

Company Registration Number: 07962059 (England & Wales)

EAST LONDON SCIENCE SCHOOL TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Smith L Katon D Hayes
Trustees	K Hinde, Chair of Trustees C Atwell D Carun H Pizzey J Brian M Taylor, Interim Principal M Spiers N Borzenko, Vice Chair R Tratt S Anderson S Worth
Company registered number	07962059
Company name	East London Science School Trust
Principal and registered office	The Clock Mill Three Mill Lane London E3 3DU
Interim Chief executive officer	Nick Watkiss
Senior management team	C Beardsmore-Rust, Lead in Science and SENCO J Copestake, Head of Lower School M Taylor, Interim Principal B Ubaka, Head of Upper School R Woolfenden, Head of Sixth Form M Martin, Director of Teaching and Learning
Independent auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

EAST LONDON SCIENCE SCHOOL TRUST
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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 the charitable company for the 1 September 2021 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 a School for pupils aged 11 to 18 serving a catchment area in Newham. It has a pupil capacity of 720 on three temporary sites and had a roll of 622 in the school May 2022 census.

Structure, governance and management

Constitution

The Academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the Academy. The Trustees of East London Science School Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as East London Science School Trust.

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

Members' liability

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

Trustees' indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (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 management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The arrangements are as set out in the Articles and Funding Agreement. The Academy looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills. Trustees are drawn from across the local community and are recruited from Academy contacts including parents and staff. Trustees & Members regularly review regulatory guidance and best practice, especially the Academy Trust Handbook, regarding the composition of the Board.

Policies adopted for the induction and training of Trustees

All prospective Trustees must meet the Chair and the Principal to understand their role within the school before appointment. All new Trustees will be given the opportunity of a tour of the school, have the chance to meet with the staff and pupils and are provided with copies of key documents they need to fulfil their role as Trustees, including an induction document which describes the vision and ethos of the school, key performance indicators, and strategic priorities. 'NPW Governor Services' has been engaged to assist in a detailed induction process for all the new Trustees. Trustees are assigned an individual training plan based on courses from NGA Learning Link. All Trustees are required to have an enhanced DBS disclosure with Section 128 check.

Organisational structure

The organisational structure currently consists of four levels:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

- Trust Members meet once a year at the AGM;
- the Trustees, who are directors of the Academy;
- the committees (Curriculum; Finance; Audit and Risk; Attendance, Behaviour and Exclusions; Pay and Performance);
- the Senior Leadership Team.

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The Scheme of Delegation within the Finance Procedures Manual outlines the specific decision making responsibilities at each level.

The Board of Trustees, which meets on at least five occasions per year and each individual committee, is responsible for the strategic direction of the School/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 Principal, and reviews them.

The interim Chief Executive (joined January 2022) is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust/School. The Principal was the Accounting Officer prior to this. The Accounting Officer 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 Principal and the CEO manage the Trust/School on a daily basis supported by the 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 Principal and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal and CEO to manage certain aspects of the School/Trust.

Arrangements for setting pay and remuneration of key management personnel

Proposals for pay awards for key management personnel are documented, based on performance, and reviewed by the trust to ensure they are fair, proportionate and justifiable. In 2019/2020, the Trust established a Pay and Performance committee, separate from the Finance committee, to give more effective scrutiny to all pay decisions. This continued into 2021/22.

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 pay scales for each role, overall responsibilities 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 pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

Trade union facility time

The Academy had no employees who were trade union officials during the year and therefore has no trade union facility time to report.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

The Academy's objective is set out in its Article of Association. This is to establish, maintain, manage and develop an Academy offering a broad curriculum with an emphasis on, but in no way limited to, the STEM subjects. The Academy aims to be an important centre for the teaching of science and computer science in East London by developing its subject specialism. Our sixth form is focused on the delivery of the sciences, including computer science and mathematics 'A' Levels. We will continue to broaden our subject offer as we grow. However, our aim is to be the foremost science school in East London through the strength of our teaching in the sciences and mathematics. More broadly, the Academy aims to offer the majority of its pupils the chance to achieve an EBacc at 16 by offering a range of good qualifications at GCSE including an emphasis on language and humanities.

Objectives, strategies and activities

The Trustees have worked with the DfE / ESFA over the course of the year to address the FNTI status that originated from the ESFA Investigation which took place in early 2020 between January and March.

This FNTI was successfully lifted following significant improvements made to governance and financial operations during this financial year.

As a result of being placed into Special Measures by Ofsted in December 2022, a primary objective of the Trust was to ensure the East London Science School joined a strong MAT. The Harris Federation was identified by the Regional Schools Commissioner and the ELSS joined the Federation on 1 September 2022, the day after the end of this financial year.

The Academy produced its fifth set of GCSE results, the first since the COVID restrictions.

The Sixth Form produced its third set of A-level results, the first with examined grades.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Subsequent events

The Academy joined the Harris Federation on 1 September 2022.

Achievements and performance

The school's performance in GCSE exam results, summarised below.

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FOR THE YEAR ENDED 31 AUGUST 2022

Grade 5 and above English and Maths	47%
Grade 4 and above English and Maths	71%
Ebac (Grade 5 and above)	17%
Grade 5 and above English (Lit or Lang)	53%
Grade 4 and above English (Lit or Lang)	74%
Grade 5 and above Mathematics	55%
Grade 4 and above Mathematics	74%
Ebac entry	70%
% Grade 7 to 9	19%
Progress 8 score	-0.97
Attainment 8 score	45.57
Ebac average point score	4.23

The school's performance in A Level exam results, summarised below.

	Biology	Chemistry	Further Mathematics	Mathematics	Philosophy	Physics	Computer Science	Economics	English Literature	History
A*-A	0%	0%	11%	8%	0%	5%	0%	6%	0%	0%
A*-C	8%	27%	33%	27%	50%	29%	44%	44%	71%	9%
A*-E	78%	88%	67%	76%	100%	71%	78%	81%	100%	82%

Key performance indicators

The Trustees received regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets, considering the intention for the Academy to join a strong MAT from September 2022. The following areas were monitored as part of the KPIs:

- Pupil numbers
- Finance
- Safeguarding
- Quality of education
- Buildings
- Health and safety

Going concern

After making appropriate enquiries during the last financial year, the Board of Trustees made the decision to transfer the operations and activities of the Trust into another legal entity within 12 months of approving the annual report and financial statements for the year ended 31 August 2021.

This took place on 1 September 2022.

As a result, these accounts have been prepared on the basis that the Trust is no longer a going concern.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The principal funding for the operation of the school is provided by the Education, Skills and Funding Agency in the form of the 'General Annual Grant'. A formal agreement is in place for this. They are also responsible for Pupil premium income and the reimbursement of the rental costs of the school's premises. Other funding is provided by local authorities.

Monthly accounts are produced and these are shared with the Trustees as appropriate. In accordance with the Trust's five year plan, income is examined for robustness and sustainability and expenditure is regularly reviewed to ensure value for money.

For the year ended 31 August 2022 the Trust received £6,275,134 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 £6,102,052 excluding depreciation and LGPS adjustments but including assets funded from GAG. The Trust brought forward from 20/21, a £26,006 deficit in restricted funds (excluding the LGPS liability) and £NIL of unrestricted. The carry forward for 21/22 is a £119,843 surplus of restricted funds (excluding the LGPS liability) and a £11,919 surplus of unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £83,000. 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 resulting from the application of actuarial assumptions, this 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 CFO. 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 £11,919.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was 131,762.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £35,267.

Investment policy

There is no specific investment policy in operation at present.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Trustees have reviewed and identified the major risks to which the Academy Trust is exposed to and systems and procedures have been established to manage those risks. The key risks and uncertainties are summarised below:

1. Ofsted report means lack of demand for places Mitigation: The Academy received offers close to four times the PAN of 120 each year. The number of first choice places is consistent over the last three years. In order to proactively mitigate the risk of low intake the Academy runs an effective marketing and community outreach operation throughout the year and is liaising with primary schools and the local authority. In order to increase numbers in the sixth-form, the Academy is focusing on core science subjects and setting ambitious academic targets. Sixth form pupil numbers are forecast to improve significantly in the forthcoming year. There is a significant risk of this level of selection dropping based on the poor Ofsted report but this has been modelled out as a worst case scenario on the financial side and is manageable. This will be done primarily through reducing staff and collapsing class sizes as well as targeted marketing and primary school and (for 6th form) secondary school liaison.
2. Uncertainty around the operating costs Mitigation: This is being managed through strategic, finance planning and robust monitoring of the Academy Budget. The expenses being managed within an extremely tight budget and a robust system of centralised spending which is overseen by the finance committee. All expenses are staged throughout the year and are tied in with the claw back payment schedule on a controlled and long-term basis.
3. Temporary sites
Leases for Clock Mill, Lockkeepers and Bridge House sites were previously extended to 2024 to cover a move to permanent site. Extension to the lease for the sixth form site at Eastlea was denied once its Trust was unsuccessful in its proposals for the East London Science School. The ELSS Trust successfully entered in an alternative arrangement for housing the Sixth Form, making the school a 2 site school from September 2022.
4. Development of permanent site
The estimated completion date for the final site is in 2024. The building schedule is beyond the Trusts control and there is a risk that the completion date is delayed. The final site will have a larger capacity for pupils than the current temporary sites, and will be more efficient and effective than the current arrangement. Impact of a delay has been modelled in the Trust's long-range financial plans and there is sufficient flexibility in the plans to adjust to any delay.

Fundraising

There are fundraising activities undertaken by the Academy Trust and relevant payments have been made to two designated charities.

Streamlined energy and carbon reporting

As the Trust's energy usage is below 40,000kWh it is exempt from providing details of streamlined energy and carbon reporting.

Plans for future periods

Our aim is to enable the school, under the custodianship of the Harris Federation to teach a high-quality academic curriculum to all pupils regardless of background or ability. In turn this should contribute to the creation of confident, ambitious and successful pupils who are able to pursue their dreams on the world stage. East London Science School has a distinctive set of educational principles which we try and adhere to as much as possible in order to make this vision a reality.

We hope to make rapid and sustained progress on accessing the new site once building commences.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Trust successfully resolved to work with the Regional Schools Commissioner to find a suitable strong Multi-Academy Trust (MAT) to join. The Harris Federation was chosen and the Academy transferred its operating activities, assets and liabilities to The Harris Federation Trust on 1 September 2022 and ceased its operating activities. All assets and liabilities were transferred to The Harris Federation Trust at their carrying amounts. Harris Federation will be able to provide support for rapid school improvement to address the issues identified in the most recent Ofsted report, while supporting the values, ethos, and culture of the school.

Funds held as custodian on behalf of others

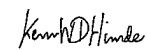
The Academy Trust does not hold any funds as custodian on behalf of others.

Disclosure 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
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees, as the company directors, on 17 Apr 2023 and signed on its behalf by:


K. Hinde
K. Hinde (Apr 17, 2023, 5:26pm)
Chair of Trustees

EAST LONDON SCIENCE SCHOOL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal (from 1 September – 31 December 2021) and to the Interim part time Chief Executive (from 1 January – 31 August 2022), 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 East London Science School Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 times during the year.

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

Trustee	Meetings attended	Out of a possible
K Hinde, Chair of Trustees	11	11
C Atwell	9	11
D Carun	8	11
H Pizzey	10	11
J Brian	10	11
M Taylor, Interim Principal	9	11
M Spiers	7	11
N Borzenko, Vice Chair	7	11
R Tratt	11	11
S Anderson	7	11
S Worth	6	11

David Perks, Principal, Accounting Officer and Trustee resigned on 18 October 2021. Otherwise the composition of the Board remained unchanged for this reporting period following the significant changes in the previous year.

During this reporting period, the Trust Board focussed on:

- Addressing the issues highlighted in the Ofsted report
- Making rapid progress on the issues highlighted in the Financial Notice to Improve, which was lifted in the summer term 2022
- Managing the impact of the NCST giving late notice for the sixth form to vacate the building leased on the Eastlea Community School site
- Managing the transition from Single Academy Trust status to joining a strong MAT as required by the RSC.

The Trust ensured records of business and pecuniary interests was updated by all Trustees and senior staff. This was considered by the Accounting Officer and Chair of Trustees to ensure any conflicts of interest could be managed.

Declarations of potential conflicts of interest were added to all meeting agendas to ensure they could be considered and managed throughout the year.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A follow-up review of governance was carried out by the NGA in September 2021, a year after the previous review. It was noted that progress had been made with taking forward the recommendations, and that the newly-strengthened board had the potential to effect outstanding governance. The board decided to seek an additional Trustee or executive leader with significant education experience at a senior level, to broaden its understanding of the educational landscape.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide financial scrutiny, presenting a draft of the annual budget, monitoring income and expenditure, monitoring effectiveness of financial procedures, ensuring value for money in contracts.

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

- Annual budgetary setting and oversight,
- oversight of IT based capital projects,
- working through the plan to remove the FNTI
- carrying out due diligence on joining a MAT.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
N Borzenko	3	6
K Hinde	6	6
R Tratt	5	6

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to direct the trust's programme of internal scrutiny and report to the board on the adequacy of the trust's financial and other controls and management of risks.

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

- Oversight of internal scrutiny
- Liaison with external auditors
- Follow up on actions from previous year's audit and internal scrutiny programme
- Risk management related activities

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
N Borzenko	3	3
K Hinde	3	3
R Tratt	2	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Principal (1/9/21-31/12/21) and interim part time Chief Executive Officer (1/1/22-31/8/22) has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Carrying out a full review of expenditure patterns in order to identify savings that could be made and additional areas that required investment
- Carrying out a full review of recruitment and staffing expenditure to ensure value for money
- Reducing the requirement for agency staff
- Negotiating better rates for contract expenditure and general supplies
- Using benchmark data to compare national and ELSS expenditure
- Improving the monthly management accounts reporting, monitoring and evaluation to allow fast responses to unexpected expenditure patterns.

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 East London Science School Trust 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 ongoing 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.

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 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

The Board of Trustees has decided to employ Herts for Learning, Financial Services as internal auditor.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

This option has been chosen because of expertise in the areas to be scrutinised and audited, value for money and independence.

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

1. Risk Management
2. Related Party transactions
3. Website
4. Governance; and
5. Payroll

On an annual basis, the internal auditor 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 short annual 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.

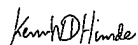
Review of effectiveness

As accounting officer, the Principal (1/9/21-31/12/22) and then interim part time chief executive (1/1/22-31/8/22) had/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 school resource management self-assessment tool;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

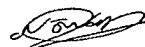
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to ensure continuous improvement of the system is in place.

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



K. Hinde
Chair of Trustees

Date: 17 Apr 2023



N. Watkiss
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of East London Science School Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, 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.



N Watkiss (Apr 17, 2023, 8:24pm)

N Watkiss

Accounting Officer

Date: 17 Apr 2023

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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:

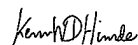
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:



K. Hinde
K. Hinde (for 17, 2023, 5:26pm)
Chair of Trustees

Date: 17 Apr 2023

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST

Opinion

We have audited the financial statements of East London Science School Trust (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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation

We draw attention to note 1.2 in the financial statements, which describes the basis of preparation of the financial statements. The Trust transferred its operations, assets and liabilities to The Harris Federation Trust on 1 September 2022 and has ceased operating. As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to The Harris Federation Trust at their respective carrying amounts upon transfer. Our opinion is not modified in respect of this matter.

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

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of Trustees

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

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

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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 and the sector in which it operates and considered the risk of material misstatement in 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 significant transactions to identify large or unusual transactions.
- We reviewed key 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
- We have made enquiries of the senior management team including the Accounting Officer regarding laws and regulations applicable to the Academy and obtained the report details of any breaches where applicable in order to assess the impact upon the Academy.
- We have reviewed any correspondence with the ESFA / DfE and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters 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 a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST
LONDON SCIENCE SCHOOL TRUST (CONTINUED)**

Use of our report

This report is made solely to the Trust 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 Trust 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 Trust 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

18 April 2023

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST
LONDON SCIENCE SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 July 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 East London Science School Trust 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 East London Science School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to East London Science School Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East London Science School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of East London Science School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of East London Science School Trust's funding agreement with the Secretary of State for Education dated 2 September 2013 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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST LONDON SCIENCE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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: 18 April 2023

EAST LONDON SCIENCE SCHOOL TRUST
(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	2	-	981	15,314	16,295	(4,449)
Other trading activities	4	11,678	-	-	11,678	23,352
Investments	5	183	-	-	183	70
Charitable activities	3	58	6,246,920	-	6,246,978	5,532,145
Total income		<u>11,919</u>	<u>6,247,901</u>	<u>15,314</u>	<u>6,275,134</u>	<u>5,551,118</u>
Expenditure on:						
Charitable activities	6	-	6,337,818	60,132	6,397,950	5,284,892
Total expenditure		<u>-</u>	<u>6,337,818</u>	<u>60,132</u>	<u>6,397,950</u>	<u>5,284,892</u>
Net income/(expenditure)		<u>11,919</u>	<u>(89,917)</u>	<u>(44,818)</u>	<u>(122,816)</u>	<u>266,226</u>
Transfers between funds	16	-	(9,234)	9,234	-	-
Net movement in funds before other recognised losses		<u>11,919</u>	<u>(99,151)</u>	<u>(35,584)</u>	<u>(122,816)</u>	<u>266,226</u>
Other recognised losses:						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,117,000	-	1,117,000	(210,000)
Net movement in funds		<u>11,919</u>	<u>1,017,849</u>	<u>(35,584)</u>	<u>994,184</u>	<u>56,226</u>
Reconciliation of funds:						
Total funds brought forward		-	(981,006)	123,756	(857,250)	(913,476)
Net movement in funds		11,919	1,017,849	(35,584)	994,184	56,226
Total funds carried forward		<u>11,919</u>	<u>36,843</u>	<u>88,172</u>	<u>136,934</u>	<u>(857,250)</u>

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

The notes on pages 24 to 47 form part of these financial statements.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07962059

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	88,172	123,756
		<u>88,172</u>	<u>123,756</u>
Current assets			
Debtors	13	308,609	246,347
Cash at bank and in hand	21	35,267	817,852
		<u>343,876</u>	<u>1,064,199</u>
Creditors: amounts falling due within one year	14	(212,114)	(1,028,306)
Net current assets		<u>131,762</u>	<u>35,893</u>
Creditors: amounts falling due after more than one year	15	-	(61,899)
Net assets excluding pension liability		<u>219,934</u>	<u>97,750</u>
Defined benefit pension scheme liability	24	(83,000)	(955,000)
Total net liabilities		<u><u>136,934</u></u>	<u><u>(857,250)</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	88,172	123,756
Restricted income funds	16	119,843	(26,006)
Pension reserve	16	(83,000)	(955,000)
Total restricted funds	16	<u>125,015</u>	<u>(857,250)</u>
Unrestricted income funds	16	<u>11,919</u>	<u>-</u>
Total funds		<u><u>136,934</u></u>	<u><u>(857,250)</u></u>

The financial statements on pages 21 to 47 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



K. Hinde
 K. Hinde (Apr 17, 2023, 5:26pm)
 Chair of Trustees

Date: 17 Apr 2023

EAST LONDON SCIENCE SCHOOL TRUST
(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 (used in)/provided by operating activities	18	(711,635)	738,060
Cash flows from investing activities	20	(9,051)	(46,310)
Cash flows from financing activities	19	(61,899)	-
Change in cash and cash equivalents in the year		(782,585)	691,750
Cash and cash equivalents at the beginning of the year		817,852	126,102
Cash and cash equivalents at the end of the year	21, 22	<u>35,267</u>	<u>817,852</u>

The notes on pages 24 to 47 form part of these financial statements

EAST LONDON SCIENCE SCHOOL TRUST
(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 Academy's functional and presentational currency is Pounds Sterling.

East London Science School Trust meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Registered office is The Clock Mill, Three Mill Lane, London, E3 3DU.

1.3 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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 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.

1.5 Expenditure

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

- **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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that since the Trust joined The Harris Federation Trust on 1 September 2022, the Academy is not a going concern and therefore have not adopted the going concern basis of accounting in preparing the financial statements.

No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities transferred to The Harris Federation Trust at their carrying amounts

1.7 Tangible fixed assets

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

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

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

The estimated useful lives are as follows:

Furniture and equipment	- 5 years
Computer equipment	- 5 years

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 Operating leases

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

1.9 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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

EAST LONDON SCIENCE SCHOOL TRUST
(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 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.

1.15 Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.16 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.

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.

2. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	981	-	981	-
Capital Grants	-	15,314	15,314	(4,449)
Total 2022	981	15,314	16,295	(4,449)
Total 2021	-	(4,449)	(4,449)	

In 2021, income receivable from capital grants was £(4,449), all of which related to restricted fixed assets.

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3. Funding for the Trust's Educational Operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,668,240	4,668,240	3,964,327
Other DfE/ESFA grants				
Teachers pension grant	-	26,378	26,378	130,846
Teachers pay grant	-	9,335	9,335	46,309
Free school meals	-	-	-	12,150
Pupil premium	-	204,421	204,421	198,989
Funding for the Building lease	-	968,706	968,706	833,894
Supplementary grant	-	51,561	51,561	-
Rates relief	-	55,132	55,132	82,698
Other ESFA grants	-	80,442	80,442	27,782
	-	6,064,215	6,064,215	5,296,995
Other Government grants				
Local Authority grants	-	144,302	144,302	144,550
	-	144,302	144,302	144,550
Catering income	58	-	58	2,097
COVID-19 additional funding (DfE/ESFA)				
Covid Catch-up grant	-	-	-	53,043
Covid Mass testing grant	-	6,287	6,287	35,460
Vaccination programme	-	1,485	1,485	-
Recovery premium	-	30,631	30,631	-
	-	38,403	38,403	88,503
	58	6,246,920	6,246,978	5,532,145
Total 2022	58	6,246,920	6,246,978	5,532,145
Total 2021	2,097	5,530,048	5,532,145	

In 2021, income from DfE/ESFA grants was £5,296,995 of which all was restricted.

In 2021, income from other Government grants was £144,550 of which all was restricted.

In 2021, other income from was £2,097 of which all was unrestricted.

In 2021, additional funding for COVID-19 was 88,503 of which all was restricted.

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4. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	11,678	11,678	23,352
	<u>11,678</u>	<u>11,678</u>	<u>23,352</u>
Total 2021	23,352	23,352	
	<u>23,352</u>	<u>23,352</u>	

In 2021, other income was £23,352, all of which was unrestricted.

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	183	183	70
	<u>183</u>	<u>183</u>	<u>70</u>

In 2021, investment income was £70, all of which was unrestricted.

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision for Education					
Direct costs	2,703,839	-	347,156	3,050,995	2,499,076
Support costs	1,270,221	1,219,709	857,025	3,346,955	2,785,816
	<u>3,974,060</u>	<u>1,219,709</u>	<u>1,204,181</u>	<u>6,397,950</u>	<u>5,284,892</u>
Total 2022	3,974,060	1,219,709	1,204,181	6,397,950	5,284,892
	<u>3,974,060</u>	<u>1,219,709</u>	<u>1,204,181</u>	<u>6,397,950</u>	<u>5,284,892</u>
Total 2021	3,540,496	1,171,299	573,097	5,284,892	
	<u>3,540,496</u>	<u>1,171,299</u>	<u>573,097</u>	<u>5,284,892</u>	

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6. Expenditure (continued)

In 2021, of total expenditure £25,519 was to unrestricted funds, £5,181,847 was to restricted funds and £77,526 was on restricted fixed asset funds.

In 2021, direct costs consisted of £2,292,252 staff costs and £206,824 other costs.

In 2021, support costs consisted of £1,248,244 staff costs, £1,171,299 premises costs and £366,273 other costs.

7. Charitable Activities

	2022 £	2021 £
Direct costs	3,050,995	2,499,076
Support costs	3,346,955	2,785,816
Total	<u>6,397,950</u>	<u>5,284,892</u>
	2022 £	2021 £
Analysis of support costs		
Support staff costs	1,270,221	1,248,244
Depreciation	60,132	63,623
Technology costs	166,936	35,190
Premises costs (excluding depreciation)	1,219,709	1,107,676
Governance costs	28,204	32,652
Legal costs	44,368	4,765
Other support costs	557,385	293,666
Total	<u>3,346,955</u>	<u>2,785,816</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	1,039,408	865,104
Depreciation of tangible fixed assets	60,132	63,623
Fees paid to auditors for:		
- audit	15,370	14,500
- other services	7,390	6,050

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,726,263	2,499,562
Social security costs	297,812	264,859
Pension costs	724,139	637,952
	<u>3,748,214</u>	<u>3,402,373</u>
Agency staff costs	225,846	138,123
	<u>3,974,060</u>	<u>3,540,496</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	41	39
Administration and support	27	27
	<u>68</u>	<u>66</u>

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	2
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

EAST LONDON SCIENCE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Staff (continued)

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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £457,443 (2021 - £933,200).

Employer national insurance contributions included within key management personnel remuneration were £41,477 (2021 - £87,566)

Employer pension contributions included within key management personnel remuneration were £79,642 (2021 - £163,347)

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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
M Taylor	Remuneration	85,000 - 90,000	20,000 - 25,000
	Pension contributions paid	20,000 - 25,000	5,000 - 10,000
S Anderson	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

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

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

12. Tangible fixed assets

	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	1,250,453	309,123	744,241	2,303,817
Additions	-	4,930	19,618	24,548
At 31 August 2022	<u>1,250,453</u>	<u>314,053</u>	<u>763,859</u>	<u>2,328,365</u>
Depreciation				
At 1 September 2021	1,250,453	262,161	667,447	2,180,061
Charge for the year	-	18,613	41,519	60,132
At 31 August 2022	<u>1,250,453</u>	<u>280,774</u>	<u>708,966</u>	<u>2,240,193</u>
Net book value				
At 31 August 2022	<u>-</u>	<u>33,279</u>	<u>54,893</u>	<u>88,172</u>
At 31 August 2021	<u>-</u>	<u>46,962</u>	<u>76,794</u>	<u>123,756</u>

13. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	-	9,602
VAT Recoverable	14,337	77,914
Prepayments and accrued income	294,272	158,831
	<u>308,609</u>	<u>246,347</u>

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14. Creditors: Amounts falling due within one year

	2022 £	2021 £
GAG clawback	61,899	285,891
Trade creditors	4,630	167,746
Other taxation and social security	73,838	63,800
Other creditors	55,686	58,184
Accruals and deferred income	16,061	452,685
	<u>212,114</u>	<u>1,028,306</u>

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

	2022 £	2021 £
GAG Clawback	<u>-</u>	<u>61,899</u>

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

16. Statement of funds

	As Restated Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted	-	11,919	-	-	-	11,919
Restricted general funds						
General Annual Grant (GAG)	(26,006)	4,668,240	(4,513,157)	(9,234)	-	119,843
Other DfE/ESFA grants	-	1,229,957	(1,229,957)	-	-	-
Pupil premium	-	204,421	(204,421)	-	-	-
Other Government grants	-	144,302	(144,302)	-	-	-
Restricted donations	-	981	(981)	-	-	-
Pension reserve	(955,000)	-	(245,000)	-	1,117,000	(83,000)
	<u>(981,006)</u>	<u>6,247,901</u>	<u>(6,337,818)</u>	<u>(9,234)</u>	<u>1,117,000</u>	<u>36,843</u>
Restricted fixed asset funds						
Devolved Formula Capital	-	15,314	-	(15,314)	-	-
Restricted fixed asset fund	123,756	-	(60,132)	24,548	-	88,172
	<u>123,756</u>	<u>15,314</u>	<u>(60,132)</u>	<u>9,234</u>	<u>-</u>	<u>88,172</u>
Total Restricted funds	<u>(857,250)</u>	<u>6,263,215</u>	<u>(6,397,950)</u>	<u>-</u>	<u>1,117,000</u>	<u>125,015</u>
Total funds	<u>(857,250)</u>	<u>6,275,134</u>	<u>(6,397,950)</u>	<u>-</u>	<u>1,117,000</u>	<u>136,934</u>

EAST LONDON SCIENCE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds (continued)

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

General Annual Grant: This fund is for the purpose of running the Trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook. 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 / ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other Government grants: This fund has also arisen from funding received from the Local Authority mainly for Special Educational Needs.

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

Restricted fixed asset funds: These funds have arisen from the fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Trust. All assets held are specifically for the use of the Trust.

Unrestricted funds: These have arisen from activities carried out by the Trust for raising funds and are unrelated to any form of Government assistance and therefore the Trust can choose to spend it however it chooses.

Devolved formula capital: This represents capital grants received from the DfE/ESFA to be used on capital projects or repairs.

Restricted donations: This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted	-	25,519	(25,519)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	(489,924)	3,964,327	(3,440,126)	(60,283)	-	(26,006)
Other DfE/ESFA grants	-	1,421,171	(1,421,171)	-	-	-
Other Government grants	-	144,550	(144,550)	-	-	-
Pension reserve	(569,000)	-	(176,000)	-	(210,000)	(955,000)
	<u>(1,058,924)</u>	<u>5,530,048</u>	<u>(5,181,847)</u>	<u>(60,283)</u>	<u>(210,000)</u>	<u>(981,006)</u>
Restricted fixed asset funds						
Devolved Formula Capital	-	13,903	(13,903)	-	-	-
Other ESFA capital grants	-	(18,352)	-	18,352	-	-
Restricted fixed asset fund	145,448	-	(63,623)	41,931	-	123,756
	<u>145,448</u>	<u>(4,449)</u>	<u>(77,526)</u>	<u>60,283</u>	<u>-</u>	<u>123,756</u>
Total Restricted funds	<u>(913,476)</u>	<u>5,525,599</u>	<u>(5,259,373)</u>	<u>-</u>	<u>(210,000)</u>	<u>(857,250)</u>
Total funds	<u>(913,476)</u>	<u>5,551,118</u>	<u>(5,284,892)</u>	<u>-</u>	<u>(210,000)</u>	<u>(857,250)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. 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	-	-	88,172	88,172
Current assets	11,919	331,957	-	343,876
Creditors due within one year	-	(212,114)	-	(212,114)
Provisions for liabilities and charges	-	(83,000)	-	(83,000)
Total	11,919	36,843	88,172	136,934

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	123,756	123,756
Current assets	1,064,199	-	1,064,199
Creditors due within one year	(1,028,306)	-	(1,028,306)
Creditors due in more than one year	(61,899)	-	(61,899)
Provisions for liabilities and charges	(955,000)	-	(955,000)
Total	(981,006)	123,756	(857,250)

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

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(122,816)	266,226
Adjustments for:		
Depreciation	60,132	63,623
Capital grants from DfE and other capital income	(15,314)	4,449
Interest receivable	(183)	(70)
FRS17 adjustment	245,000	176,000
Increase in debtors	(62,262)	(123,877)
(Decrease)/increase in creditors	(816,192)	351,709
Net cash (used in)/provided by operating activities	(711,635)	738,060

19. Cash flows from financing activities

	2022 £	2021 £
ESFA pupil number adjustment	(61,899)	-
Net cash (used in)/provided by financing activities	(61,899)	-

20. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	183	70
Purchase of tangible fixed assets	(24,548)	(41,931)
Capital grants from DfE Group	15,314	(4,449)
Net cash used in investing activities	(9,051)	(46,310)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	35,267	817,852
Total cash and cash equivalents	35,267	817,852

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	817,852	(782,585)	35,267
Debt due within 1 year	(285,891)	223,992	(61,899)
	<u>531,961</u>	<u>(558,593)</u>	<u>(26,632)</u>

23. Contingent liabilities

The Trust currently occupies a property under a leasehold agreement which could give rise to a future liability for the cost of reinstatement works of alterations made to the property. The Trust will only be required to cover the cost of reinstatement if requested by the landlord. The Trustees have received assurance from the Department for Education that it would cover any such costs.

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 The London Pension Fund Authority. 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 £55,686 were payable to the schemes at 31 August 2022 (2021 - £52,302) and are included within creditors.

Teachers' Pension Scheme

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

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

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

24. Pension commitments (continued)

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; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £381,216 (2021 - £363,663).

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 £129,000 (2021 - £127,000), of which employer's contributions totalled £92,000 (2021 - £90,000) and employees' contributions totalled £ 37,000 (2021 - £37,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 7.5 per cent for employees.

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

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

EAST LONDON SCIENCE SCHOOL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.90	3.85
Rate of increase for pensions in payment/inflation	2.90	2.85
Discount rate for scheme liabilities	4.20	1.70

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	19.5	21.4
Females	22.9	24.0
Retiring in 20 years		
Males	20.9	22.9
Females	24.5	25.6

As at the 31st August 2022 the Academy has a pension liability of £83,000 (2021 - £955,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	26	50
Discount rate -0.1%	(27)	(48)
Mortality assumption - 1 year increase	(29)	70
Mortality assumption - 1 year decrease	28	(67)
CPI rate +0.1%	(27)	49
CPI rate -0.1%	27	(48)

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**NOTES TO THE FINANCIAL STATEMENTS
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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	487,000	417,000
Gilts	58,000	56,000
Property	132,000	66,000
Cash and other liquid assets	41,000	38,000
Alternative assets	107,000	106,000
Total market value of assets	825,000	683,000

The actual return on scheme assets was £34,000 (2021 - £67,000).

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

	2022 £	2021 £
Current service cost	321,000	257,000
Interest income	(13,000)	(9,000)
Interest cost	28,000	18,000
Administrative expenses	1,000	-
Total amount recognised in the Statement of Financial Activities	337,000	266,000

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

	2022 £	2021 £
At 1 September	1,638,000	1,063,000
Interest cost	28,000	18,000
Actuarial (gains)/losses	(1,096,000)	268,000
Benefits paid	(20,000)	(5,000)
Current service costs	321,000	257,000
Contributions by scheme participants	37,000	37,000
At 31 August	908,000	1,638,000

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

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

	2022 £	2021 £
At 1 September	683,000	494,000
Interest income	13,000	9,000
Actuarial gains	21,000	58,000
Employer contributions	92,000	90,000
Benefits paid	(20,000)	(5,000)
Contributions by scheme participants	37,000	37,000
Admin expenses	(1,000)	-
At 31 August	825,000	683,000

25. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	945,359	934,645
Later than 1 year and not later than 5 years	201,374	954,352
	1,146,733	1,888,997

26. Members' liability

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

27. Related party transactions

Owing to the nature of the 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.

No related party transactions took place in the period of account, other than certain Trustee' remuneration and expenses already disclosed in note 11.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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

28. Post balance sheet events

The Academy transferred its operating activities, assets and liabilities to The Harris Federation Trust on 1 September 2022 and ceased its operating activities. All assets and liabilities were transferred to The Harris Federation Trust at their carrying amounts.