

Company Registration Number: 07662023 (England & Wales)

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | T. Metson (appointed 10 May 2022) P. Draper (appointed 1 January 2022) C. Evans (deceased 28 October 2021) J Hull A. Oades A. Bell (appointed 23 March 2022) |
| Trustees | A. Oades, Chair P. Farmer, Accounting Officer J. Hull A. Bell C. Garcea J. Butcher (resigned 1 April 2022) S. Howell R. Hanson P. Delf K. Massingham (appointed 1 January 2022) J. Rogers (appointed 23 February 2022) |
| Company registered number | 07662023 |
| Company name | Great Baddow High School |
| Principal and registered office | Duffield Road Chelmsford Essex CM2 9RZ |
| Independent auditors | Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT |
| Bankers | Lloyds TSB Bank 88-89 High Street Chelmsford CM1 1DX |
| Solicitors | Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB |

GREAT BADDOW HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Great Baddow High School ("the Charitable Company" or "the Trust") for the year to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an academy for pupils aged 11 to 19 serving a catchment area in Chelmsford, Essex. It has a pupil capacity of 1,520 and had a roll of 1,508 in the school census on 7 October 2021.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association ("The Articles") are the primary governing documents. The Trustees of Great Baddow High School are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Great Baddow High School ("the Academy" or "the School").

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

Members' Liability

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

Trustees' and Officers' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangement (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term of four years. The Headteacher is an ex officio member of the Board of Trustees. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles make provision for up to 14 Trustees (3 Parents, 2 Staff, and 8 others plus the Headteacher).

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust subscribes to the Governor and Clerk Professional Learning and Development Service delivered by Juniper Education Services Ltd. Currently, the Vice-Chair of Trustees is responsible for organising the induction of new Trustees and the training link governor is responsible for arranging/recording training for all Trustees through this programme. A log is kept of all Trustees training and reviewed annually at full Board of Trustees meeting.

Organisational Structure

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

The Board of Trustees, which meets on at least six occasions per year and each individual committee at least three times per year, is responsible for the strategic direction of the Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School

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Improvement Partner and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day-to-day financial management of the Trust. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Trust daily supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of Key Management Personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time-to-time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook.

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 19. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Our school motto translates as 'Always striving for higher things' which encapsulates our vision for our students and our staff. Consequently, we aim to:

- ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- developing resilient, resourceful students;
- adapting and applying skills for flexible life-long learning;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended; and
- conducting the Academy's business in accordance with the highest standards of integrity.

Our success in fulfilling our aims can be measured by:

- The current structure of the curriculum across all Key stages that provides the necessary breadth and

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- depth with a maintained variety of options at KS4 and KS5
- The evidence from subject deep dives that took place across the last year combined with the most recent Ofsted section 8 inspection in June 2022 show the school is clearly meeting the needs of children from an academic perspective and with their personal development.
- Ongoing staff surveys show staff are happy working at GBHS.
- Student attendance figures are well above the national average. School is over subscribed for Y6 into Y7 applications. 6th form is bigger than ever with around 280 students in 2022/23 up from 235 in 2021/22.

Public Benefit

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

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the school.

Specific achievements were as follows:

- GCSE outcomes were strong in 2022 with the examination results broadly in line with outcomes from 2020 and 2021 (Covid TAG and CAG grading). 77% achieved 4+ in English and Maths and 53% achieved 5+.
- Highest ever numbers of the top grades (8 and 9) for students sitting examinations.
- Attainment 8 score 51.5 is strong, above the national average and the highest when compared to a group of Essex schools with similar intake for that year. Early indications are that the Progress 8 score will be positive (tbc in Jan/Feb 2023).
- Key stage 5 results are strong with 70% of grades at A*-C. Average grades for A-Level was C+.
- Vocational results were outstanding with the average grade being Distinction*.
- The school provides excellent support for all Y11 and Y13 students to secure sustainable and ambitious destinations.

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2021/22 were 1,508 against a budget of 1,482.

A further KPI is staffing costs as a percentage of total recurring income. For 2021/22 this was 77.3% against set parameters of 80.0%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by them.

The Finance Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All the above KPI's were within the parameters set by the Board.

Non-Financial

The school continues to perform at a level above the national average for attainment and progress (where

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available) giving positive results. Attendance is at 95.3% which is again well above the national average.

The positive outcome from the recent Ofsted report (June 2022) is a clear endorsement that the school is continuing to deliver an excellent educational experience for children.

Specialist teaching staff are employed to cover all areas of the current curriculum apart from A Level Economics which is currently being delivered by experienced Maths, Business and Computing staff. Recruitment has been more challenging for in class support staff and site management.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received £9,828,504 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £9,828,504 including capital projects.

An overview of the Trust's financial activity for the year can be seen below:

| | Restricted General Funds | Unrestricted Funds | Fixed Asset Fund | Pension Reserve | Total |
|----------------------------------|--------------------------------|-----------------------|------------------------|--------------------|-------------|
| Incoming Resources | 9,018,416 | 646,706 | 30,134 | - | 9,695,256 |
| Resources Expended | (8,481,304) | (708,457) | - | | (9,189,761) |
| LGPS Charge | | | | (143,000) | (143,000) |
| Depreciation | | | (151,743) | | (151,743) |
| Employer contributions paid | | | | (344,000) | (344,000) |
| Total Resources Expended | (8,481,304) | (708,457) | (151,743) | (487,000) | (9,828,504) |
| Assets Purchased from GAG | (70,218) | - | 70,218 | | - |
| Actuarial Gains | | | | 4,377,000 | 4,377,000 |
| Surplus / (Deficit) for the year | 466,894 | (61,751) | (51,391) | 3,890,000 | 4,243,752 |
| Balance at 1 September 2021 | 117,956 | 1,048,502 | 5,223,882 | (5,039,000) | 1,351,340 |
| Balance at 31 August 2022 | 584,850 | 986,751 | 5,172,491 | (1,149,000) | 5,595,092 |

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Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,149,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £5,039,000 resulting from the application of actuarial assumptions and does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £986,750. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £1,571,600.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £2,186,724. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

Investment Policy

An Investment Policy was approved by the Board of Trustees in Autumn 2020.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit and Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored, and reported. Staff costs make up most expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

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- the Trust has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding this will not be enough to counteract the rise of the minimum wage, teachers pensions contribution rise and any other additional costs that the Government may choose to introduce;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes 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 School is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Trustees have appointed Juniper Education Services Ltd. to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash, and trade creditors, with limited trade (and other) debtors. The risk in this area is low; and
- defined benefit pension scheme liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including an ongoing annual request to parents for voluntary donations and a few non-uniform days where students pay £1 or £2 to wear non-uniform clothes to school. The proceeds are divided between student wellbeing funds and the house fund which is used for enrichment activities for all students. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen because of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

Complete whole school electrical rewire to include emergency lighting and LED panel replacement throughout (Subject to CIF bid)

Replacement to three main roofs (Subject to CIF bid)

First phase of fire door replacement program starting in the Platt block.

Refurbishment of swimming pool hall and changing rooms to include a viewing area through to poolside.

Funds Held as Custodian Trustee on Behalf of Others

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

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Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

The Trust administers the income and expenditure accounts on behalf of the Local Delivery Group ("LDG"), consisting of the Academy and seven local primary schools. This agreement is to be discontinued following this year and there is no residual balance to carry forward.

The Trust also administers the income and expenditure accounts on behalf of the Behaviour and Attendance Partnership (BAP) consisting of the academy trust and eleven Mid-Essex Secondary Schools. The balance of £142,554 will be recognised as a liability on the balanced sheet and carried forward to 2022/23.

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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.

Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Insofar as the trustees are aware:

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

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

Andy Oades

A Oades (Dec 22, 2022, 3:46pm)

A. Oades

Chair of Trustees

Date: 22 Dec 2022

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Great Baddow High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. While the Board met fewer than 6 times during the year, the Trustees believe that through the use of Committees, the Board has sufficient oversight of Trust funds.

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

| Trustee | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| A. Oades, Chair | 5 | 5 |
| P. Farmer, Accounting Officer | 5 | 5 |
| J. Hull | 3 | 5 |
| A. Bell | 4 | 5 |
| C. Garcea | 4 | 5 |
| J. Butcher | 3 | 5 |
| S. Howell | 4 | 5 |
| R. Hanson | 4 | 5 |
| P. Delf | 2 | 5 |
| K. Massingham | 2 | 5 |
| J. Rogers | 2 | 5 |

Review of year:

The Trustees of Great Baddow High School reviewed their governance arrangements in 2021/22 by

- Reviewing and updating a self-assessment of governance
- Identifying skills gaps and training needs
- Raising awareness of the ESFA 'Musts' requirements for governors

Actions included a review of the working structure of the Governing Body, including committee's terms of reference and the number of governors.

Conflicts of interest:

To avoid any conflict between their business and personal interests, every Member and Trustee with financial influence is required to complete annually a declaration of business interests and connected parties. The Trust maintains a register of these interests which also includes declarations relating to any gifts or hospitality received from current or potential suppliers.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews:

Governors continue to attend training and keep up to date with educational changes. Subscriptions are maintained for The Key for Governors and Juniper Education Services – Governor Services.

Juniper Education undertook an internal audit of governance in May of this year. The final report included the following comments:

- It is clear from the Trust website information, combined with the cogent points made by a range of stakeholders for the Trust that there is a very clear vision and strategy for the school.
- It is clear from discussions with the CEO/Executive Headteacher that all those responsible for governance at Great Baddow see the school as a 'special place' and the Trustees guard this concept as central to their work in maintain high standards for provision and outcomes for students.

The Finance, Premises and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of ensuring sound management of the Academy Trust's finances and resources, including the proper planning, monitoring and probity and to make appropriate comments, recommendations and decisions to the Full Governing Body.

During the year the following issues were dealt with by the Committee:

All Premises, Finance and Personnel related information is shared with this committee. This includes Annual budget setting and oversight, review of monthly management accounts and financial forecasts, oversight of capital projects, oversight of premises development.

During the year the following changes to the Committee took place:

Kyle Massingham took over the position of Vice Chair from Robert Hanson.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Andy Oades | 3 | 3 |
| Ann Bell | 3 | 3 |
| Kyle Massingham | 3 | 3 |
| Paul Farmer | 3 | 3 |
| Robert Hanson | 3 | 3 |
| Peter Delf | 2 | 3 |

The Audit, Risk & Business Continuity Committee is also a sub-committee of the main Board of Trustees. It's purpose is to provide assurance to the Governing Body that management is exercising full and effective control of the Trust's finance and resources, that risk management is embedded across all Trust processes and make appropriate comments and recommendations to the Board of Trustees. There were no particular issues dealt with by either the Finance, Premises and Personnel or the Audit committees during the year.

During the year the following issues were dealt with by the Committee:

Appointment of new auditors, overview of the Trust's internal controls, decide on the areas covered for internal audit reviews, identifying, evaluating, and managing the Trust's risks, approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During the year the following changes to the Committee took place:

Robert Hanson took over from Carol Evans as Chair Jo Rogers took over from Tracey Metson as Vice Chair.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| Andy Oades | 3 | 3 |
| Ann Bell | 3 | 3 |
| Paul Farmer | 3 | 3 |
| Robert Hanson | 3 | 3 |

Review of value for money

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

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

- Entering into a 24-month energy contract to secure pricing at the time of agreement, allowing for future financial stability in the current uncertain landscape.
- Use of 'View My Financial Insights' ESFA Benchmarking Tool to measure current curriculum spending, staffing structure finances and provide further insight on how spending compares to other schools with similar characteristics across a range of cost categories.
- Ensuring a robust and stringent process is followed for all medium to high value purchases as set out in the Trust's financial regulations and regularly reviewing these limits in line with RPI and inflation.

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 Great Baddow High School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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, Premises and Personnel 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.
- identification and management of risks.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Internal Scrutiny/Audit

The Board of Trustees has decided to employ Juniper Education Services Ltd. as internal auditor.

This option has been chosen because:

The company are an established provider of internal scrutiny programmes within the academy sector and offer good value for money.

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

- Financial Governance and Procurement
- Income and Payroll
- Internal Governance

On a termly basis, the Business Manager reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the Auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

Review of effectiveness

As Accounting Officer, the Head Teacher 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 financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

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

Andy Oades

A Oades (Dec 22, 2022, 3:46pm)

Chair of Trustees

Date:

22 Dec 2022

Paul Farmer

P Farmer (Dec 22, 2022, 3:51pm)

Accounting Officer

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Great Baddow High School I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

Paul Farmer

P Farmer (Dec 22, 2022, 3:51pm)

Accounting Officer

Date: 22 Dec 2022

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

Approved by the Board of Trustees and signed on its behalf by:

Andy Oades

A Oades (Dec 22, 2022, 3:46pm)

A. Oades

Chair of Trustees

Date:

22 Dec 2022

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREAT BADDOW HIGH SCHOOL

Opinion

We have audited the financial statements of Great Baddow High School (the 'Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

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

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREAT BADDOW HIGH SCHOOL (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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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 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 Academy or to cease operations, or have no realistic alternative but to do so.

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREAT BADDOW HIGH SCHOOL (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.

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

We gained an understanding of the legal and regulatory framework applicable to the Academy Trust and the sector in which it operates and considered the risk of material misstatement in the respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any larger or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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

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

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREAT
BADDOW HIGH SCHOOL (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.

Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 22 December 2022

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREAT
BADDOW HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13th September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Great Baddow High School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Great Baddow High School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Great Baddow High School's funding agreement with the Secretary of State for Education dated 1 July 2011, and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREAT BADDOW HIGH SCHOOL 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Price Bailey LLP

Date: 22 December 2022

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 71,731 | 70,262 | 30,134 | 172,127 | 362,525 |
| Other trading activities | 5 | 220,696 | - | - | 220,696 | 58,560 |
| Investments | 6 | 227 | - | - | 227 | 205 |
| Charitable activities | 4 | 354,052 | 8,948,154 | - | 9,302,206 | 9,073,533 |
| Total income | | 646,706 | 9,018,416 | 30,134 | 9,695,256 | 9,494,823 |
| Expenditure on: | | | | | | |
| Charitable activities | 7 | 708,457 | 8,968,304 | 151,743 | 9,828,504 | 9,692,784 |
| Total expenditure | | 708,457 | 8,968,304 | 151,743 | 9,828,504 | 9,692,784 |
| Net (expenditure) / income | | (61,751) | 50,112 | (121,609) | (133,248) | (197,961) |
| Transfers between funds | 17 | - | (70,218) | 70,218 | - | - |
| Net movement in funds before other recognised gains | | (61,751) | (20,106) | (51,391) | (133,248) | (197,961) |
| Other recognised gains: | | | | | | |
| Actuarial gains on defined benefit pension schemes | 24 | - | 4,377,000 | - | 4,377,000 | 102,000 |
| Net movement in funds | | (61,751) | 4,356,894 | (51,391) | 4,243,752 | (95,961) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,048,502 | (4,921,044) | 5,223,882 | 1,351,340 | 1,447,301 |
| Net movement in funds | | (61,751) | 4,356,894 | (51,391) | 4,243,752 | (95,961) |
| Total funds carried forward | | 986,751 | (564,150) | 5,172,491 | 5,595,092 | 1,351,340 |

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

The notes on pages 26 to 51 form part of these financial statements.

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07662023

BALANCE SHEET
AS AT 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 5,155,539 | 5,219,272 |
| | | <u>5,155,539</u> | <u>5,219,272</u> |
| Current assets | | | |
| Stocks | 13 | 4,265 | 4,225 |
| Debtors | 14 | 190,719 | 217,334 |
| Cash at bank and in hand | | 2,186,724 | 1,679,068 |
| | | <u>2,381,708</u> | <u>1,900,627</u> |
| Creditors: amounts falling due within one year | 15 | (778,534) | (712,796) |
| Net current assets | | <u>1,603,174</u> | <u>1,187,831</u> |
| Total assets less current liabilities | | <u>6,758,713</u> | <u>6,407,103</u> |
| Creditors: amounts falling due after more than one year | 16 | (14,622) | (16,763) |
| Net assets excluding pension liability | | <u>6,744,091</u> | <u>6,390,340</u> |
| Defined benefit pension scheme liability | 24 | (1,149,000) | (5,039,000) |
| Total net assets | | <u><u>5,595,091</u></u> | <u><u>1,351,340</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 5,172,491 | 5,223,882 |
| Restricted income funds | 17 | 584,850 | 117,956 |
| | | <u>5,757,341</u> | <u>5,341,838</u> |
| Restricted funds excluding pension asset | 17 | 5,757,341 | 5,341,838 |
| Pension reserve | 17 | (1,149,000) | (5,039,000) |
| Total restricted funds | 17 | <u>4,608,341</u> | <u>302,838</u> |
| Unrestricted income funds | 17 | <u>986,750</u> | <u>1,048,502</u> |
| Total funds | | <u><u>5,595,091</u></u> | <u><u>1,351,340</u></u> |

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07662023

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 22 to 51 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

Andy Oades

A Oades (Dec 22, 2022, 3:46pm)

A. Oades
Chair of Trustees

Date: 22 Dec 2022

The notes on pages 26 to 51 form part of these financial statements.

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|--------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 19 | 567,446 | (160,687) |
| Cash flows from investing activities | 21 | (57,649) | 299,340 |
| Cash flows from financing activities | | 20 | (2,141) |
| Change in cash and cash equivalents in the year | | 507,656 | 146,919 |
| Cash and cash equivalents at the beginning of the year | | 1,679,068 | 1,532,149 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u>2,186,724</u> | <u>1,679,068</u> |

The notes on pages 26 to 51 form part of these financial statements

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

Assets costing £2000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

| | |
|------------------------------|-------------------------------|
| Long-term leasehold property | - 20 - 50 years straight line |
| Furniture and equipment | - 4 years straight line |
| Computer equipment | - 4 years straight line |
| Motor vehicles | - 25% reducing balance |
| Assets under construction | - 20 - 50 years straight line |

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

1.8 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.

1.9 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.

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

GREAT BADDOW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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.

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2. Critical accounting estimates and areas of judgment (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | As restated Total funds 2021 £ |
|------------------------|------------------------------------|----------------------------------|---|-----------------------------|--|
| Donations | 71,731 | 70,262 | - | 141,993 | 25,097 |
| Government grants | - | - | 30,134 | 30,134 | 322,778 |
| Donated fixed assets | - | - | - | - | 14,650 |
| | <u>71,731</u> | <u>70,262</u> | <u>30,134</u> | <u>172,127</u> | <u>362,525</u> |
| Total 2021 as restated | <u>-</u> | <u>25,097</u> | <u>337,428</u> | <u>362,525</u> | |

In 2021, donations were entirely unrestricted and donated fixed assets (£14,650 of donated assets from the ESFA) and capital grants were made entirely to restricted fixed asset funds.

The comparative information was restated to recognise donations of £18,317 to cover the cost of education trips.

4. Funding for the Academy's charitable activities

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | As restated Total funds 2021 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 7,748,242 | 7,748,242 | 7,351,525 |
| Other DfE/ESFA grants | | | | |
| Other DfE / ESFA | - | 467,148 | 467,148 | 67,258 |
| Pupil premium | - | 216,337 | 216,337 | 207,512 |
| Teachers' pay grant | - | 15,481 | 15,481 | 103,496 |

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

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | As restated Total funds £ |
|---|------------------------------------|----------------------------------|-----------------------------|------------------------------------|
| Teachers' pension grant | - | 43,746 | 43,746 | 292,454 |
| | - | 8,490,954 | 8,490,954 | 8,022,245 |
| Other Government grants | | | | |
| Local authority grants | - | 425,529 | 425,529 | 612,206 |
| Other government revenue grants | - | - | - | 28,165 |
| | - | 425,529 | 425,529 | 640,371 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | - | - | - | 102,960 |
| Covid recovery premium | - | 31,671 | 31,671 | - |
| Additional Free School Meals | - | - | - | 19,160 |
| Coronavirus job retention scheme | - | - | - | 20,319 |
| Mass testing grant | - | - | - | 30,570 |
| Summer school | - | - | - | 49,550 |
| Other DfE/ESFA COVID-19 funding | - | - | - | (2,820) |
| | - | 31,671 | 31,671 | 219,739 |
| Other income | | | | |
| Catering income | 354,052 | - | 354,052 | 191,178 |
| | 354,052 | - | 354,052 | 191,178 |
| | 354,052 | 8,948,154 | 9,302,206 | 9,073,533 |
| | 354,052 | 8,948,154 | 9,302,206 | 9,073,533 |
| Total 2021 as restated | 191,178 | 8,882,355 | 9,073,533 | |

In 2021, DfE/ESFA and other government grants were entirely restricted, and other income was entirely unrestricted.

The comparative information was restated to recognise local authority grants of £180,000 that was previously included within GAG funding.

The comparative information was also restated to allocate trip income to restricted donations, and music tuition income, exam fees income and exam board reimbursement to unrestricted trading income.

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5. Income from other trading activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ | As restated Total funds 2021 £ |
|------------------------|------------------------------------|-----------------------------|--|
| Other trading income | 152,980 | 152,980 | 45,023 |
| Hire of facilities | 67,716 | 67,716 | 13,537 |
| | <u>220,696</u> | <u>220,696</u> | <u>58,560</u> |
| Total 2021 as restated | <u>58,560</u> | <u>58,560</u> | |

In 2021, income from other trading activities was entirely unrestricted.

The comparative information was restated to recognise other trading income of £17,125 relating to music tuition income, exam fees income and exam board reimbursement that has previously been included within other funding for the Academy's education operations.

6. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|--------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Investment income - local cash | <u>227</u> | <u>227</u> | <u>205</u> |
| Total 2021 | <u>205</u> | <u>205</u> | |

In 2021, all investment income was unrestricted.

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

| | Staff Costs 2022 £ | Premises 2022 £ | Other 2022 £ | Total 2022 £ | Total 2021 £ |
|----------------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Direct costs | 5,286,840 | 19,469 | 588,248 | 5,894,557 | 7,014,700 |
| Support costs | 2,604,592 | 595,186 | 734,169 | 3,933,947 | 2,678,084 |
| | <u>7,891,432</u> | <u>614,655</u> | <u>1,322,417</u> | <u>9,828,504</u> | <u>9,692,784</u> |
| Total 2021 | <u>7,568,703</u> | <u>860,997</u> | <u>1,263,084</u> | <u>9,692,784</u> | |
| | | | | 2022 £ | 2021 £ |
| Charitable activities | | | | | |
| Direct costs | | | | 5,894,557 | 7,014,700 |
| Support costs | | | | 3,933,947 | 2,678,084 |
| | | | | <u>9,828,504</u> | <u>9,692,784</u> |
| | | | | 2022 £ | 2021 £ |
| Analysis of support costs | | | | | |
| Support staff costs | | | | 2,604,592 | 1,509,050 |
| Depreciation | | | | 151,743 | 145,597 |
| Technology costs | | | | 30 | 40 |
| Premises costs | | | | 463,010 | 860,997 |
| Governance costs | | | | 22,983 | 20,300 |
| Other support costs | | | | 677,325 | 74,614 |
| Legal costs | | | | 14,264 | 67,486 |
| | | | | <u>3,933,947</u> | <u>2,678,084</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

| | 2022 £ | 2021 £ |
|---------------------------------------|----------------|----------------|
| Operating lease rentals | 831 | - |
| Depreciation of tangible fixed assets | 151,743 | 145,597 |
| Fees paid to auditors for: | | |
| - audit | 12,000 | 11,800 |
| - other services | 6,300 | 8,200 |
| | <u>160,044</u> | <u>165,600</u> |

9. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 6,905,159 | 5,392,555 |
| Social security costs | 151,293 | 508,393 |
| Pension costs | 714,574 | 1,563,384 |
| | <u>7,771,026</u> | <u>7,464,332</u> |
| Agency staff costs | 120,406 | 104,371 |
| | <u>7,891,432</u> | <u>7,568,703</u> |

b. Staff numbers

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

| | 2022 No. | 2021 No. |
|-----------------|-------------|-------------|
| Teaching | 93 | 97 |
| Leadership | 11 | 10 |
| Admin & Support | 116 | 114 |
| | <u>220</u> | <u>221</u> |

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9. Staff (continued)

c. Higher paid staff

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

| | 2022 No. | 2021 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 4 |
| In the band £70,001 - £80,000 | 2 | 2 |
| In the band £100,001 - £110,000 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

d. Key management personnel

The Key Management Personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of Key Management Personnel benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Trust was £880,829 (2021 - £ 1,126,069).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Trustees' remuneration and expenses

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

| | | 2022 £ | 2021 £ |
|------------------------------------|----------------------------|----------------------|--------------------|
| S. Howell | Remuneration | 20,000 - 25,000 | 15,000 - 20,000 |
| | Pension contributions paid | 5,000 - 10,000 | 0 - 5,000 |
| | | | |
| J. Butcher (resigned 1 April 2022) | Remuneration | 35,000 - 40,000 | 50,000 - 55,000 |
| | Pension contributions paid | 5,000 - 10,000 | 10,000 - 15,000 |
| | | | |
| P. Farmer, Accounting Officer | Remuneration | 105,000 - 110,000 | 90,000 - 95,000 |
| | Pension contributions paid | 25,000 - 30,000 | 20,000 - 25,000 |
| | | | |

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

11. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

| | Long-term leasehold property £ | Assets under construction £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|-----------------------------------|---------------------------------|----------------------------|------------------------|------------|
| Cost or valuation | | | | | | |
| At 1 September 2021 | 6,408,588 | - | 116,616 | 116,808 | 47,316 | 6,689,328 |
| Additions | - | 53,200 | 22,340 | 12,470 | - | 88,010 |
| At 31 August 2022 | 6,408,588 | 53,200 | 138,956 | 129,278 | 47,316 | 6,777,338 |
| Depreciation | | | | | | |
| At 1 September 2021 | 1,228,285 | - | 83,773 | 110,682 | 47,316 | 1,470,056 |
| Charge for the year | 132,934 | - | 13,416 | 5,393 | - | 151,743 |
| At 31 August 2022 | 1,361,219 | - | 97,189 | 116,075 | 47,316 | 1,621,799 |
| Net book value | | | | | | |
| At 31 August 2022 | 5,047,369 | 53,200 | 41,767 | 13,203 | - | 5,155,539 |
| At 31 August 2021 | 5,180,303 | - | 32,843 | 6,126 | - | 5,219,272 |

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13. Stocks

| | 2022 £ | 2021 £ |
|----------------|-----------|-----------|
| Catering stock | 4,265 | 4,225 |

14. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 49,695 | 6,386 |
| Prepayments and accrued income | 93,459 | 183,718 |
| VAT recoverable | 47,565 | 27,230 |
| | <u>190,719</u> | <u>217,334</u> |

15. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Other loans | 3,028 | 3,028 |
| Trade creditors | - | 96,961 |
| Other taxation and social security | 127,829 | 129,539 |
| Other creditors | 364,260 | 288,472 |
| Accruals and deferred income | 283,417 | 194,796 |
| | <u>778,534</u> | <u>712,796</u> |

| | 2022 £ | 2021 £ |
|--|----------------|---------------|
| Deferred income at 1 September 2021 | 59,399 | 51,871 |
| Resources deferred during the year | 130,852 | 59,399 |
| Amounts released from previous periods | (59,399) | (51,871) |
| | <u>130,852</u> | <u>59,399</u> |

As at 31 August 2022, the Trust was holding funds of £113,328 received in advance for educational trips and visits booked for 2022/2023 and deferred £20,309 of rates relief funding.

Loans of £3,028 from the ESFA which is provided on the following terms, that the loans are to be repaid within 8 years, and no interest is to be charged, were outstanding at the year end and due within one year.

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

| | 2022 £ | 2021 £ |
|-------------|-----------|-----------|
| Other loans | 14,622 | 16,763 |

Loans of £14,622 from the ESFA which is provided on the following terms, that the loans are to be repaid within 8 years, and no interest is to be charged, were outstanding at the year end and due after one year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 1,048,502 | 646,705 | (708,457) | - | - | 986,750 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 80,643 | 7,748,242 | (7,208,667) | (70,218) | - | 550,000 |
| Other DfE/ESFA grants | 29,138 | 558,046 | (555,119) | - | - | 32,065 |
| Pupil premium | - | 216,337 | (216,337) | - | - | - |
| Local Authority revenue grants | 4,785 | 425,529 | (430,314) | - | - | - |
| Other educational income | 3,390 | - | (3,390) | - | - | - |
| Restricted donations | - | 70,262 | (67,477) | - | - | 2,785 |
| Pension reserve | (5,039,000) | - | (487,000) | - | 4,377,000 | (1,149,000) |
| | <u>(4,921,044)</u> | <u>9,018,416</u> | <u>(8,968,304)</u> | <u>(70,218)</u> | <u>4,377,000</u> | <u>(564,150)</u> |
| Restricted fixed asset funds | | | | | | |
| NBV of fixed assets | 5,219,272 | - | (151,743) | 88,010 | - | 5,155,539 |
| Devolved Formula Capital | 4,610 | 30,134 | - | (17,792) | - | 16,952 |
| | <u>5,223,882</u> | <u>30,134</u> | <u>(151,743)</u> | <u>70,218</u> | <u>-</u> | <u>5,172,491</u> |
| Total Restricted funds | <u>302,838</u> | <u>9,048,550</u> | <u>(9,120,047)</u> | <u>-</u> | <u>4,377,000</u> | <u>4,608,341</u> |
| Total funds | <u>1,351,340</u> | <u>9,695,255</u> | <u>(9,828,504)</u> | <u>-</u> | <u>4,377,000</u> | <u>5,595,091</u> |

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

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17. Statement of funds (continued)

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Other DfE and ESFA funding

This represents funding received from the DfE/ESFA which is restricted in nature and falls outside the scope of core funding.

Pupil Premium

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Local Authority revenue grants

This represents the restricted grant funding largely received from Essex County Council as a contribution towards the cost of the trust's revenue expenditure.

Restricted donations

This represents contributions made by parents towards the running costs of trips for the pupils of the schools and the associated costs.

Other educational income

This represents all other restricted funding that cannot be classified within the above, but fall outside the scope of its core activities.

Pension reserve

This represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

This fund represents the value of fixed assets held in line with the charitable objectives of the Trust.

Transfers in represent capitalisation of expenditure incurred from various different funds.

Devolved Formula Capital

This represents funding received from the ESFA specifically for the maintenance and improvement of the Trust's building and facilities.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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17. Statement of funds (continued)

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|-----------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 846,460 | 241,437 | (37,358) | (2,037) | - | 1,048,502 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 7,531,525 | (7,450,882) | - | - | 80,643 |
| Pupil premium | - | 207,512 | (207,512) | - | - | - |
| Teachers' pay grant | - | 103,496 | (103,496) | - | - | - |
| Teachers' pension grant | - | 292,454 | (292,454) | - | - | - |
| Other DfE/ESFA revenue grants | - | 67,258 | (67,258) | - | - | - |
| Local Authority revenue grants | 13,265 | 432,206 | (440,686) | - | - | 4,785 |
| Other Government grants | - | 28,165 | (28,165) | - | - | - |
| Other Educational income | - | 33,603 | (30,213) | - | - | 3,390 |
| Catch-up premium | - | 102,960 | (73,822) | - | - | 29,138 |
| Summer School | - | 49,550 | (49,550) | - | - | - |
| Additional Free School Meal costs | - | 19,160 | (19,160) | - | - | - |
| Exceptional Government Funding | - | (2,820) | 2,820 | - | - | - |
| Coronavirus Job Retention Scheme | - | 20,319 | (20,319) | - | - | - |
| Mass testing | - | 30,570 | (30,570) | - | - | - |
| Pension reserve | (4,739,000) | - | (402,000) | - | 102,000 | (5,039,000) |
| | <u>(4,725,735)</u> | <u>8,915,958</u> | <u>(9,213,267)</u> | <u>-</u> | <u>102,000</u> | <u>(4,921,044)</u> |

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17. Statement of funds (continued)

**Restricted fixed
asset funds**

| | | | | | | |
|-------------------------------|-------------------------|-------------------------|---------------------------|-----------------|-----------------------|-------------------------|
| NBV of fixed assets | 5,326,576 | 14,650 | (145,597) | 23,643 | - | 5,219,272 |
| DfE/ESFA capital grants | - | 322,778 | (296,562) | (21,606) | - | 4,610 |
| | <u>5,326,576</u> | <u>337,428</u> | <u>(442,159)</u> | <u>2,037</u> | <u>-</u> | <u>5,223,882</u> |
| Total Restricted funds | <u>600,841</u> | <u>9,253,386</u> | <u>(9,655,426)</u> | <u>2,037</u> | <u>102,000</u> | <u>302,838</u> |
| Total funds | <u><u>1,447,301</u></u> | <u><u>9,494,823</u></u> | <u><u>(9,692,784)</u></u> | <u><u>-</u></u> | <u><u>102,000</u></u> | <u><u>1,351,340</u></u> |

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 5,155,539 | 5,155,539 |
| Current assets | 986,750 | 1,360,356 | 34,602 | 2,381,708 |
| Creditors due within one year | - | (775,506) | (3,028) | (778,534) |
| Creditors due in more than one year | - | - | (14,622) | (14,622) |
| Provisions for liabilities and charges | - | (1,149,000) | - | (1,149,000) |
| Total | <u><u>986,750</u></u> | <u><u>(564,150)</u></u> | <u><u>5,172,491</u></u> | <u><u>5,595,091</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 5,219,272 | 5,219,272 |
| Current assets | 1,778,061 | 117,956 | 4,610 | 1,900,627 |
| Creditors due within one year | (712,796) | - | - | (712,796) |
| Creditors due in more than one year | (16,763) | - | - | (16,763) |
| Provisions for liabilities and charges | - | (5,039,000) | - | (5,039,000) |
| Total | 1,048,502 | (4,921,044) | 5,223,882 | 1,351,340 |

19. Reconciliation of net expenditure to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|---|----------------|------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (133,248) | (197,961) |
| Adjustments for: | | |
| Depreciation | 151,743 | 145,597 |
| Capital grants from DfE and other capital income | (30,134) | (337,428) |
| Interest receivable | (227) | (205) |
| Defined benefit pension scheme cost less contributions payable | 487,000 | 402,000 |
| Increase in stocks | (40) | (243) |
| Decrease/(increase) in debtors | 26,615 | (46,348) |
| Increase/(decrease) in creditors | 65,737 | (126,099) |
| Net cash provided by/(used in) operating activities | 567,446 | (160,687) |

20. Cash flows from financing activities

| | 2022 £ | 2021 £ |
|--|----------------|--------------|
| Cash inflows from new borrowing | - | 10,040 |
| Repayments of borrowing | (2,141) | (1,774) |
| Net cash (used in)/provided by financing activities | (2,141) | 8,266 |

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21. Cash flows from investing activities

| | 2022 £ | 2021 £ |
|--|-----------------|----------------|
| Investment income | 227 | 205 |
| Purchase of tangible fixed assets | (88,010) | (38,293) |
| Capital grants from DfE Group | 30,134 | 322,778 |
| Capital funding received from sponsors and others | - | 14,650 |
| Net cash (used in)/provided by investing activities | (57,649) | 299,340 |

22. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 2,186,724 | 1,679,068 |
| Total cash and cash equivalents | 2,186,724 | 1,679,068 |

23. Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,679,068 | 507,656 | 2,186,724 |
| Debt due within 1 year | (3,028) | - | (3,028) |
| Debt due after 1 year | (16,763) | 2,141 | (14,622) |
| | 1,659,277 | 509,797 | 2,169,074 |

24. Pension commitments

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

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

Contributions amounting to £246,034 were payable to the schemes at 31 August 2022 (2021 - £141,257) and are included within creditors.

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24. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £344,000 (2021 - £905,000).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £429,000 (2021 - £415,000), of which employer's contributions totalled £344,000 (2021 - £332,000) and employees' contributions totalled £85,000 (2021 - £83,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

| | 2022 % | 2021 % |
|--|-----------|-----------|
| Rate of increase in salaries | 4.00 | 3.90 |
| Rate of increase for pensions in payment/inflation | 3.00 | 2.90 |
| Discount rate for scheme liabilities | 4.25 | 1.65 |
| Inflation assumption (CPI) | 3.00 | 2.90 |

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

| | 2022 Years | 2021 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| Males | 21.0 | 21.6 |
| Females | 23.5 | 23.6 |
| Retiring in 20 years | | |
| Males | 22.3 | 22.9 |
| Females | 24.9 | 25.1 |

Sensitivity analysis

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | (139) | (219) |
| Discount rate -0.1% | 142 | 224 |
| Mortality assumption - 1 year increase | 200 | 422 |
| Mortality assumption - 1 year decrease | (194) | (406) |

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24. Pension commitments (continued)

Share of scheme assets

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

| | At 31 August 2022 £ | At 31 August 2021 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 3,195,000 | 3,486,000 |
| Gilts | 109,000 | 137,000 |
| Other bonds | 251,000 | 253,000 |
| Property | 537,000 | 380,000 |
| Cash | 170,000 | 152,000 |
| Alternative assets | 850,000 | 604,000 |
| Other managed funds | 564,000 | 433,000 |
| Total market value of assets | 5,676,000 | 5,445,000 |

The actual return on scheme assets was £13,000 (2021 - £985,000).

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

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Current service cost | (749,000) | (658,000) |
| Interest income | 92,000 | 66,000 |
| Interest cost | (172,000) | (142,000) |
| Administrative expenses | (2,000) | - |
| Total amount recognised in the Statement of Financial Activities | (831,000) | (734,000) |

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

| | 2022 £ | 2021 £ |
|--------------------------|-------------------|-------------------|
| At 1 September | 10,484,000 | 8,860,000 |
| Current service cost | 749,000 | 658,000 |
| Interest cost | 172,000 | 142,000 |
| Employee contributions | 85,000 | 83,000 |
| Actuarial (gains)/losses | (4,456,000) | 814,000 |
| Benefits paid | (209,000) | (73,000) |
| At 31 August | 6,076,000 | 10,484,000 |

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24. Pension commitments (continued)

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

| | 2022 £ | 2021 £ |
|--------------------------|------------------|------------------|
| At 1 September | 5,445,000 | 4,121,000 |
| Interest income | 90,000 | 66,000 |
| Actuarial (losses)/gains | (79,000) | 916,000 |
| Employer contributions | 344,000 | 332,000 |
| Employee contributions | 85,000 | 83,000 |
| Benefits paid | (209,000) | (73,000) |
| At 31 August | <u>5,676,000</u> | <u>5,445,000</u> |

25. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £ | 2021 £ |
|--|--------------|---------------|
| Not later than 1 year | 1,220 | 12,368 |
| Later than 1 year and not later than 5 years | 2,554 | 16,691 |
| | <u>3,774</u> | <u>29,059</u> |

26. Members' liability

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

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27. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place;

The Trust made payments totalling £1,169 (2021: £388) to Mr J Hull, a Member and Trustee of Great Baddow High School for the provision of peripatetic music tuition services. There were amounts outstanding as at 31 August 2022 of £1,169 (2021: £NIL). The Trust made the purchases at arm's length for which Board approval was sought. Mr J Hull did not participate in this approval process. In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook.

The Trust made payments totalling £NIL (2021: £8,659) to Bridge Academy Trust, of which Mr P Farmer's brother is the Chief Executive Officer. There were no amounts outstanding as at 31 August 2022 (2021: £NIL). Receipts of £8,756 (2021: £NIL) were received from Moulsham High School, a school within the Trust, received for the intervention scheme for which Great Baddow High School acts as an agent for. There were amounts outstanding to be received as at 31 August 2022 of £8,756 (2021: £NIL). The Trust made the purchases at arm's length for which Board approval was sought. Mr P Farmer did not participate in this approval process. In entering into the transaction the Trust has complied with the requirements of the Academy Trust Handbook.

The Trust made payments totalling £NIL (2021: £19,974) to Plume School, of which Mrs S Howell's husband is a Governor. There were no amounts outstanding as at 31 August 2022 (2021: £NIL). The Trust made the purchases at arm's length for which Board approval was sought. Mr P Farmer did not participate in this approval process. In entering into the transaction the Trust has complied with the requirements of the Academy Trust Handbook.

The Trust made payments totalling £1,095 (2021: £NIL) to Paul Draper, a Member of Great Baddow High School. These payments related to consultancy work provided. There were amounts outstanding as at 31 August 2022 of £1,095 (2021: £NIL). The Trust made the purchases at arm's length for which Board approval was sought. Mr P Draper did not participate in this approval process. In entering into the transaction the Trust has complied with the requirements of the Academy Trust Handbook.

Family members of three of Key Management Personnel were employed during the year:

- M Farmer, spouse of P Farmer, a Trustee and the Trust's Accounting Officer, is employed by the Academy Trust as a communicator for the deaf;
- T Howell, step-daughter-in-law of S Howell, a Trustee, is employed by the Academy Trust as a member of the catering team;
- L Lewis, spouse of M Lewis, a member of the Senior Leadership Team, is employed by the Academy Trust as a teacher of humanities.

Appointment of each of the above was made in open competition and associated Trustees were not involved in the decision-making process regarding appointment. Each of the above persons is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a Trustee.

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28. Agency arrangements

The Academy Trust acts as an agent in managing funds for a number of separate entities. Payments received and subsequent disbursements are excluded from the SOFA as the Academy Trust does not have control over the charitable application of these funds.

The Academy Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. During the year, the Academy Trust received £7,395 (2021 - £11,810) and disbursed £4,702 (2021 - £14,921). A balance of £12,611 (2021 - £9,378) was owed to the ESFA as at the balance sheet and is included within other creditors.

The Academy Trust no longer holds funds on behalf of the Local Delivery Group (LDG) whose members are local schools who contributed to the fund from which educational services and training and purchased from the group. During the year, the Academy Trust received income of £11,804 (2021 - £11,803) and expenditure of £20,693 (2021 - £17,706). At the balance sheet date, £NIL (2021 - £8,889) was owed back to the LDG.

The Academy Trust holds funds on behalf of the Behaviour and Attendance Partnership (B.A.P.) whose members are local schools who contribute to the fund from which a range of pastoral and educational services are purchased for pupils at risk of exclusion. During the year, the Academy Trust received income of £71,818 (2021 - £80,174) and expenditure of £104,040 (2021 - £72,477). At the balance sheet date, £105,615 (2021 - £137,837) was owed back to the B.A.P. and is included within other creditors.