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The level of restricted and unrestricted funds (excluding pension liability) held at 31 August 2023 total £3,401,499. The reserves will be allocated and spent as part of the Schools Development Plans, to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of each Academy for which reserves will be allocated and determined in order of priority to meet the need of the Academy. £53,777,132 is held in a separate Fixed Asset Fund.

An appropriate level of free reserves has been reviewed in light of possible schools joining the trust. It is also necessary to provide a cushion to cover financial risks facing the Trust from reductions in funding. A portion of free reserves will be used to manage projected reductions in funding and increases in costs, increases in Pension Scheme contribution rates and reductions in deprivation and high needs funding. For these reasons the Trustees have established a short term desire to keep reserves at 15%. They acknowledge that the current level of reserves exceeds this figure but these funds will be need for planned capital projects included within the Trust Estate Strategy that require significant investment. Going forward with a whole years funding included for the secondary school the reserves percentage will reduce in future years. Last year the Trustees agreed to put £1,100,000 into a designated reserve at the year end to show funds identified but not yet committed on future capital works. Both projects have commenced and the funds have been allocated accordingly.

A portion of reserves will be used for condition improvement and to support Great Bookham School and Busbridge Infant School whilst the schools build pupil numbers.

The reserves must provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

During 2020-21 the Trustees decided to partially pool a level of reserves to enable a building project to be completed at The Raleigh School in accordance with the strategic development plan for the Trust. The Trustees were committed to improving the facilities at Busbridge Infant School and Great Bookham. This meant further partial pooling of reserves during 2022-23 to enable these projects to proceed.

Brighton Hill Community School joined the Trust with a historic deficit balance that has been greatly reduced in recent years. The school is now full and oversubscribed and is expected to operate with an in-year surplus going forward and to clear the deficit within a couple of years.

The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Investment Policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. Funds that are surplus to immediate requirements are invested to optimal effect by the Trust in a deposit accounts with the objective of ensuring maximum return on assets invested but with minimal risk. The Trust does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial

The Academy has considerable reliance on continued Government funding through the ESFA. In the period, approximately 78.22% of the Academy's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Risk Management

The trust has implemented a risk management policy and created a risk register and risk review process. The main risks identified include both strategic and operational risks and have been assessed under the following categories: Professional – achieving strategic aims, management structures, educational objectives, conduct, liability beyond the classroom and staff and pupil procedures, Safeguarding, Physical – injury to staff and pupils, property, Financial, Legal, Environmental, Contractual, Technological and Disaster recovery.

The Trustees have assessed the major risks to which each Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of each Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health & safety and school trips) and in relation to the control of finance. The Trustees have introduced systems, including internal financial controls in order to minimise risk and are satisfied that systems are in place to mitigate any exposure to major risks. Where risks still remain they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance statement on pages x-x

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of Governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for protection for the vulnerable

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training for staff as well as ensuring there is clear succession planning.

Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Financial and Risk Management Objectives and Policies

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed at least annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Whilst the Academy Trust is currently oversubscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

The Trustees examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustee and Finance Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Trust's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

The Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. The main fundraising is undertaken by the individual PTA organisations for each school. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trustees and local governors are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensure all activities are agreed and monitored at each academy at senior leadership team level to ensure 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 Trust's complaints procedure. During the year no complaints or issues have arisen as a result of any fundraising events.

The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. The trustees, local governors and staff have regard to the Charity Commission publication 'Charity Fundraising' (CC20). All personal information collected by the schools is kept confidential and not sold, given away or disclosed to any third party without consent. Nobody directly or indirectly employed by or volunteering for any of the schools within the trust shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation. Fundraising activities will not be undertaken if they may be detrimental to the good name or community standing of the trust or any of the schools within the trust. Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical. Fundraising activities will not be undertaken if they will expose the organisation to significant financial risk. All fundraising activity is reported to Local Governing Bodies and the Trust Board on a regular basis.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Streamlined Energy and Carbon Reporting (SECR)

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 8 schools controlled during the reporting period and minibuses.

Reporting period

The annual reporting period is 1st September to 31st August each year and the energy and carbon emissions are aligned to this period. One school joined the Trust part way through the year (Brighton Hill Community School in June 2023); however, a full 12 months of energy and emissions has been reported for benchmarking and future annual comparisons.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, oil and minibus diesel consumption were compiled from invoice records. For periods with missing invoices, values were pro-rata or benchmark estimated. Mileage claims were used to calculate energy use and emissions associated with company owned vehicles. Generally gross calorific values were used as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur because of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Streamlined Energy and Carbon Reporting (SECR) (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2021/22	2022/23
Mandatory requirements:		
Gas	1,566,209	2,681,629
Purchased electricity from the grid	719,440	1,029,346
Transport fuel	17,343	5,571
Total energy (mandatory)	2,292,992	3,716,547
Voluntary requirements:		
Oil	53,125	63,588
Total energy (voluntary)	53,125	63,588
Total energy (mandatory & voluntary)	2,346,117	3,780,135

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2021/22	2022/23
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	284.1	490.5
Company owned vehicles (minibuses)	N/A	1.3
<u>Scope 2</u>		
Purchased electricity (location-based)	139.1	213.2
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	4.3	N/A
Total gross emissions (mandatory)	427.5	705.0
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.190	0.199
Tonnes of CO ₂ e per square meter floor area	0.028	0.029
Voluntary requirements:		
<u>Scope 1</u>		
Oil	13.8	16.5
Total gross emissions (voluntary)	13.8	16.5
Total gross emissions (mandatory & voluntary)	441.3	721.6
<u>Intensity ratios (mandatory and voluntary emissions)</u>		
Tonnes of CO ₂ e per pupil	0.196	0.203
Tonnes of CO ₂ e per square meter floor area	0.029	0.030

NOTE: Figures may not sum due to rounding

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings.

Energy efficiency action during current financial year

During the current financial year, the following energy efficiency actions have taken place:

- Boiler upgrades to more efficient models have taken place at South Farnham School and Great Bookham School to improve heating efficiency.
- At Brighton Hill Community School, they are receiving the benefit of LED lighting that was installed with a Salix Loan, resulting in more efficient use of electricity.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

Streamlined Energy and Carbon Reporting (SECR) (continued)

- At South Farnham School junior site, a roofing project started during 2022-23 and is continuing into 2023-24. The roofing is being replaced under a CIF bid and includes the addition of insulation in certain sections to reduce heat loss.
- At Busbridge School, plans are in place to replace the oil central heating with a new gas boiler. This will result on lower carbon emissions and improved energy efficiency.

Plans for Future Periods

South Farnham Educational Trust will continue to maintain and improve, where possible, the existing high educational outcomes of all pupils in the Trust irrespective of ability or disadvantage. In this way all pupils will achieve everything of which they are capable intellectually, physically, emotionally and aesthetically. This plan is reflected in our stated Aims and individual school Action Plans.

We shall continue to deliver the South Farnham SCITT Initial Teacher Training Programme with a projected recruitment of 170 trainees for 2024-25. We will continue to extend the scope of our ITT offer to include the new Post-Graduate Teacher Apprenticeship.

We plan to ensure that all schools in our Trust have the buildings and environments conducive to the delivery of excellent provision and to that end shall be considering the funding options available to ensure these aims are turned into reality. This aligns with our plans to meet parental wishes in respect of their choice of school.

South Farnham Educational Trust plans to work closely with local schools, and those further afield in Surrey and Hampshire, in the consideration of the extension of the Trust's membership to include schools who share our aims and objectives in the development of a primary trust based on shared pedagogical principles.

Funds Held as Custodian Trustee on Behalf of Others

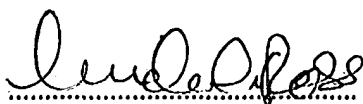
There were no funds held as Custodian Trustee on behalf of others.

Auditors

In so far as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on
30 November 2023 and signed on its behalf by:



Mrs Linda Ross
Chair of Trustees

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

As Trustees we have reviewed and taken account of the guidance in DfEs Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Farnham Educational Trust and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Ross (Chair)	5	6
A. Carter (CEO & Accounting Officer)	6	6
A. Abid	3	6
K. Boyce	5	6
A. Chester	5	6
C. Handley	4	6
G. Kendall	5	6
C. Lennard	6	6
S Patterson	5	6
J. Pratt	1	1
S. Shoveller	5	6

The Trust is approved as a Sponsor and converted to a multi-academy trust in January 2015. Highfield South Farnham (previously a LA maintained school) joined the Trust as a sponsored academy on 1 February 2015. The Raleigh School, a single convertor academy joined the trust on 1st July 2017. Wallace Fields Infant School and Nursery joined on 1st September 2021, Busbridge Infant School joined on 1st April 2022 and Great Bookham School joined on 1st July 2022. Brighton Hill Community School joined on 1st June 2023.

There is a good mix of skills across the Trust board and Local Governing Bodies with experienced members have been established as sub-committees of the board. In addition, there are Strategic Board sub-committee for both the South Farnham SCITT and Teaching School Hub.

Section 2.3 of the Academies Financial Handbook 2022 sets out that the Board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. The Trustees held six main formal board meetings during the year and all Trustees were invited to attend the finance committee meetings. However, as this year has been a period of rapid growth for the Trust, the Trustees were regularly involved throughout the year in the process of these schools joining the Trust and consider they have met regularly sufficiently to discharge their responsibilities. All Trustees receive management accounts every month and they have received training in how to read the financial documents that are issued. The Trustees consider that effective oversight of funds has been maintained with this pattern of meetings. Should additional events occur such as another school joining the Trust or significant capital projects additional meetings will be scheduled as necessary.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Trust Board's responsibility to ensure sound management of the academy trust finances and resources, including proper planning, monitoring and probity. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee will make appropriate comments and recommendations on such matters to the Board on a regular basis. Major issues will be referred to the full board for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Lennard (Committee Chair)	3	3
A. Abid	1	3
K. Boyce	2	3
A. Carter	3	3
A. Chester	2	3
S. Shoveller	3	3
L. Ross	2	3
B. Nash (Non-trustee Member)	2	3

For the year ended 31 August 2023 the function of the Audit Committee was covered under the terms of reference of the Finance Committee.

Governance Reviews

The trust carries out an annual review of its governance arrangements and procedures to ensure the structure and scheme of delegation are appropriate for the efficient running of the Trust. This includes a review of Trustee and Local Governor skills to ensure sufficient knowledge and capacity across the Board and Local Governing Bodies. The next review will be held in Spring 2024 prior to updating the Trust handbook that will be published to take effect from September 2024.

Review of Value for Money

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

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

Approach

The trustees and school managers have applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school
- The targeting of resources to best improve standards and the quality of provision
- The use of resources to best support the various educational needs of all pupils

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Improving Educational Results

To ensure that standards are continually raised the Trust operated a programme of internal reviews of the curriculum. South Farnham School was awarded Teaching School Hub status in 2021.

Targeted improvement: The trust has kept its staffing structure under review and deployed staff efficiently to support an improved curriculum through quality of teaching and learning, adult-pupil ratio and curriculum management.

Focus on individual pupils: Each academy managed the differing needs of pupils through a series of focus group teaching classes that are offered in each year group

Collaboration: The academy trust engaged with other educational providers and experts to share good practice and drive up standards for the least cost. This included work as the lead school in a teaching school alliance.

Financial governance and oversight

The academy 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.

Purchasing, the efficient and effective use of resources

The Trustees and school managers deployed equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Benchmarking: The Finance Committee have reviewed the latest available benchmarking reports for the Trust comparing performance to other primary academies and to all academies in the same local authority to demonstrate that the trust provides good value for money.

Economies of scale: the Academy Trust currently operated over seven sites during 2022-23 and savings have been made by sharing administration and procurement costs, including the purchase of ICT equipment across the trust, and the renewal of energy contracts.

Purchasing: The Trustees have developed procedures for assessing need, obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time and cost. Measures already in place include clearly defined purchasing guidelines:

- Formal tendering procedures (for goods and services over £50,000)
- Procedures for accepting best value quotes which are not necessarily the cheapest (ed suitability for purpose and quality of workmanship)
- For purpose above £10,000 three quotes are required
- Procedures which minimise office time by the purchase of goods or services under £1,000 directly via a purchase order from known, reliable suppliers (eg stationery, small equipment)
- Time and resource is not wasted on investigating minor areas where few improvements and savings can be achieved as this is not considered cost effective and can distract management from more valuable areas
- DfE framework agreements have been used where beneficial, in particular this year for new photocopiers and water contracts.

Maximising income generation

The Trust explored available opportunities to generate income through the letting of facilities, provision of additional services such as training courses and school to school support. Income generation has been impacted this year due to Covid-19.

Reviewing controls and managing risks

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Improving Educational Results (continued)

- Formal agendas for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of Trustees and Local Governors are reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for protection for the vulnerable

Insurance levels are reviewed annually and used cost-effectively to manage risks.

Maximising use of resources

Expenditure within each budget heading is reviewed on a regular basis and adjustments are made based on the strategies identified in the Trust and Academies Development Plans.

Pupils' Welfare

The quality of the school environment and the school ethos has been reviewed in order to continue to provide a supportive environment conducive to learning and recreation.

The Academy tracked attendance for all pupils and attendance was well above the national average.

Health & Safety

The Trustees, Local Governors and school managers have reviewed the quality of the school environment and equipment carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

Areas were monitored for best value by:

- In-house monitoring by the Headteachers and curriculum faculty leads
- Termly target setting meetings between the Headteachers and curriculum managers
- Annual performance management
- Annual budget planning
- Headteachers' monthly financial review
- Visits by internal auditor
- Analysis of school pupil performance data eg SATs results, standardised test results
- Analysis of available financial data eg benchmarking through data for all academies and similar schools
- Analysis of DfE pupil performance data
- Ofsted Inspection reports
- Local Governing member termly classroom observations
- Local Governing members termly committee meetings
- Trustees full termly meetings
- Trustees annual finance review

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Farnham Educational

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Improving Educational Results (continued)

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

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint Bishop Fleming to perform a limited scope internal audit review of the academy trust to give advice on financial matters and perform a range of checks on the finance systems. Their reports have been presented to Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. During 2022-23 the reviews focused on governance, income, procurement and payroll. there are no material control issues arising as a result of the auditors' work.

In particular the checks carried out in the current period included a review of financial policies, procedures and minutes from Trustee meetings. In addition:

- testing of financial controls
- checking of declarations of business interests
- testing of control account/ bank reconciliations
- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The spring and summer term visits were both completed virtually. The reviewer prepared an annual summary outlining areas reviewed, key findings and recommendations and conclusions to help the trustees consider actions and assess year on year progress. There were no material control issues arising as a result of the work carried out.

The internal scrutiny arrangements of the trust changed during 2020-21 due to the requirements of the newly revised FRC Ethical Standards for auditors where a firm providing external audit to an entity shall not also provide audit services to it. The Trustees have re-appointed Bishop Fleming to carry out the internal scrutiny review during 2023-24.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 internal auditor
- the work of the external auditor
- the work of the Finance Committee
- the work of the Local Governing Bodies
- the work of the senior leadership team within each academy who have responsibility for the development and maintenance of the internal control framework

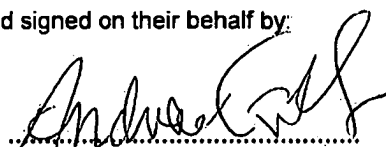
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Trust Finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Mrs Linda Ross
Chair of Trustees

Date: 30.11.23



Sir Andrew Carter
Accounting Officer

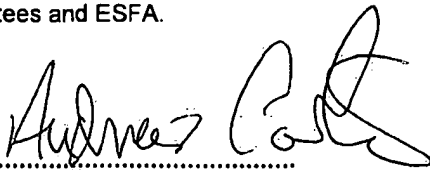
SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of South Farnham Educational Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2022.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial 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.



.....
Sir Andrew Carter
Accounting Officer

Date: 30.11.2023

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

The Trustees (who act as governors of South Farnham Educational Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the 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 Group and the charitable company and of their incoming resources and application of resources, including their 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 (FRS 102) 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group'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:



L Ross
Chair of Trustees

Date: 30.11.23

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST

Opinion

We have audited the financial statements of South Farnham Educational Trust (the 'parent academy') and its subsidiaries (the 'Group') for the year ended 31 August 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated 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 Group's and of the parent academy's affairs as at 31 August 2023 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent academy'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.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the academy 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 Group's and the parent academy'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 Group or the parent academy or to cease operations, or have no realistic alternative but to do so.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST (CONTINUED)

Auditors' 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 Auditors' 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditors' report.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH FARNHAM EDUCATIONAL TRUST (CONTINUED)

Use of our report

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Peal BSc (Hons) FCA DchA (Senior Statutory Auditor)
for and on behalf of
James Cowper Kreston Audit
Chartered Accountants Statutory Auditors
Reading Bridge House
George Street
Reading
RG1 8LS

Date: 4 December 2023

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH FARNHAM EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Farnham Educational Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Farnham Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Farnham Educational Trust's funding agreement with the Secretary of State for Education dated 7 January 2015 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.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

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's income and expenditure.

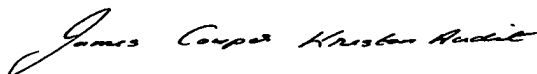
Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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.



James Cowper Kreston Audit
Chartered Accountants Statutory Auditors

Reading Bridge House
George Street
Reading
RG1 8LS

Date: 4 December 2023

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
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					
Income from:						
Donations and capital grants:	4					
Other donations and capital grants		522,078	-	383,572	905,650	674,933
Transfer from local authority on conversion		-	(927,117)	24,161,117	23,234,000	5,791,167
Transfer of existing academy		-	-	-	-	4,199,234
Other trading activities	6	1,249,595	-	-	1,249,595	1,047,420
Investments	7	40,280	-	-	40,280	514
Charitable activities:						
Funding for the academy trust's educational operations		220,995	13,898,248	-	14,119,243	10,378,850
Teaching schools		-	1,928,009	-	1,928,009	1,908,522
Total income		2,032,948	14,899,140	24,544,689	41,476,777	24,000,640
Expenditure on:						
Raising funds		45,386	-	-	45,386	-
Charitable activities		720,008	14,502,944	1,480,741	16,703,693	12,275,135
Teaching schools		-	1,806,819	-	1,806,819	1,724,415
Total expenditure		765,394	16,309,763	1,480,741	18,555,898	13,999,550
Net income/(expenditure)		1,267,554	(1,410,623)	23,063,948	22,920,879	10,001,090
Transfers between funds	21	(1,352,422)	214,269	1,138,153	-	-
Net movement in funds before other recognised gains carried forward		(84,868)	(1,196,354)	24,202,101	22,920,879	10,001,090

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

**CONSOLIDATED 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					
Net movement in funds before other recognised (losses)/gains brought forward		(84,868)	(1,196,354)	24,202,101	22,920,879	10,001,090
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	29	-	1,680,000	-	1,680,000	5,440,000
Net movement in funds		(84,868)	483,646	24,202,101	24,600,879	15,441,090
Reconciliation of funds:						
Total funds brought forward		2,875,395	(621,674)	29,575,031	31,828,752	16,387,662
Net movement in funds		(84,868)	483,646	24,202,101	24,600,879	15,441,090
Total funds carried forward		2,790,527	(138,028)	53,777,132	56,429,631	31,828,752

SOUTH FARNHAM EDUCATIONAL TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 07652902

CONSOLIDATED BALANCE SHEET

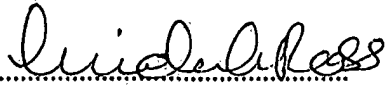
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	53,695,467	29,552,408
		<u>53,695,467</u>	<u>29,552,408</u>
Current assets			
Stocks	17	21,787	17,020
Debtors	18	702,484	1,074,845
Cash at bank and in hand		5,132,755	4,195,325
		<u>5,857,026</u>	<u>5,287,190</u>
Creditors: amounts falling due within one year	19	(2,310,860)	(1,548,846)
Net current assets		3,546,166	3,738,344
Total assets less current liabilities		<u>57,241,633</u>	<u>33,290,752</u>
Creditors: amounts falling due after more than one year	20	(63,002)	-
Net assets excluding pension liability		<u>57,178,631</u>	<u>33,290,752</u>
Defined benefit pension scheme liability	29	(749,000)	(1,462,000)
Total net assets		<u><u>56,429,631</u></u>	<u><u>31,828,752</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	21	53,777,132	29,575,031
Restricted income funds	21	610,972	840,326
		<u>54,388,104</u>	<u>30,415,357</u>
Restricted funds excluding pension asset	21	54,388,104	30,415,357
Pension reserve	21	(749,000)	(1,462,000)
Total restricted funds	21	<u>53,639,104</u>	<u>28,953,357</u>
Unrestricted income funds	21	<u>2,790,527</u>	<u>2,875,395</u>
Total funds		<u><u>56,429,631</u></u>	<u><u>31,828,752</u></u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07652902

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 41 to 79 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



L Ross
Chair of Trustees

Date: 30.11.23

SOUTH FARNHAM EDUCATIONAL TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 07652902

**ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	53,695,467	29,552,408
Investments	16	100	-
		<u>53,695,567</u>	<u>29,552,408</u>
Current assets			
Stocks	17	21,787	17,020
Debtors	18	704,518	1,074,845
Cash at bank and in hand		5,092,207	4,195,325
		<u>5,818,512</u>	<u>5,287,190</u>
Creditors: amounts falling due within one year	19	(2,289,886)	(1,548,846)
Net current assets		<u>3,528,626</u>	<u>3,738,344</u>
Total assets less current liabilities		<u>57,224,193</u>	<u>33,290,752</u>
Creditors: amounts falling due after more than one year	20	(63,002)	-
Net assets excluding pension liability		<u>57,161,191</u>	<u>33,290,752</u>
Defined benefit pension scheme liability	29	(749,000)	(1,462,000)
Total net assets		<u><u>56,412,191</u></u>	<u><u>31,828,752</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	21	53,777,132	29,575,031
Restricted income funds	21	610,972	840,326
		<u>54,388,104</u>	<u>30,415,357</u>
Restricted funds excluding pension liability	21	54,388,104	30,415,357
Pension reserve	21	(749,000)	(1,462,000)
Total restricted funds	21	<u>53,639,104</u>	<u>28,953,357</u>
Unrestricted income funds	21	<u>2,773,087</u>	<u>2,875,395</u>
Total funds		<u><u>56,412,191</u></u>	<u><u>31,828,752</u></u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07652902

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 41 to 79 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



L Ross

Chair of Trustees

Date: 30.11.23

The notes on pages 48 to 79 form part of these financial statements.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

CONSOLIDATED 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	23	2,037,378	2,476,080
Cash flows from investing activities	24	(1,099,948)	(548,745)
Change in cash and cash equivalents in the year		937,430	1,927,335
Cash and cash equivalents at the beginning of the year		4,195,325	2,267,990
Cash and cash equivalents at the end of the year	25, 26	<u><u>5,132,755</u></u>	<u><u>4,195,325</u></u>

The notes on pages 48 to 79 form part of these financial statements

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

1. General information

The South Farnham Educational Trust is an exempt charity and a company limited by guarantee (company number 07652902). It is incorporated and domiciled in the UK. The address of the registered office is South Farnham School, Menin Way, Farnham, Surrey, GU9 8DY.

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.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the academy, 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.

South Farnham Educational Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Group, can be reliably measured.

• **Grants**

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

• **Sponsorship income**

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

• **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

• **Transfer on conversion**

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 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**

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, 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 Consolidated 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 Consolidated 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	- Over 125 years on cost or over remaining useful life
Leasehold buildings	- Over 50 years on cost or over remaining useful life
Furniture and equipment	- 20% - 33% on cost
Building improvements	- 10% on cost

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 Consolidated statement of financial activities.

2.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Taxation

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

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.12 Pensions

Retirement benefits to employees of the Group 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 Group 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 Group 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 Consolidated statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

2.14 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	522,078	-	-	522,078	369,522
Capital grants	-	-	383,572	383,572	305,411
Transfer of existing academy	-	-	-	-	4,199,234
Transfer from local authority on conversion	-	(927,117)	24,161,117	23,234,000	5,791,167
Total 2023	522,078	(927,117)	24,544,689	24,139,650	10,665,334
Total 2022	1,295,337	(1,109,000)	10,478,997	10,665,334	

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

5. Funding for the academy's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	12,262,199	12,262,199	8,663,970
Other DfE/ESFA grants				
Other DfE/EFA grants	-	198,508	198,508	271,111
Pupil Premium	-	295,798	295,798	224,285
UIFSM	-	407,304	407,304	352,151
	-	13,163,809	13,163,809	9,511,517
Other Government grants				
Local authority grants	-	734,439	734,439	623,011
	-	734,439	734,439	623,011
Other income from the academy's educational operations	220,995	-	220,995	244,322
	220,995	13,898,248	14,119,243	10,378,850
Teaching schools				
DfE/ESFA grants	-	1,115,665	1,115,665	1,240,978
Other Government grants	-	197,921	197,921	172,536
Other income	-	614,423	614,423	495,008
	-	1,928,009	1,928,009	1,908,522
	220,995	15,826,257	16,047,252	12,287,372
Total 2022	244,322	12,043,050	12,287,372	

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings and other income from charitable activities	1,249,595	1,249,595	1,047,420
	<u>1,047,420</u>	<u>1,047,420</u>	
Total 2022	<u>1,047,420</u>	<u>1,047,420</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	40,280	40,280	514
	<u>514</u>	<u>514</u>	
Total 2022	<u>514</u>	<u>514</u>	

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on fundraising trading activities:					
Direct costs	33,816	-	11,570	45,386	-
Educational operations:					
Direct costs	10,372,037	-	1,509,840	11,881,877	8,954,081
Allocated support costs	1,459,865	854,488	2,507,463	4,821,816	3,321,054
Teaching school	859,137	-	947,682	1,806,819	1,724,415
	<u>12,724,855</u>	<u>854,488</u>	<u>4,976,555</u>	<u>18,555,898</u>	<u>13,999,550</u>
Total 2023	<u>12,724,855</u>	<u>854,488</u>	<u>4,976,555</u>	<u>18,555,898</u>	<u>13,999,550</u>
	<u>9,553,694</u>	<u>599,533</u>	<u>3,846,323</u>	<u>13,999,550</u>	
Total 2022	<u>9,553,694</u>	<u>599,533</u>	<u>3,846,323</u>	<u>13,999,550</u>	

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	11,881,877	4,821,816	16,703,693	12,275,135
Total 2022	8,954,081	3,321,054	12,275,135	

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	1,459,865	986,868
Recruitment and support	157,525	100,721
Depreciation	1,480,741	1,063,044
Technology costs	346,983	245,044
Premises costs	854,488	599,533
Other support costs	425,503	212,475
Governance costs	96,711	113,369
	4,821,816	3,321,054

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	1,480,741	1,063,044
Fees paid to auditors for:		
- audit	19,040	12,700
- other services	2,780	2,620
- re existing academy transferred into the Trust	-	11,686

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Wages and salaries	9,514,686	6,549,308	9,487,848	6,549,308
Social security costs	900,339	614,007	898,103	614,007
Pension costs	2,309,830	2,390,379	2,305,088	2,390,379
	<u>12,724,855</u>	<u>9,553,694</u>	<u>12,691,039</u>	<u>9,553,694</u>

b. Staff numbers

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

	Group 2023 No.	Group 2022 No.
Teachers	125	91
Administration and Support	189	170
Management	28	21
	<u>342</u>	<u>282</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

11. Staff (continued)

c. Higher paid staff

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	7	1
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	5	-
In the band £90,001 - £100,000	-	2
In the band £110,001 - £120,000	3	-
In the band £190,001 - £200,000	-	1
In the band £200,001 - £210,000	1	-

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,358,525 (2022: £955,951).

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

12. Central services

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

- Strategic leadership support
- Educational support
- Finance and administration services
- HR support
- ICT support service

The Group charges for these services on the following basis:

The trust funded the provision of these central services this year by charging each academy a central services fee set at 6% of GAG funding and by making a charge to the SCITT and Teaching School Hub. New schools joining the Trust during the year had differing rates agreed for the period to 31st August 2023. This percentage will be reviewed on an annual basis.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
South Farnham School (including Teaching School Hub)	237,883	232,198
Highfield South Farnham	122,618	113,503
The Raleigh School	111,572	109,349
SCITT	54,766	69,218
Wallace Fields Infant School & Nursery	61,310	-
Busbridge Infant School	48,075	20,152
Great Bookham School	56,554	6,319
Brighton Hill Community School	25,000	-
Total	717,778	550,739

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

13. Trustees' remuneration and expenses

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

		2023	2022
		£	£
Sir A Carter	Remuneration	205,000 - 210,000	195,000 - 200,000

During the year ended 31 August 2023, expenses totalling £2,795 were reimbursed or paid directly to 1 Trustee (2022 - £3,103 to 1 Trustee). The CEO is the only staff trustee and he receives expenses only in respect of his CEO contract.

14. Trustees' and Officers' insurance

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

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

15. Tangible fixed assets

Group and Academy

	Freehold property £	Land & Buildings £	Assets under construction £	Furniture and equipment £	Total £
Cost or valuation					
At 1 September 2022	1,700,000	33,056,073	141,464	1,273,613	36,171,150
Additions	-	846,247	465,997	212,270	1,524,514
Acquired on conversion	-	24,100,000	-	-	24,100,000
Disposals	-	-	-	(803)	(803)
Transfers between classes	-	141,464	(141,464)	-	-
At 31 August 2023	1,700,000	58,143,784	465,997	1,485,080	61,794,861
Depreciation					
At 1 September 2022	11,667	5,799,714	-	807,361	6,618,742
Charge for the year	28,000	1,225,464	-	227,277	1,480,741
On disposals	-	-	-	(89)	(89)
At 31 August 2023	39,667	7,025,178	-	1,034,549	8,099,394
Net book value					
At 31 August 2023	1,660,333	51,118,606	465,997	450,531	53,695,467
At 31 August 2022	1,688,333	27,256,359	141,464	466,252	29,552,408

The land and buildings occupied by the Academy Trust are held under a 125 year lease. The freehold property on the leasehold land and buildings is owned by Surrey County Council.

16. Fixed asset investments

	Investments in subsidiary companies £
Academy	
Cost or valuation	
Additions	100
At 31 August 2023	100

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

16. Fixed asset investments (continued)

Net book value

At 31 August 2023	100
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Principal subsidiaries

The following was a subsidiary undertaking of the academy:

Name	Class of shares	Holding
South Farnham Enterprises Ltd	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
South Farnham Enterprises Ltd	62,826	(45,386)	17,440	17,540

17. Stocks

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Finished goods and goods for resale	21,787	17,020	21,787	17,020

18. Debtors

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Due within one year				
Trade debtors	10,870	62,448	10,870	62,448
Amounts owed by group undertakings	-	-	2,942	-
Other debtors	181,267	455,600	180,359	455,600
Prepayments and accrued income	510,347	556,797	510,347	556,797
	702,484	1,074,845	704,518	1,074,845

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Salix loan	27,001	-	27,001	-
Trade creditors	471,448	274,527	471,448	274,527
Other taxation and social security	282,929	169,150	282,929	169,150
Other creditors	637,872	242,941	637,372	242,941
Accruals and deferred income	891,610	862,228	871,136	862,228
	<u>2,310,860</u>	<u>1,548,846</u>	<u>2,289,886</u>	<u>1,548,846</u>

See note 20 for details on the other loan.

	Group 2023 £	Group 2022 £
Deferred income at 1 September 2022	365,455	179,867
Resources deferred during the year	289,687	365,455
Amounts released from previous periods	(365,455)	(179,867)
Deferred income at 31 August 2023	<u>289,687</u>	<u>365,455</u>

At 31 August 2023 South Farnham Educational Trust were holding funds received in advance for the 2023/24 financial year, including Universal Infant Free School Meals grants and Teaching School grants that relate to 2023/24.

20. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Salix loan	<u>63,002</u>	<u>-</u>	<u>63,002</u>	<u>-</u>

During the year, Brighton Hill Community School joined the Trust. In 2020 they received an interest free Salix loan as part of its funding for a project to replace the LED lighting. The loan is repayable over 8 years starting August 2020.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

21. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Designated Funds - all funds	1,100,000	-	-	(1,100,000)	-	-
General funds						
Unrestricted funds	1,775,395	2,032,948	(765,394)	(252,422)	-	2,790,527
Total Unrestricted funds	2,875,395	2,032,948	(765,394)	(1,352,422)	-	2,790,527
Restricted general funds						
DfE/ESFA grants	619,331	12,814,692	(13,306,839)	214,269	-	341,453
Local authority	-	734,439	(734,439)	-	-	-
SCITT	185,704	1,297,050	(1,314,847)	-	-	167,907
Teaching School Hub	35,291	630,959	(564,638)	-	-	101,612
Pension reserve	(1,462,000)	(578,000)	(389,000)	-	1,680,000	(749,000)
	(621,674)	14,899,140	(16,309,763)	214,269	1,680,000	(138,028)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

21. 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						
Assets on conversion	29,552,407	24,100,000	(1,480,741)	1,524,510	-	53,696,176
DFC	22,624	71,624	-	(79,087)	-	15,161
CIF	-	229,546	-	(213,775)	-	15,771
DfE	-	143,519	-	(93,495)	-	50,024
	<u>29,575,031</u>	<u>24,544,689</u>	<u>(1,480,741)</u>	<u>1,138,153</u>	<u>-</u>	<u>53,777,132</u>
Total Restricted funds	<u>28,953,357</u>	<u>39,443,829</u>	<u>(17,790,504)</u>	<u>1,352,422</u>	<u>1,680,000</u>	<u>53,639,104</u>
Total funds	<u>31,828,752</u>	<u>41,476,777</u>	<u>(18,555,898)</u>	<u>-</u>	<u>1,680,000</u>	<u>56,429,631</u>

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

Restricted General Funds - ESFA grants (including GAG), which must be used to meet the cost of running South Farnham Educational Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Unrestricted Funds - represents income generated by the academy (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Designated Funds - represents amounts designated by Trustees towards capital and repairs and maintenance projects.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised. The pension liability has not crystallised and the trustees do not need to designate any of their existing funds to meet future pension commitments. Parliament, at the request of the Secretary of State for Education, has guaranteed 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.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

21. 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						
Designated funds						
Designated fund	-	-	-	1,100,000	-	1,100,000
General funds						
Unrestricted funds	1,193,027	2,587,593	(487,362)	(1,517,863)	-	1,775,395
Total Unrestricted funds	1,193,027	2,587,593	(487,362)	(417,863)	-	2,875,395
Restricted general funds						
DfE/ESFA grants	360,102	9,511,517	(8,977,717)	(274,571)	-	619,331
Local authority	-	623,011	(623,011)	-	-	-
SCITT	36,889	1,453,132	(1,304,317)	-	-	185,704
Teaching School Hub	-	455,390	(420,099)	-	-	35,291
Pension reserve	(4,669,000)	(1,109,000)	(1,124,000)	-	5,440,000	(1,462,000)
	(4,272,009)	10,934,050	(12,449,144)	(274,571)	5,440,000	(621,674)
Restricted fixed asset funds						
Assets on conversion	19,397,622	10,134,166	(1,063,044)	1,083,663	-	29,552,407
DFC	11,609	68,861	-	(57,846)	-	22,624
CIF	57,413	202,443	-	(259,856)	-	-
DfE	-	73,527	-	(73,527)	-	-
	19,466,644	10,478,997	(1,063,044)	692,434	-	29,575,031

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

21. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total Restricted funds	15,194,635	21,413,047	(13,512,188)	417,863	5,440,000	28,953,357
Total funds	16,387,662	24,000,640	(13,999,550)	-	5,440,000	31,828,752

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
South Farnham School	1,550,647	1,887,342
Highfield South Farnham	323,368	326,742
The Raleigh School	174,860	7,520
Central	872,374	399,714
SCITT	167,907	185,704
Wallace Fields Infant School & Nursery	583,160	800,078
Busbridge Infant School	2,093	65,412
Great Bookham School	(2,927)	43,209
Brighton Hill Community School	(287,423)	-
South Farnham Enterprises Ltd	17,440	-
Total before fixed asset funds and pension reserve	3,401,499	3,715,721
Restricted fixed asset fund	53,777,132	29,575,031
Pension reserve	(749,000)	(1,462,000)
Total	56,429,631	31,828,752

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Great Bookham School	(2,927)
Brighton Hill Community School	(287,423)

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

21. Statement of funds (continued)

Great Bookham School is in a period of growth in pupil numbers and funding to accompany the increased teaching costs is lagged. As numbers continue to increase and corresponding income is received the school will return to a positive reserves position.

Brighton Hill School joined the Trust with a historic deficit built up as a maintained school when the pupil numbers were low. The school has gone from strength to strength in recent years and is now full with a bulge class added at the request of the LA in September 2023 to accommodate parental preference. This school is now thriving with a Good Ofsted report and is likely to return to a positive reserve by the end of August 2024.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

21. 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 £	Total 2022 £
South Farnham School	2,941,445	306,443	412,589	521,818	4,182,295	3,929,467
Highfield South Farnham	1,725,227	181,291	195,807	245,283	2,347,608	2,066,049
The Raleigh School	1,370,573	174,721	278,102	242,708	2,066,104	2,088,288
Central services	175,215	253,685	379	359,916	789,195	658,946
Teaching School Hub and SCITT	745,837	113,300	-	947,683	1,806,820	1,724,414
Wallace Fields Infant School & Nursery	1,216,990	121,146	119,259	182,138	1,639,533	1,783,156
Busbridge Infant School	767,841	106,206	111,214	130,627	1,115,888	478,276
Great Bookham School	951,986	111,446	132,701	157,481	1,353,614	207,909
Brighton Hill Community School	1,222,759	204,927	124,535	176,492	1,728,713	-
	11,117,873	1,573,165	1,374,586	2,964,146	17,029,770	12,936,505

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

22. 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	-	-	53,695,467	53,695,467
Current assets	2,988,523	2,786,838	81,665	5,857,026
Creditors due within one year	(197,996)	(2,112,864)	-	(2,310,860)
Creditors due in more than one year	-	(63,002)	-	(63,002)
Provisions for liabilities and charges	-	(749,000)	-	(749,000)
Total	2,790,527	(138,028)	53,777,132	56,429,631

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	-	-	29,552,408	29,552,408
Current assets	2,875,395	2,389,172	22,623	5,287,190
Creditors due within one year	-	(1,548,846)	-	(1,548,846)
Provisions for liabilities and charges	-	(1,462,000)	-	(1,462,000)
Total	2,875,395	(621,674)	29,575,031	31,828,752

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

23. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	22,920,879	10,001,090
Adjustments for:		
Depreciation	1,480,741	1,063,044
Capital grants from DfE and other capital income	(383,572)	(305,411)
Defined benefit pension scheme obligation inherited	578,000	1,109,000
Defined benefit pension scheme cost less contributions payable	313,000	1,019,000
Defined benefit pension scheme finance cost	76,000	105,000
Decrease/(increase) in stocks	(4,767)	(12,655)
Decrease/(increase) in debtors	372,361	(760,876)
Increase/(decrease) in creditors	735,013	621,562
Dividends, interest and rents from investments	(40,280)	(514)
Tangible assets acquired on conversion	(24,100,000)	(10,363,160)
Transfer of loan acquired on conversion	90,003	-
Net cash provided by operating activities	2,037,378	2,476,080

24. Cash flows from investing activities

	Group 2023 £	Group 2022 £
Dividends, interest and rents from investments	40,280	514
Purchase of tangible fixed assets	(1,524,514)	(860,208)
Proceeds from the sale of tangible fixed assets	714	5,538
Capital grants from DfE Group	383,572	305,411
Net cash used in investing activities	(1,099,948)	(548,745)

25. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand and at bank	5,132,755	4,195,325
Total cash and cash equivalents	5,132,755	4,195,325

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	4,195,325	937,430	5,132,755
Debt due within 1 year	-	(27,001)	(27,001)
Debt due after 1 year	-	(63,002)	(63,002)
	<u>4,195,325</u>	<u>847,427</u>	<u>5,042,752</u>

27. Conversion to an academy trust

On 1 June 2023 Brighton Hill Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to South Farnham Educational Trust from Hampshire County Council for £NIL consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings	-	-	24,100,000	24,100,000
Current assets				
Cash - representing budget surplus on LA funds	-	-	61,117	61,117
Current liabilities				
Salix loan	-	(90,003)	-	(90,003)
Cash - representing budget deficit on LA funds	(259,113)	-	-	(259,113)
Net (liabilities)/assets	<u>(259,113)</u>	<u>(90,003)</u>	<u>24,161,117</u>	<u>23,812,001</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

28. Capital commitments

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Contracted for but not provided in these financial statements	<u>613,826</u>	<u>116,925</u>	<u>613,826</u>	<u>116,925</u>

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

29. Pension commitments

The academy'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 Surrey County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £289,000 were payable to the schemes at 31 August 2023 (2022 - £179,353) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2019. 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 next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,377,358 (2022 - £921,378).

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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

29. 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 £867,000 (2022 - £576,000), of which employer's contributions totalled £686,000 (2022 - £443,000) and employees' contributions totalled £ 201,000 (2022 - £133,000). The agreed contribution rates for future years are 17.2% for employers and 5.5-12.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.00	3.95
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

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
Retiring today		
Males	21.3	22.1
Females	25.0	24.5
Retiring in 20 years		
Males	23.0	23.1
Females	26.0	26.2

Share of scheme assets

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

29. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 August 2023 £	At 31 August 2022 £
Equities	6,791,400	5,209,800
Bonds	1,251,000	959,700
Property	714,900	548,400
Cash	178,700	137,100
Total market value of assets	8,936,000	6,855,000

The actual return on scheme assets was £295,000 (2022 - £(406,000)).

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

	2023 £	2022 £
Current service cost	(999,000)	(1,462,000)
Interest income	319,000	108,000
Interest cost	(395,000)	(213,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(1,075,000)	(1,567,000)

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

	2023 £	2022 £
At 1 September	8,317,000	9,789,000
Conversion of academy trusts	1,670,000	967,000
Transferred in on existing academies joining the trust	-	1,660,000
Current service cost	999,000	1,462,000
Interest cost	395,000	213,000
Employee contributions	201,000	133,000
Actuarial gains	(1,774,000)	(5,846,000)
Benefits paid	(123,000)	(61,000)
At 31 August	9,685,000	8,317,000

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

29. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	6,855,000	5,120,000
Conversion of academy trusts	1,092,000	788,000
Transferred in on existing academies joining the trust	-	730,000
Expected return on assets	319,000	108,000
Actuarial losses	(94,000)	(406,000)
Employer contributions	686,000	443,000
Employee contributions	201,000	133,000
Benefits paid	(123,000)	(61,000)
At 31 August	8,936,000	6,855,000

30. Operating lease commitments

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

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Amounts payable:				
Within 1 year	8,203	3,099	8,740	3,099
Later than 1 year and not later than 2 years	-	379	-	379
	8,203	3,478	8,740	3,478

31. 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.

SOUTH FARNHAM EDUCATIONAL TRUST
(A company limited by guarantee)

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

32. Related party transactions

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

The following related party transactions took place in the period of account:

South Farnham School Services Limited, a company in which Sir Andrew Carter is a director, were charged £96,624 (2022: £85,689) by the academy for salary costs and consumables in respect of services performed by the academy.

S Shoveller, a trustee of South Farnham Educational Trust was paid £6,850 (2022: £3,950) for consultancy work.

South Farnham School Trust (SFST), which has three trustees in common with the South Farnham Educational Trust (SFET) donated £225,700 (2022: £210,902) to SFET which has been used £200,700 (2022: £185,902) towards the costs of school trips, and £25,000 (2022: £25,000) towards ICT expenditure and a network rebuild. SFET also received £2,000 (2022: £2,000) in respect of administration services.