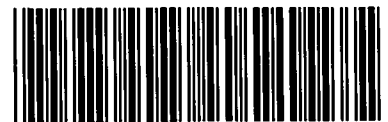


St Margaret's Church of England Academy
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2023

Company Registration Number:
08160433 (England and Wales)

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St Margaret's Church of England Academy
(A Company Limited by Guarantee)

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**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Reference and Administrative Details

Members

| | |
|-------------------------|--|
| The Bishop of Liverpool | A Corporation Sole |
| Ven. Mike McGurk | The Liverpool Diocesan Educational Trust (Resigned 31 December 2022) |
| Rev Jude Padfield | The Liverpool Diocesan Educational Trust (Appointed 31 January 2023) |
| Mr Stewart Crowe | Chair of Governors |

Governors and Trustees

| | |
|---------------------------------------|--|
| The Bishop of Liverpool | Ex-officio Governor |
| Mr Stewart Crowe ⁵ | Chair of Governors |
| Rev Michael Morris ¹²⁶ | Vice Chair of Governors |
| Rev Ian Greenwood ²⁴⁵ | Governor |
| Mr Mark Fidler ²³ | Governor (Resigned 11 October 2023) |
| Mrs Victoria Merriman ²³⁴⁵ | Governor (Resigned 11 October 2023) |
| Mrs Heather Duggan ³ | Governor (Resigned 21 February 2023) |
| Mr Michael Edge ¹ | Governor (Appointed 20 September 2022) |
| Mr Stephen Brierley ¹²³⁴⁵⁶ | Principal & Accounting Officer |
| Ms Celina Duzant ¹ | Governor and Bishop's Representative |
| Miss Jane Griffiths ²³⁴⁵ | LA Governor (Resigned 11 October 2023) |
| Mr Gordon Smith ¹² | Staff Governor (Resigned 11 October 2023) |
| Mr Mark Bradfield-Smith ²³ | Staff Governor (Resigned 10 October 2023) |
| Mrs Nuala Dunne ¹³ | Staff Governor |
| Mr Paul Cliff | Parent Governor (Resigned 11 October 2023) |
| Mr Ian Griffiths ² | Parent Governor |
| Mr Joseph Shelston ¹⁵⁶ | Parent Governor |

Company Secretary Mr Mark D'Arcy

Sub Committees of the Academy Trust

1. Resource & Audit Committee
2. Ethos & Pastoral Committee
3. Curriculum & Standards Committee
4. Admissions Committee
5. Standing Committee
6. Pay Committee (sub-committee of Resource and Audit)

¹member of the Resource & Audit Committee – chaired by Joe Shelston

²member of the Ethos & Pastoral Committee – chaired by Vicky Merriman

³member of the Curriculum & Standards Committee – chaired by Jane Griffiths

⁴member of the Admissions Committee – chaired by Ian Greenwood

⁵member of Standing Committee – chaired by Stewart Crowe

⁶member of Pay Committee – chaired by Joe Shelston

On 1st October 2023 St Margaret's CE Academy joined The Liverpool Joint Catholic and Church of England Academies Trust (operating as All Saints Multi Academy Trust).

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Reference and Administrative Details (continued)

Senior Leadership Team

| | |
|-----------------------|---|
| Mr Stephen Brierley | Principal |
| Mr Steven Slater | Vice Principal: Curriculum and Personnel |
| Mrs Andrea Penketh | Vice Principal: Director of Ethos & Social, Moral, Spiritual & Cultural Education (Resigned 30 April 2023) |
| Mr Robert Lawton | Assistant Principal: Director of Sixth Form |
| Dr Daniel Silverstone | Assistant Principal: Director of Pastoral Care |
| Dr Carmel Manwaring | Assistant Principal: Self-Evaluation & Quality Assurance (Resigned 30 April 2023) |
| Mr Mark D'Arcy | Director of Business and Finance |
| Clerk to Governors | Mrs S Deveney can be contacted on 0151 427 1825 |

Principal and Registered Office:

St Margaret's Church of England Academy
Aigburth Road
Aigburth
Liverpool
L17 6AB

Company Registration Number: 08160433 (England and Wales)

Independent Auditor:

RSM UK Audit LLP
14th Floor, 20 Chapel Street
Liverpool
L3 9AG

Bankers:

Barclays Bank PLC
Liverpool City Centre
Liverpool
L2 1TD

Solicitors:

Hill Dickinson LLP
St. Paul's Square
Old Hall Street
Liverpool
L3 9SJ

St Margaret's Church of England Academy (A Company Limited by Guarantee)

Trustees' Report and Strategic Report

The Trustees and Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and a strategic report under company law.

The principal activity is to advance education for the public benefit by establishing, maintaining, carrying on, and developing a secondary Academy offering a broad and balanced curriculum for students of different abilities between the ages of 11-18. Years 7-11 are boys only but mixed in Years 12-13. There is no defined catchment area and the basis of admission is a mixture of religious belief, medical and social need. It has a pupil capacity of 1,050 (including 250 for Sixth Form) and had a roll of 996 (148 in Sixth Form) in the school census on October 2023.

Structure, Governance and Management

Constitution

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

The governors in office at the year-end act as the trustees for the charitable activities of St Margaret's Church of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St Margaret's Church of England Academy.

Details of trustees who served throughout the period and to the date these accounts are approved except as noted are included in the Reference and Administrative Details on page 1.

On 1st October 2023 St Margaret's CE Academy joined The Liverpool Joint Catholic and Church of England Academies Trust (operating as All Saints Multi Academy Trust). The operation including assets and liabilities transferred on this date, with the funding agreement with the Secretary of State terminated at the same time.

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 Academy has opted in to the Risk Protection Arrangement (RPA) provided by the Education and Skills Funding Agency (ESFA) to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The limit of this indemnity is £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association were last updated by special resolution on 14 July 2015. The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

The Members shall appoint up to 14 with a minimum of 10 Governors provided that the Members may at any time appoint such number of additional Governors who, when combined with any existing Governors under Article 50 of the Memorandum and Articles of Association, shall constitute a majority of the Governors of the Academy Trust and may similarly require the removal from office of any such person and nominate another person in his place provided always that the Bishop of Liverpool shall be an ex-officio Governor under the above Article.

The Members may appoint 3 Staff Governors through such process as they may determine. The LA may appoint the LA Governor. The Principal shall be treated for all purposes as being an ex-officio Governor. There are 3 Parent Governors and they are elected by parents of registered pupils at the Academy at the time of the election.

Governors are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any governor can be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

When appointing new governors, the Members will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's

**St Margaret's Church of England Academy
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Trustees' Report and Strategic Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees (continued)

development. There is a comprehensive Governor Induction Programme managed by the Chair of Governors that is tailored to the individual and includes briefings by senior staff, tour of the Academy to meet staff and students and papers necessary to the fulfilment of the role.

Organisational Structure

The Governors meet at least four times per year. They establish an overall framework for the governance of the Academy and determine membership, terms of reference and procedures of Committees and other groups. They receive reports including proposals from its Committees for ratification and monitor the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 6 committees, 4 of which meet termly, all of whom are responsible for Academy policy, practice and performance and monitor aspects of their work by discussion/review/challenge (the Admissions and Pay committee meet annually and bi-annually respectively):

1. Resource & Audit Committee – financial management, compliance with reporting and regulatory requirements, review of risk and drafting the annual budget. Receiving reports from the Internal Audit work carried out. Considering the requirements under the school development plan to the upkeep of the fabric of the school buildings. To apply to the DfE/ESFA for additional capital grants. Also responsible for performance management, staffing levels, appointments, salaries, CPD, work-life balance and personnel policies.
2. Curriculum & Standards Committee – curriculum planning, target setting, assessment and examinations. Receiving reports from Senior Managers.
3. Ethos & Pastoral Committee – all matters relating to the pastoral care, spiritual well-being, attendance, behaviour and safety of learners. Ensures statutory obligations are met in relation to exclusions and meet the highest standards of safeguarding.
4. Standing Committee – chairs of the different Committees share their minutes and report on any issues to ensure cross-committee collaboration. New and revised policies are ratified.
5. Admissions Committee – reviews admission applications for the upcoming academic year.
6. Pay Committee - The Pay Committee is a subcommittee of the Resource and Audit Committee and meets to review annual pay progression for all staff as well as the annual performance of the Principal.

The following decisions are reserved to the Governors:

To consider any proposals for changes to the status or constitution of the Academy and its committee structure; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Principal and Clerk to the Governors.

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

The Governors have devolved responsibility for day to day management of the Academy to the Senior Leadership Team.

The Academy has a leadership structure which consists of the Governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Principal, one Vice Principal, three Assistant Principals and the Director of Business and Finance.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Principal, Director of Business and Finance, and the Resource and Audit Committee are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to Budget Holders. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts will include a Governor.

**St Margaret's Church of England Academy
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Trustees' Report and Strategic Report (continued)

Upon joining All Saints MAT the governing body and sub-committees were dissolved and replaced with a Local Academy Committee, set-up to undertake local governing decisions. A number of Trustees resigned from their position after this date (see page 1).

The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel for the Academy are identified as the Senior Leadership Team. The Pay Committee reviews the annual performance of all SLT members before awarding any incremental pay increases, if applicable. The Principal's review also includes a member of the local authority to ensure a fully robust process and to ensure an independent benchmarked review takes place.

Trade Union Facility Time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent number |
|--|-----------------------------|
| 4 | 4 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | - |
| 1%-50% | 4 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | |
|--|------------|
| Total cost of facility time | £11,849* |
| Total pay bill | £5,885,524 |
| Percentage of total pay bill spent on facility time calculated as (total cost of facility time / total pay bill) x 100 | 0.20% |

*also contributed £4,012 to the Local Authority 'central shared pot'

Paid trade union activities

| | |
|--|------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100 | 100% |
|--|------|

Related Parties, Connected Charities and co-operation with Other Organisations

There were no related party or connected organisations during the year. The academy is part of the Diocese of Liverpool and operates on Church owned land as noted in note 11.

Objectives and Activities

The Academy is committed to carrying on, managing, and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

The Academy Trust is further committed to:-

- enabling everyone to maximise their intellectual achievement and develop their talents in a wide range of education skills according to each person's abilities: to develop lively enquiring minds;

St Margaret's Church of England Academy
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Trustees' Report and Strategic Report (continued)

Objects and Aims (continued)

- to provide a safe, supportive and stimulating environment to grow towards a sense of fulfilment;
- to promote physical development and health education;
- to help students to find a true vocation in life to take their place in an increasing global and technological work environment to prepare them for life in the community beyond school and the part they, as individual Christians can come to play in society;
- to generate an enthusiasm for the protection of the environment on a local, national and international level;
- to enhance the concept of partnership between students, parents, staff and the broader community including the church, charitable organisations, primary and tertiary educational institutions, employers, industry and commerce

Objectives, Strategies and Activities

The main strategies for improvement consist of:

- securing the appointment and retention of strong experienced leadership
- securing leadership capacity through increased accountability and high quality continued professional development
- improving teaching, learning and assessment in order to secure the best possible outcomes for students
- launching a new Vision Statement and Values with staff, parents and students
- joining All Saints MAT will allow additional curriculum expertise and capacity to accelerate improvement.

Public Benefit

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Strategic Report

Achievements and Performance

| Year | Attainment Measures | | Average Grade | Progress Measures |
|-----------------------|---|----|---------------|-------------------|
| | Percentage with English <u>and</u> Maths at grades: | | | Overall P8 |
| | 5+ | 4+ | | |
| 2022 | 65 | 73 | 5.5 | +0.26 |
| 2023 (unvalidated) | 56 | 76 | 5.1 | -0.08 |

Progress 8 measure tells how pupils have progressed between the end of primary school and the end of secondary school compared to other pupils who got similar results at the end of primary school. It is measured on a scale which centres on zero. A score of +1.00 indicates students get, on average, one GCSE grade better per subject (compared to other youngsters nationally with similar Key Stage 2 results); a score of -1.00 indicates students do a grade worse than might be expected given their prior attainment. The overall P8 figure of -0.08 indicates that St Margaret's pupils have made as much progress as other students nationally over the five years they have been here.

This year 62% of 'A'-level grades awarded were C or higher.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention when considering restricted reserves. The Academy is keen to ensure that income received in any year is spent for the benefit of those students in the Academy in that year. If there are reserves leftover, they are directed to support future projects for the Academy and for the benefit of the students. Due to the continued financial constraints within the publicly funded sector, the Academy does not hold any unrestricted reserves at the year end.

St Margaret's Church of England Academy
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Trustees' Report and Strategic Report (continued)

Key Performance Indicators (continued)

Monthly management accounts are generally in line with projected budget spend which is another main indicator. Close attention is paid to income and expenditure along with cashflow to ensure that the Academy achieves its financial budget. Key financial KPI's (staffing ratio, actual v budget etc.) and reforecasts are completed on a monthly basis and shared with SLT and Governors.

As funding is based on student numbers this is also a key performance indicator. Student numbers for the funding period ending 31st August 2023 were 1,040 of which 841 were in years 7-11 and 199 in the Sixth Form. With demand for places high in the school it is anticipated that this number will be maintained in lower school but Sixth Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Management Team. New recruits into Sixth Form for the 2023/24 academic year have fallen from previous years leading to a review of the curriculum offer and entry requirements to ensure that the proposition remains competitive and relevant.

Ofsted visited the school in November 2021 to undertake a school inspection. The school's overall effectiveness was graded 'Requires Improvement'. The Academy Improvement Plan sets out the strategic plan to ensure that the school achieves a 'Good' outcome at the next inspection. Regular visits from the School Improvement Partner will ensure that the pedagogy measures introduced are effective in improving teaching and learning and the curriculum on offer is consistent across the year groups.

Other key performance indicators include examination results as disclosed on page 6.

Going Concern

As with all publicly funded organisations, it has been challenging to set a balanced budget with rising inflation in the current economic climate. The year started with a small surplus on restricted general and unrestricted funds but this has now turned into a £42k deficit by the end of the year. A staffing review in the year at SLT level led to a reduction in the number of Vice Principals from two down to one. Overall, the number of FTE's has reduced by 2 in the year with staffing levels being closely scrutinised. With a continued annual review of all expenditure against income the trust is able to plan ahead to ensure that income is adequate to cover expenditure each year. The academy will continue to review its cost base to ensure financial sustainability going forward and will work hard to manage resources effectively so that pupils experience the highest quality education possible. An example being the review of Sixth Form Options blocks for the 23/24 academic year to ensure that class sizes remain viable and sustainable from an economic point of view. However, the situation is dependent on the funding for schools remaining at a level, per pupil and/or via individual grants, that sufficiently provides for increasing costs over the medium to long-term.

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 company to continue as a going concern. The trading activities, assets and liabilities of St Margaret's Church of England Academy were transferred to another Academy Trust on 1 October 2023. St Margaret's Church of England Academy, as a legal entity, ceased to trade from that date. As a result, the Trustees have concluded that it is no longer appropriate to prepare the accounts on a going concern basis.

As such, all assets are held at their recoverable amount and liabilities are held at an amount at which they will be settled and the financial statements have been prepared on a non-going concern basis. No adjustments arose as a result of ceasing to apply the going concern basis.

It is the intention of the Trustees to dissolve the company at some point in the near future after the assets were transferred on 1 October 2023. It is the intention that the principal activities of St Margaret's Church of England Academy will continue in line with its agreed strategy and business plan within the new Trust.

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The revenue grants received from the ESFA during the period ended 31st August 2023 totalled £6,483k (2022: £6,207k), an increase of 4.4% in comparison to the previous year. This accounts for 93.0% of total funding, excluding fixed asset funds, received in the year (2022: 92.4%). The increase is as a result of increased per pupil funding as well as additional grants received in the year.

**St Margaret's Church of England Academy
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Trustees' Report and Strategic Report (continued)

Financial Review (continued)

Additional funding was received in the year from the ESFA in the form of a Supplementary Grant totalling £223k and Recovery Premium totalling £45k.

Total outgoing resources, excluding fixed assets, for the period were £7,056k (2022: £6,823k) which related to the direct provision of educational operations. The majority of expenditure relates to staffing expenditure.

Staffing costs (excluding supply staff and restructuring costs and FRS102 pension adjustments) as a percentage of General Annual Grant is calculated at 93.4% for 2022/23 (2021/22: 92.5%) but falls to 79.3% of total income (2021/22: 80.1%). Due to a small number of short-term absences throughout the year due to illness as well as unfilled vacant teaching posts 5.5% (2021/22: 2.9%) of the staffing costs was spent on supply staff, totalling £307k (2021/22: £155k). The Academy will continue to sustain appropriate staffing levels to deliver a broad and balanced curriculum that meets the needs of the pupils whilst maintaining the Christian ethos.

Net expenditure for the year amounted to £(25)k (2022: £(397k)). Overall an in year deficit of £49k was observed on restricted general funds (excluding pension reserve) plus unrestricted funds. The actual position of reserves (restricted general funds excluding pension reserve plus unrestricted funds) at 31 August 2023 was a deficit of £(42k).

Unrestricted Funds

Catering income totalling £305k and the hiring of school facilities, including the Cricket and Sports Centre, totalling £44k, are classed as unrestricted funding and continue to be a vital source of income to allow the academy to offer wide ranging extra-curricular activities. £172k of unrestricted funds have been transferred to the restricted general fund to reduce the deficit balance. As a result there are no funds in the unrestricted income fund at the year end.

Restricted General Funds

There is a £42k deficit within restricted general funds at the year end primarily due to the use of agency supply totalling £307k (2021/22: £155k) to cover staff absence and vacancies. Work is underway to ensure that absence levels are closely monitored to ensure the reliance on supply staff is kept to a minimum. There has been a decrease in the deficit in the LGPS scheme of £507k. There is now a deficit in the pension reserve of £663k.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem.

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

Restricted Fixed Asset Funds

The 2021/22 Condition Improvement Fund (CIF) project works to renew defective windows began in the Autumn term of this academic year but due to supply issues was not fully completed by the year end. The total cost of the project is £198k with the ESFA contributing £179k and £19k funded via the Academy. At 31st August 2023 total expenditure of £191k was included within Assets Under Construction. The project is due to be completed by the end of October 2023. These works have allowed the school to become more energy efficient.

The Academy was successful with a new CIF bid in 2022/23 for roofing works on the Sixth Form and DT block. The total cost of the project is £442k with the ESFA contributing £420k and £22k funded via the Academy. This project will replace the roofing materials and prevent leaks that have been affecting the quality of education in the Sixth Form block. At 31st August 2023 total expenditure of £311k was included within Assets Under Construction. The project is due to be completed by the end of October 2023.

There has been an increase in prepayments and accrued income of £393k (2021/22: £145k) and an increase in accruals and deferred income of £479k (2021/22: £102k) in relation to accrued capital income and accrued costs for capital projects not yet invoiced due to timing of projects year on year.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. Depreciation charges for the year totalled £429k.

St Margaret's Church of England Academy (A Company Limited by Guarantee)

Trustees' Report and Strategic Report (continued)

Financial Review (continued)

At 31st August 2023 the net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued at that time. Other assets have been included in the financial statements at a best estimate taking into account purchase price and remaining useful lives.

Financial and Risk Management Objectives and Policies

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Trustees, Principal, managers, budget holders and other staff, as well as delegated authority for spending.

The Academy has agreed a Risk Management Policy incorporating a Risk Register. There is also a business continuity plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed by the SLT in light of any new information and formally reviewed at each Resource and Audit Committee meeting.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, future pupil numbers, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere.

Whilst the Academy is over-subscribed at year 7, risks to revenue funding from a falling roll are small. However, 6th Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Management Team, bearing in mind the importance of post 16 funding levels and its overall impact on the education budget. The courses on offer and entry requirements are currently under review to ensure that Sixth Form remains viable and competitive with other local education establishments within the city.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Full Governors' and Resource & Audit Committee meetings. The Governors also regularly review cash flow management and ensure sufficient funds are held to cover all known and anticipated commitments. The Chair of Governors and the Chair of the Resource & Audit Committee also receive monthly management accounts including forecasts for the remainder of the year.

The nature of the Academy is that the financial instruments that are dealt with are largely bank balances, cash and trade creditors with limited trade (and other) debtors. The Governors consider its exposure to financial instruments to be minimal and such information is not material to an assessment of the Trust's assets, liabilities and financial position or results.

The Governors recognise that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the financial statements, represents a significant potential liability. However, as the Governors consider that that Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate levels of free cash reserves should be adequate to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The need for day to day working capital is met by careful management of the bank balance in the absence of free reserves.

**St Margaret's Church of England Academy
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Trustees' Report and Strategic Report (continued)

Reserves Policy (continued)

The amount of total funds at 31 August 2023 are £15,223k including £15,223k of restricted funds not available for general purposes of the Academy. The value of free reserves held as at 31 August 2023 totalled nil.

The balance held on restricted fixed asset funds of £15,928k can only be realised by disposing of tangible fixed assets. The pension fund has a deficit balance of £663k representing the defined benefit pension liability. Although the pension liability represents a significant liability on the balance sheet, this does not have an immediate cashflow impact. The cashflow impact will be increased contributions as a result of the scheme deficit over a period of years.

The actual position of reserves (restricted general funds excluding pension reserve plus unrestricted funds at 31 August 2023 was a deficit of £(42k).

The Governors recognise the importance of reserves in the Academy's financial stability. The aim therefore is to build up reserves to a level which is considered adequate to meet future needs of the school.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods. Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. No funds were held invested or held on deposit during the year.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Director of Business and Finance under approvals by the Governing Body.

Principal Risks and Uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and trips) and in relation to the control of finance. They maintain systems, including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed at every Resource & Audit Committee meeting.

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

Financial – the Academy has considerable reliance on continued Government funding through the ESFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks. The Governors also see it an essential requirement to have the appropriate expertise on the Governing Body to challenge the Academy and therefore mitigate any risk due to incompetency.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Trustees' Report and Strategic Report (continued)

Principal Risks and Uncertainties (continued)

Reputational – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed. Governors also see that the Admissions Policy is reviewed each year to review and address the current policy and recommend any changes.

Safeguarding and child protection – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protections policies and procedures, health and safety and discipline. The Governors ensure that all staff attend annual Safeguarding Training. All staff are aware of the importance of maintaining the Academy's Safeguarding procedures.

Health and Safety – the Governors ensure that the Trust estate is safe, well maintained and complies with all relevant regulations. To mitigate this risk, monthly H&S visits from an external educational specialist company are undertaken.

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

During the previous year an independent external review of Governance took place to provide an objective view of its strengths and areas for improvement with clear recommendations for future improvement. The review concluded that the Academy was compliant with the requirements of the Academy Trust Handbook. A number of recommendations, including governor induction and scheme of delegation, have been introduced and embedded as a result of the review.

Plans for Future Periods

Our primary focus in 2023/2024 is to continue the work to ensure our students make significant progress and achieve success in their examinations. This will be achieved by ensuring staff focus on teaching and learning strategies, additional CPD for staff and ensuring that Pupil Premium is directed at the most vulnerable students to enable them to progress and achieve in their learning.

During the year a decision was made to join The Liverpool Joint Catholic and Church of England Academies Trust (known operationally as All Saints Multi Academy Trust). The transfer took effect on 1st October 2023. Work is now well underway to integrate systems and collaborate with the expertise held within the Trust.

The main areas of focus in the Academy Improvement Plan are:

- learning culture;
- personal development;
- post-16 provision;
- the quality of education we provide; and
- leadership and management.

Whilst the school is operating within tight financial constraints, the Governors and Senior Leadership Team are fully committed to ensuring resources are used efficiently and value for money is a top priority. The Resource and Audit Committee will continue to closely monitor the financial position of St Margaret's and ensure it remains a financially viable institution for many years to come. The aim is to build up a small surplus within reserves to ensure that future projects can be funded.

Funds Held as Custodian Trustee on Behalf of Others

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

Post balance sheet events

On 1 October 2023, the school formally joined All Saints MAT with the entire operations, assets and liabilities of St Margaret's Church of England Academy transferring to All Saints MAT on that date.

Auditor

D J H Mitten Clarke will be appointed as the Academy Trust's auditors for the period 2023/2024.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Trustees' Report and Strategic Report (continued)

Statement as to disclosure of information to auditors

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

The Trustees' report, incorporating a strategic report, is approved by order of the board of trustees, in their capacity as the company directors, on 12 December 2023 and signed on the board's behalf by:

SCrowe

S Crowe
Chair of Trustees

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Academy 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, 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 St Margaret's Church of England Academy 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 met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Governor | Possible | Attended |
|-------------------------|-----------------|-----------------|
| The Bishop of Liverpool | 8 | 0 |
| Mr Stephen Brierley | 8 | 8 |
| Mr Stewart Crowe | 8 | 6 |
| Ms Celina Duzant | 8 | 5 |
| Mrs Nuala Dunne | 8 | 3 |
| Mr Michael Edge | 8 | 6 |
| Mr Mark Fidler | 8 | 1 |
| Rev Ian Greenwood | 8 | 8 |
| Miss Jane Griffiths | 8 | 3 |
| Mr Paul Cliff | 8 | 2 |
| Mr Ian Griffiths | 8 | 4 |
| Mr Mark Bradfield-Smith | 8 | 5 |
| Miss Heather Duggan | 4 | 0 |
| Mr Joseph Shelston | 8 | 7 |
| Mr Gordon Smith | 8 | 7 |
| Rev Michael Morris | 8 | 5 |
| Mrs Victoria Merriman | 8 | 6 |

The office of the Bishop of Liverpool is available to attend meetings from time to time and is represented by The Liverpool Diocesan Education Trust.

The Principal shares important updates with Governors that affect the school to ensure that they maintain an oversight of key issues. The annual Academy Improvement Plan highlights the objectives for the year and is reviewed at every board meeting to ensure that progress is being made on key areas. Detailed information is shared at the Committee's allowing Governors the opportunity to challenge SLT and ensure that the objectives for the year are on-track for completion. Wherever possible externally validated data is used to show improvement against objectives.

The Governors undertook due diligence work in the year regarding joining a MAT to ensure that mission and value aligned with school objectives.

The Governors are members of the National Governance Association and can access training and information from their website as well as receive the monthly subscriptions highlighting the latest developments within school governance. Training can also be accessed via School Improvement Liverpool.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Governance Statement (continued)

Governance Reviews

Internal governance reviews take place during the year in the form of a skills audit to ensure that there are no shortage of skills at Board level and to ensure that all sub-committees included the appropriate personnel. If there are identified gaps then a recruitment drive is made to recruit an individual with the required skills. As a result of recent Governor resignations there is a plan to recruit more Governors with Finance and HR skills as well as appointing new Governors as listed on page 1. No governance review took place in the year. The structure will change to a Local Academy Council upon joining All Saints MAT.

The Resource and Audit Committee is a committee of the main Governing Body. Its main purpose is to monitor the financial administration of the Academy to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at meetings in the year was as follows:

| Governor | Possible | Attended |
|---------------------|----------|----------|
| Mr Joseph Shelston | 3 | 3 |
| Ms Celina Duzant | 3 | 2 |
| Mr Michael Morris | 3 | 0 |
| Mr Michael Edge | 3 | 1 |
| Mr Stephen Brierley | 3 | 3 |
| Mrs Nuala Dunne | 3 | 2 |
| Mr Gordon Smith | 3 | 3 |

Review of Value for Money

As Accounting Officer the Principal 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 as well as estate safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year as evidenced by the following:

- all expenditure is subject to the "Scheme of Delegation" as set-out in the Academy's Finance Manual which sets the limits for expenditure. For expenditure over £500 competitive quotations are sought to ensure that the best value for money is obtained and that the investment will generate the best possible results for the school.
- review of supply and service contracts and other provisions to generate further efficiencies.
- staffing complement is reviewed annually to respond to changes in curriculum delivery or needs of the school. Where vacancies arise, a review is undertaken to see if the role can be absorbed within the current staffing structure before new appointments are made.
- staffing appointments made on the basis of best person for the post not necessarily the cheapest.
- the Senior Leadership Team and Governing Body are committed to seeking to ensure that funds are used in a way which maximises the benefits to our pupils. Monthly finance reports, highlighting actual performance against budgets, are used to make informed decisions about the best use of the school's funds. The Resource and Audit Committee receive termly budget monitoring reports. They also have the knowledge to challenge how effective financial management controls are via the deployment of a firm of Chartered Accountants to report on how the Academy's financial procedures have been implemented (Internal Audit work). The Internal Audit Financial Controls Health-check undertaken in the year gave assurance that robust financial controls are in place at the Academy with no major control weaknesses highlighted.
- the Governing Body overseeing the operation of the school finance provisions including approval of the budget, review of accounts and the annual audited financial statements.
- fixed price energy contracts which have been renewed from March 2023 for a 3-year period shield the Academy from the large inflation busting percentage increases that have recently blighted the market.
- ensures the estate is safe, well maintained and compliant with regulations via monthly H&S visits from an external educational specialist company.

St Margaret's Church of England Academy (A Company Limited by Guarantee)

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 the Academy for the period ended 31st August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

The academy'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;
- the Chair of governors and Chair of the Resource and Audit committee receive the monthly management accounts for review;
- regular reviews by the Resource and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- risk assessments undertaken and reviewed on key processes as part of risk management provisions.

The Board of Trustees has considered the need for a specific internal audit function and following a competitive tender process has decided to buy-in an internal audit service from Cofie Limited. This role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. Cofie Limited reports on a termly basis to the Board of Trustees through the Resource and Audit Committee on the operation of the system of control and on the discharge of the Board of Trustees financial responsibilities and prepares an 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 work undertaken has been in accordance with the requirements of the financial regulations.

During the period work carried out, which contained no matters of significance, were:

- Risk Management
- Purchase Ledger processing
- Related Party transactions and information

Managing Conflicts of Interest

The academy maintains an up-to-date and complete register of interests which is used to ensure no conflicts arise in its day-to-day activities. At the beginning of every academic year all governors, SLT members and budget holders complete a Declaration of Pecuniary Interests. At the start of every Committee meeting there is a standing agenda item to identify and declare conflicts that may have arisen since the last meeting. There is also a Gifts and Hospitality register which records any items over £25 that have been offered to staff members whether they have been accepted or not.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Premises, Finance and Audit Committee and a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Governance Statement (continued)

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resource and Audit Committee and a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:

S Crowe

S Crowe
Chair of Trustees

S Brierley

S Brierley
Accounting Officer

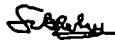
**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Statement on Regularity, Propriety and Compliance

As accounting officer of St Margaret's Church of England Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Trust Handbook 2022 including responsibilities for estates safety and management.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2022.

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



S Brierley
Accounting Officer

12/12/2023

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Statement of Trustees' Responsibilities

The trustees (who act as governors of St Margaret's Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued 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 in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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; and
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:

SCrowe

S Crowe
Chair of Trustees

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Independent Auditor's report to the Members of St Margaret's Church of England Academy

Opinion

We have audited the financial statements of St Margaret's Church of England Academy (the "charitable company") for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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- non-going concern basis of accounting

We draw attention to note 1 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in note 1, the trading activities, assets and liabilities of St Margaret's Church of England Academy were transferred to another Academy Trust on 1 October 2023. St Margaret's Church of England Academy, as a legal entity, ceased to trade at that date. As a result, the Trustees have concluded that it is no longer appropriate to prepare the accounts on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Independent Auditor's report to the Members of St Margaret's Church of England Academy (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

- 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 set out on page 18, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Independent Auditor's report to the Members of St Margaret's Church of England Academy (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Inglesby

LAURA INGLESBY FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
14th Floor, 20 Chapel Street,
Liverpool
L3 9AG

Date 12/12/23

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

**Statement of Financial Activities for the Year Ended 31 August 2023
(Incorporating Income and Expenditure Account)**

Company number 08160433

| | Note | Un- restricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|---|-----------|-------------------------------------|---|--|------------------------|------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | - | 2 | 487 | 489 | 129 |
| <i>Charitable activities:</i> | | | | | | |
| Funding for the academy trust's educational operations | 3 | - | 6,598 | - | 6,598 | 6,353 |
| Other trading activities | 4 | 349 | 21 | - | 370 | 359 |
| Investments | 5 | 3 | - | - | 3 | 1 |
| Total | | 352 | 6,621 | 487 | 7,460 | 6,842 |
| Expenditure on: | | | | | | |
| <i>Charitable activities:</i> | | | | | | |
| Academy trust educational operations | 6 | 187 | 6,869 | 429 | 7,485 | 7,239 |
| Total | | 187 | 6,869 | 429 | 7,485 | 7,239 |
| Net income/(expenditure) | | 165 | (248) | 58 | (25) | (397) |
| Transfers between funds | 17 | (172) | 173 | (1) | - | - |
| Net income/(expenditure) for the year | | (7) | (75) | 57 | (25) | (397) |
| Other recognised gains | | | | | | |
| Actuarial gains/(losses) on defined benefit obligations | 25 | - | 540 | - | 540 | 1,581 |
| Net movement in funds | | (7) | 465 | 57 | 515 | 1,184 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 7 | (1,170) | 15,871 | 14,708 | 13,524 |
| Total funds carried forward | 17 | - | (705) | 15,928 | 15,223 | 14,708 |

All of the academy's activities derive from continuing operations during the above two financial periods.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Balance sheet as at 31 August 2023

| <i>Company number 08160433</i> | Note | 2023 £'000 | 2023 £'000 | 2022 £'000 | 2022 £'000 |
|---|------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 15,859 | | 15,750 |
| Current assets | | | | | |
| Stocks | 12 | 7 | | 6 | |
| Debtors | 13 | 442 | | 202 | |
| Cash at bank and in hand | | 586 | | 582 | |
| | | <u>1,035</u> | | <u>790</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (985) | | (622) | |
| | | <u></u> | | <u></u> | |
| Net current assets | | | 50 | | 168 |
| | | | <u></u> | | <u></u> |
| Total assets less current liabilities | | | 15,909 | | 15,918 |
| | | | <u></u> | | <u></u> |
| Creditors: amounts falling due after more than one year | 15 | | (23) | | (40) |
| | | | <u></u> | | <u></u> |
| Net assets excluding pension liability | | | 15,886 | | 15,878 |
| | | | <u></u> | | <u></u> |
| Defined benefit pension scheme liability | 25 | | (663) | | (1,170) |
| | | | <u></u> | | <u></u> |
| Total net assets | | | 15,223 | | 14,708 |
| | | | <u></u> | | <u></u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Restricted fixed asset fund | 17 | 15,928 | | 15,871 | |
| Restricted general fund | 17 | (42) | | - | |
| Pension reserve | 17 | (663) | | (1,170) | |
| | | <u></u> | | <u></u> | |
| Total restricted funds | | | 15,223 | | 14,701 |
| | | | <u></u> | | <u></u> |
| Unrestricted income funds | 17 | | - | | 7 |
| | | | <u></u> | | <u></u> |
| Total funds | | | 15,223 | | 14,708 |
| | | | <u></u> | | <u></u> |

The financial statements on pages 22 to 49 were approved by the trustees, and authorised for issue on 12 December 2023 and are signed on their behalf by:

S Crowe

S Crowe
Chair of Trustees

S Brierley

S Brierley
Accounting Officer

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Cash Flow Statement for the Year Ended 31 August 2023

| | Note | 2023 £'000 | 2022 £'000 |
|--|------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 21 | 321 | (298) |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 3 | 1 |
| Purchase of tangible fixed assets | | (538) | (233) |
| Capital grants from DfE/ESFA | | 235 | 600 |
| | | <hr/> | <hr/> |
| Net cash (used in)/provided by investing activities | | (300) | 368 |
| | | <hr/> | <hr/> |
| Cash flows from financing activities | | | |
| Repayment of borrowing | | (17) | (14) |
| Cash inflows from new borrowing | | - | 24 |
| | | <hr/> | <hr/> |
| Net cash (used in)/provided by financing activities | | (17) | 10 |
| | | <hr/> | <hr/> |
| Net increase in cash and cash equivalents in the year | | 4 | 80 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at beginning of the year | | 582 | 502 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at end of the year | | 586 | 582 |
| | | <hr/> | <hr/> |

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

General Information

St Margaret's Church of England Academy Trust is a charitable company. The address of the Trust's principal place of business is given on page 2. The nature of the Academy Trust's operations are set out in the Trustees' Report.

Basis of Preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Margaret's Church of England Academy meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling, which is also, the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest thousand except where otherwise indicated.

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 company to continue as a going concern.

The trading activities, assets and liabilities of St Margaret's Church of England Academy were transferred to another Academy Trust on 1 October 2023. St Margaret's Church of England Academy, as a legal entity, ceased to trade from that date.

As a result, the Trustees have concluded that it is no longer appropriate to prepare the accounts on a going concern basis. As such, all assets are held at their recoverable amount and liabilities are held at an amount at which they will be settled and the financial statements have been prepared on a non-going concern basis.

No adjustments arose as a result of ceasing to apply the going concern basis. It is the intention of the Trustees to dissolve the company at some point in the near future after the assets were transferred on 1 October 2023. It is the intention that the principal activities of St Margaret's Church of England Academy will continue in line with its agreed strategy and business plan within the new Trust.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

▪ **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. 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 unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when there is entitlement and when performance related conditions have been met and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

▪ **Donations**

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

▪ **Other Income**

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the goods have been provided or on completion of the service by the Academy Trust.

▪ **Interest Receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis.

Expenditure

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

▪ **Charitable Activities**

These are costs incurred on the academy trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Tangible Fixed Assets (continued)

Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

Assets transferred to the Academy Trust on conversion were valued at the date of transfer from the predecessor school, with the value being deemed cost going forwards.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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:-

| | |
|------------------------------------|---|
| ▪ Long leasehold land | Over the life of the 125 year lease |
| ▪ Long leasehold buildings | 50 yrs. straight line |
| ▪ Fixtures, fittings and equipment | 15 yrs. straight line or 5 yrs. straight line |
| ▪ ICT equipment | 33% straight line |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to the appropriate asset category.

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Cleaning and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

Liabilities

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

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Pensions Benefits

Retirement Benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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 comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Pensions Benefits (continued)

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination Benefits

Termination benefits are recognised immediately as an expense when there is a clear decision or commitment to terminate the employment or provide such termination benefits.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and include grants from the Education and Skills Funding Agency.

Where fixed assets are purchased out of unrestricted or general restricted funds then an amount equivalent to the additions are transferred to the restricted fixed asset fund in the year incurred and shown separately within the SOFA.

Agency Arrangements

The academy acts as an agent in the administering of 16-19 Bursary Funds from the ESFA, in respect of educational excursions and for Liverpool Schools Sports Partnership (see Note 27).

Related payments received from the ESFA or others and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the academy does not have a beneficial interest in the individual transactions, nor does not have control over the charitable application of the funds.

Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA or other creditors as appropriate.

The funds received and paid and any balances held are disclosed in Note 27.

Critical Accounting Estimates and Areas of Judgement

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

Critical accounting estimates and assumptions

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

**St Margaret's Church of England Academy
(A Company Limited by Guarantee)**

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions (continued)

The present value of the Local Government Pension Scheme defined benefit obligation 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation, which is valued at £663k at 31 August 2023.

Critical accounting judgements

There are no critical accounting judgements in the opinion of the Governors.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

2 Donations and capital grants

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|----------------|--------------------------------|---|--|------------------------|------------------------|
| Capital grants | - | - | 487 | 487 | 126 |
| Donations | - | 2 | - | 2 | 3 |
| | - | 2 | 487 | 489 | 129 |

£126k prior year was within restricted fixed asset funds and £3k was restricted general funds.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

3 Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|---|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 5,922 | 5,922 | 5,820 |
| Other DfE/ESFA grants | | | | |
| Pupil Premium | - | 193 | 193 | 195 |
| Supplementary Grant | - | 223 | 223 | 62 |
| Others | - | 145 | 145 | 130 |
| | - | 6,483 | 6,483 | 6,207 |
| Other Government grants | | | | |
| Local authority grants | - | 35 | 35 | 25 |
| | - | 35 | 35 | 25 |
| Covid-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | - | - | - | 28 |
| Other DfE/ESFA Covid-19 funding | - | - | - | 18 |
| | - | - | - | 46 |
| Non - Government income | | | | |
| Other income | - | 80 | 80 | 75 |
| | - | 80 | 80 | 75 |
| | - | 6,598 | 6,598 | 6,353 |

All prior year income was included in restricted general funds.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

4 Other trading activities

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|----------------------------|--------------------------------|---|---|------------------------|------------------------|
| Hire of facilities | 44 | - | - | 44 | 45 |
| Sale of goods and services | - | 21 | - | 21 | 18 |
| Catering income | 305 | - | - | 305 | 296 |
| | <hr/> 349 | <hr/> 21 | <hr/> - | <hr/> 370 | <hr/> 359 |

£341k prior year was within unrestricted funds and £18k was restricted general funds.

5 Investment income

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|---------------------|--------------------------------|---|--|------------------------|------------------------|
| Short term deposits | 3 | - | - | 3 | 1 |
| | <hr/> 3 | <hr/> - | <hr/> - | <hr/> 3 | <hr/> 1 |

All prior year income was included within unrestricted funds.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

6 Expenditure

| | Staff costs £'000 | Non Pay Premises £'000 | Expenditure Other £'000 | Total 2023 £'000 | Total 2022 £'000 |
|-----------------------------------|----------------------------------|---------------------------------------|--|---------------------------------|---------------------------------|
| Academy's educational operations: | | | | | |
| Direct costs | 4,714 | 429 | 510 | 5,653 | 5,337 |
| Allocated support costs | 1,204 | 261 | 367 | 1,832 | 1,902 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 5,918 | 690 | 877 | 7,485 | 7,239 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Net income/(expenditure) for the year includes:

| | 2023 £'000 | 2022 £'000 |
|--|-----------------------|-----------------------|
| Operating leases rentals | 12 | 16 |
| Depreciation | 429 | 416 |
| Fees payable to auditor - audit services | 24 | 18 |
| - other services | 3 | 3 |
| Net interest on defined benefit scheme (note 25) | 45 | 43 |
| | <hr/> | <hr/> |
| | 513 | 496 |
| | <hr/> | <hr/> |

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

7 Charitable activities

| | Total 2023 £'000 | Total 2022 £'000 |
|---|---------------------------------|---------------------------------|
| Direct costs – educational operations | | |
| Teaching and educational support staff costs | 4,714 | 4,461 |
| Depreciation | 429 | 416 |
| Technology costs | 63 | 54 |
| Educational supplies | 68 | 69 |
| Examination fees | 97 | 95 |
| Staff development | 2 | 4 |
| Other direct costs | 280 | 238 |
| | <hr/> 5,653 <hr/> | <hr/> 5,337 <hr/> |
| Support costs – educational operations | | |
| Support staff costs | 1,204 | 1,239 |
| Governance costs | 29 | 29 |
| Maintenance of premises and equipment | 107 | 96 |
| Cleaning | 8 | 8 |
| Rent and rates | 14 | 24 |
| Energy costs | 92 | 86 |
| Insurance | 25 | 23 |
| Security and transport | 7 | 5 |
| Catering | 179 | 168 |
| Travel and subsistence | 4 | 1 |
| Legal and professional | 16 | 17 |
| Administration | 62 | 57 |
| Other support costs | 85 | 149 |
| | <hr/> 1,832 <hr/> | <hr/> 1,902 <hr/> |
| Total direct and support costs | <hr/> 7,485 <hr/> | <hr/> 7,239 <hr/> |

Expenditure on charitable activities was £7,485k (2022: £7,239k) of which £187k (2022: £175k) was unrestricted, £429k (2022: £416k) was restricted fixed asset funds and £6,869k (2022: £6,648k) was restricted general funds.

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit.

Included within Other Support Costs are LGPS deficit repayments.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Staff

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| a. Staff costs | | |
| Staff costs during the period were: | | |
| Wages and salaries | 4,231 | 4,104 |
| Social security costs | 445 | 435 |
| Operating costs of defined benefit pension schemes | 889 | 1,006 |
| | <hr/> | <hr/> |
| Total Staff Costs | 5,565 | 5,545 |
| Supply staff costs | 307 | 155 |
| Staff restructuring costs | 46 | - |
| | <hr/> | <hr/> |
| Total | 5,918 | 5,700 |
| | <hr/> | <hr/> |

Staff restructuring costs comprise redundancy payments of £17,683 and severance payments of £28,500. Included in staff restructuring costs are special severance payments totalling £28,500 (2022: £nil) made to 1 individual.

No specific funding was received or receivable to support the restructuring payments in respect of the current year.

b. Staff numbers

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

| | Average No. Employed | | Expressed as FTE | |
|------------------------------|----------------------|-------|------------------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| | No | No | No | No |
| Charitable activities | | | | |
| Teachers | 65 | 65 | 57 | 59 |
| Administrations and support | 48 | 48 | 40 | 39 |
| Management | 6 | 7 | 6 | 7 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 119 | 120 | 103 | 105 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Staff (continued)

c. Higher paid staff

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

| | 2023 No | 2022 No |
|---------------------|------------|------------|
| £110,001 - £120,000 | 1 | 0 |
| £100,001 - £110,000 | 0 | 1 |
| £70,001 - £80,000 | 2 | 0 |
| £60,001 - £70,000 | 2 | 3 |
| | 5 | 4 |

The value of the Principal's remuneration was £111,485 for the year ending 31 August 2023 (2022: £100,129). The above employee participated in the Teachers' Pension Scheme, employer's pension contributions for this employee in the year amounted to £26,400 (2022: £23,710). Total employer's pension contributions for the higher paid staff in the year amounted to £99,793 (2022: £107,233).

d. Key management personnel compensation

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £634,851 (2022: £634,936).

9 Related Party Transactions – Trustees' remuneration and expenses

During the year 4 trustees were paid remuneration or received other benefits from employment with the Academy Trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees or from employment with the Academy Trust.

The value of trustees' remuneration and other benefits was as follows:

S Brierley (principal and governor):

Remuneration £110,000 - £115,000 (2022: £100,000 - £105,000)

Employer's pension contribution paid £25,000 - £30,000 (2022: £20,000 - £25,000)

G Smith (staff governor):

Remuneration £15,000 - £20,000 (2022: £15,000 - £20,000)

Employer's pension contribution paid £0 - £500 (2022: £0 - £500)

M Bradfield-Smith (staff governor):

Remuneration £45,000 - £50,000 (2022: £40,000 - £45,000)

Employer's pension contribution paid £10,000 - £15,000 (2022: £10,000 - £15,000)

N Dunne (staff governor):

Remuneration £50,000 - £55,000 (2022: £45,000 - £50,000)

Employer's pension contribution paid £10,000 - £15,000 (2022: £10,000 - £15,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £nil were reimbursed to governors (2022: £nil).

Other related party transactions involving the trustees are set out in note 26.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Trustees' and Officers' Insurance

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

11 Tangible Fixed Assets

| | Long leasehold land and buildings £000 | Furniture and equipment £000 | Computer Equipment £000 | Assets Under Construction £000 | Total £'000 |
|-----------------------|---|---------------------------------------|-------------------------------|---|----------------|
| <i>Cost</i> | | | | | |
| At 1 September 2022 | 17,477 | 1,582 | 208 | 1 | 19,268 |
| Additions | - | 37 | - | 501 | 538 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2023 | 17,477 | 1,619 | 208 | 502 | 19,806 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | | | |
| At 1 September 2022 | 2,865 | 445 | 208 | - | 3,518 |
| Provided for the year | 318 | 111 | - | - | 429 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2023 | 3,183 | 556 | 208 | - | 3,947 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | | |
| At 31 August 2023 | 14,294 | 1,063 | - | 502 | 15,859 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2022 | 14,612 | 1,137 | - | 1 | 15,750 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The Liverpool Diocesan Board of Finance owns the land and buildings from which the academy operates. The academy has entered into an agreement with the Diocese, whereby the Diocese has agreed to make available the land and buildings on a long term lease.

The terms of this agreement transfers substantially all the risks and rewards of ownership of the land and buildings to the academy trust and consequently the assets are recognised as a fixed asset.

Included in land and buildings is land at deemed cost of £2,636,440 which is depreciated over the 125 year lease agreement.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

12 Stocks

| | 2023 £'000 | 2022 £'000 |
|----------|-----------------------------|-----------------------------|
| Cleaning | 4 | 4 |
| Catering | 3 | 2 |
| | <hr/> | <hr/> |
| | 7 | 6 |
| | <hr/> | <hr/> |

13 Debtors

| | 2023 £'000 | 2022 £'000 |
|--------------------------------|-----------------------------|-----------------------------|
| Trade debtors | 18 | 17 |
| VAT recoverable | 15 | 13 |
| Other debtors | 16 | 27 |
| Prepayments and accrued income | 393 | 145 |
| | <hr/> | <hr/> |
| | 442 | 202 |
| | <hr/> | <hr/> |

14 Creditors: amounts falling due within one year

| | 2023 £'000 | 2022 £'000 |
|------------------------------------|-----------------------------|-----------------------------|
| Trade creditors | 74 | 80 |
| Other taxation and social security | 108 | 108 |
| Loans | 16 | 16 |
| Other creditors | 308 | 316 |
| Accruals and deferred income | 479 | 102 |
| | <hr/> | <hr/> |
| | 985 | 622 |
| | <hr/> | <hr/> |

The academy trust had no deferred income at either year end.

15 Creditors: amounts falling due in greater than one year

| | 2023 £'000 | 2022 £'000 |
|-------|-----------------------------|-----------------------------|
| Loans | 23 | 40 |
| | <hr/> | <hr/> |
| | 23 | 40 |
| | <hr/> | <hr/> |

A loan for the replacement of LED lighting of £66,332 was taken out in 2019 from Salix Finance Ltd. The interest free loan is repayable over 10 instalments with the first payment starting on 1st March 2020 and finishing on 1st September 2024. The total balance outstanding at the year-end is £19,900.

St Margaret's Church of England Academy
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Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Creditors: amounts falling due in greater than one year (continued)

A second loan was taken out in 2022 from Salix Finance Ltd as part of the Heating Infrastructure Works for a total of £24,455. The interest free loan is payable over 16 instalments with the first payment starting on 1st March 2022 and finishing on 1st March 2024. The total balance outstanding at the year-end is £19,870.

16 Financial Instruments

The Academy Trust has the following financial instruments:

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| <i>Financial Assets</i> | | |
| Financial assets measured at amortised cost | 355 | 110 |
| | <hr/> | <hr/> |
| <i>Financial Liabilities</i> | | |
| Financial liabilities measured at amortised cost | 861 | 498 |
| | <hr/> | <hr/> |

17 Funds

| | Balance at 1 September 2022 £'000 | Incoming resources £'000 | Resources expended £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2023 £'000 |
|---|--|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 5,922 | (6,137) | 173 | (42) |
| Other DfE/ESFA grants | - | 145 | (145) | - | - |
| Pupil Premium | - | 193 | (193) | - | - |
| Supplementary Grant | - | 223 | (223) | - | - |
| Other restricted | - | 138 | (138) | - | - |
| Pension reserve | (1,170) | - | (33) | 540 | (663) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | (1,170) | 6,621 | (6,869) | 713 | (705) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 4,620 | 487 | (188) | (1) | 4,918 |
| Transfer from local authority on conversion | 11,251 | - | (241) | - | 11,010 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 15,871 | 487 | (429) | (1) | 15,928 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total restricted funds | 14,701 | 7,108 | (7,298) | 712 | 15,223 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total unrestricted funds | 7 | 352 | (187) | (172) | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds | 14,708 | 7,460 | (7,485) | 540 | 15,223 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

**St Margaret's Church of England Academy
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Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds (continued)

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

(a) Restricted General Fund

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education and Skills Funding Agency (ESFA). Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other ESFA grants are grants from the ESFA which can only be utilised for the purpose intended. Other restricted funds relate to other income streams which are used specifically to provide educational resources for the pupils of the Academy. The deficit of £42k has arisen due to higher than expected supply agency costs due to staff absence and vacancies. Staffing levels will be reviewed and supply agency closely monitored to ensure that spend is within agreed limits going forward. Joining All Saints MAT will provide opportunities for utilising economies of scale.

The Pension reserve is the deficit in the Local Government Pension Scheme. The restricted pension fund is in deficit to the value of £663k as at 31 August 2023. The Trustees will continue to monitor this situation closely.

(b) Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants.

(c) Unrestricted Funds

These include surpluses transferred on Academy conversion, and any other funds generated by the Academy, or donations received by the Academy with no specific purpose attached.

The funds transfer in the year of £172k was made to partially clear the deficit balance within the restricted general fund of £248k.

St Margaret's Church of England Academy
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Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Funds (continued)

Funds Prior Year

| | Balance at 1 September 2021 £'000 | Incoming resources £'000 | Resources expended £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2022 £'000 |
|--|--|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | (22) | 5,820 | (5,931) | 133 | - |
| Other DfE/ESFA grants | - | 192 | (192) | - | - |
| Pupil Premium | - | 195 | (195) | - | - |
| Covid-19 Catch-up premium | - | 28 | (28) | - | - |
| Other DfE/ESFA Covid-19 funding | - | 18 | (18) | - | - |
| Other restricted | - | 121 | (121) | - | - |
| Pension reserve | (2,588) | - | (163) | 1,581 | (1,170) |
| | <u>(2,610)</u> | <u>6,374</u> | <u>(6,648)</u> | <u>1,714</u> | <u>(1,170)</u> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 4,642 | 126 | (175) | 27 | 4,620 |
| Transfer from local authority on conversion | 11,492 | - | (241) | - | 11,251 |
| | <u>16,134</u> | <u>126</u> | <u>(416)</u> | <u>27</u> | <u>15,871</u> |
| Total restricted funds | <u>13,524</u> | <u>6,500</u> | <u>(7,064)</u> | <u>1,741</u> | <u>14,701</u> |
| Total unrestricted funds | <u>-</u> | <u>342</u> | <u>(175)</u> | <u>(160)</u> | <u>7</u> |
| Total funds | <u>13,524</u> | <u>6,842</u> | <u>(7,239)</u> | <u>1,581</u> | <u>14,708</u> |

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

| | Unrestricted funds | Restricted general funds | Restricted fixed asset funds | Total funds |
|--------------------------|-----------------------|--------------------------------|------------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | - | - | 15,859 | 15,859 |
| Current assets | - | 926 | 109 | 1,035 |
| Current liabilities | - | (968) | (17) | (985) |
| Non-current liabilities | - | - | (23) | (23) |
| Pension scheme liability | - | (663) | - | (663) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net assets | - | (705) | 15,928 | 15,223 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Fund balances at 31 August 2022 are represented by:

| | Unrestricted funds | Restricted general funds | Restricted fixed asset funds | Total funds |
|--------------------------|-----------------------|--------------------------------|------------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | - | - | 15,750 | 15,750 |
| Current assets | 7 | 605 | 178 | 790 |
| Current liabilities | - | (605) | (17) | (622) |
| Non-current liabilities | - | - | (40) | (40) |
| Pension scheme liability | - | (1,170) | - | (1,170) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net assets | 7 | (1,170) | 15,871 | 14,708 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

19 Capital commitments

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Contracted for, but not provided in the financial statements | 109 | 178 |
| | <hr/> | <hr/> |

20 Long term commitments including operating leases

Operating Leases

At 31 August 2023 the total of the academy trust's minimum lease payments under non-cancellable operating leases were as follows:

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Other | | |
| Amounts due within one year | 11 | 11 |
| Amounts due between one and five years | 3 | 14 |
| | <hr/> | <hr/> |
| | 14 | 25 |
| | <hr/> | <hr/> |

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

| | 2023 £'000 | 2022 £'000 |
|--|-----------------------------|-----------------------------|
| Net (expenditure) / income for the reporting period (as per the statement of financial activities) | (25) | (397) |
| Adjusted for: | | |
| Depreciation (note 11) | 429 | 416 |
| Capital grants from DfE and other capital income | (487) | (126) |
| Interest receivable | (3) | (1) |
| Defined benefit pension cost less contribution payable (note 25) | (16) | 116 |
| Defined benefit pension finance cost (note 25) | 49 | 47 |
| Decrease in debtors | 12 | 46 |
| Increase/(decrease) in creditors | 363 | (399) |
| (Increase) in stock | (1) | - |
| | <hr/> | <hr/> |
| Net cash from/(used in) Operating Activities | 321 | (298) |
| | <hr/> | <hr/> |

22 Cash Flows from Investing Activities

| | 2023 £'000 | 2022 £'000 |
|---|-----------------------------|-----------------------------|
| Dividends, interest and rents from investments | 3 | 1 |
| Purchase of tangible fixed assets | (538) | (233) |
| Capital grants from DfE/ESFA | 235 | 600 |
| | <hr/> | <hr/> |
| Net cash (used in)/provided by investing activities | (300) | 368 |
| | <hr/> | <hr/> |

23 Analysis of changes in net funds

| | At 1 September 2022 £000 | Cash flows £000 | New finance leases £000 | Other non- cash changes £000 | At 31 August 2023 £000 |
|--|---|--|--|---|---|
| Cash | 582 | 4 | - | - | 586 |
| Loans falling due within one year | (16) | - | - | - | (16) |
| Loans falling due after more than one year | (40) | 17 | - | - | (23) |
| Total | <hr/> 526 | <hr/> 21 | <hr/> - | <hr/> - | <hr/> 547 |

24 Member's 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.

St Margaret's Church of England Academy
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Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest full actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Outstanding contributions at the end of the financial year amounted to £99k and are included in creditors (2022: £99k).

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

The academy trust has set out below the information available on the scheme.

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 2023 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 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original rate as there was no cost control mechanism breach.

The valuation report was published by the Department of Education on 26 October 2023. The key elements of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

The total employer's pension costs paid to TPS in the period amounted to £720,022 (2022: £688,213).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £264,000 (2022: £257,000), of which employer's contributions totalled £212,000 (2022: £208,000) and employees' contributions totalled £52,000 (2022: £49,000). The agreed contribution rates for future years are 21.1% for employers and between 5.5% - 12.5% dependent upon salary levels for employees.

The actuarial valuation at 31 August 2023 reflects the current levels of inflation being experienced, with the effect of this being shown as a current experience item included in actuarial gains/losses in the statement of financial activities. This does not impact on the rate of CPI disclosed within the actuarial assumptions above, as that is the long term rate of CPI which would be expected to return to more normalised levels in the longer term.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022 the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on Gov.uk.

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 August 2023 by a qualified independent actuary.

| Principal actuarial assumptions | At 31 August 2023 | At 31 August 2022 |
|--|------------------------------|------------------------------|
| | % | % |
| Rate of increase in salaries | 4.3 | 4.4 |
| Rate of increase for pensions in payment/inflation | 2.9 | 3.0 |
| Discount rate for scheme liabilities | 5.4 | 4.3 |
| Inflation assumption (CPI) | 2.8 | 2.9 |

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

| | At 31 August 2023 | At 31 August 2022 |
|-----------------------------|------------------------------|------------------------------|
| <i>Retiring today</i> | | |
| Males | 20.8yrs | 20.9yrs |
| Females | 23.3yrs | 24.0yrs |
| <i>Retiring in 20 years</i> | | |
| Males | 22.1yrs | 22.4yrs |
| Females | 25.1yrs | 25.9yrs |

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

| | Fair value at 31 August 2023 £'000 | % of total | Fair value at 31 August 2022 £'000 | % of total |
|------------------|--|------------|--|------------|
| Equities | 1,660 | 52.0 | 1,391 | 48.2 |
| Government Bonds | 182 | 5.7 | 269 | 9.3 |
| Other Bonds | 57 | 1.8 | 101 | 3.5 |
| Property | 383 | 12.0 | 312 | 10.8 |
| Cash/liquidity | 35 | 1.1 | 64 | 2.2 |
| Other | 875 | 27.4 | 751 | 26.0 |
| | <u>3,192</u> | <u>100</u> | <u>2,888</u> | <u>100</u> |

The actual return on scheme assets was £106,000 (2022: (£124,000)).

| Amount recognised in the statement of financial activities | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Current service cost | (196) | (324) |
| | <u>(196)</u> | <u>(324)</u> |
| Total operating charge | (196) | (324) |
| Analysis of pension finance costs | | |
| Expected return on pension scheme assets | 128 | 50 |
| Interest on pension liabilities | (173) | (93) |
| Administration expenses | (4) | (4) |
| | <u>(49)</u> | <u>(47)</u> |
| Pension finance costs | (49) | (47) |

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

| Changes in the present value of defined benefit obligations were as follows: | 2023 £'000 | 2022 £'000 |
|---|-----------------------|-----------------------|
| At 1 September | 4,058 | 5,434 |
| Current service cost | 196 | 324 |
| Interest cost | 173 | 93 |
| Employee contributions | 52 | 49 |
| Actuarial (gain) / loss on assumptions | (794) | (2,007) |
| (Gain) / loss on demographic assumptions | (60) | (35) |
| Experience loss / (gain) | 329 | 287 |
| Benefits paid | (99) | (87) |
| | <hr/> | <hr/> |
| At 31 August | 3,855 | 4,058 |
| | <hr/> | <hr/> |
| Changes in the fair value of academy's share of scheme assets: | 2023 £'000 | 2022 £'000 |
| At 1 September | 2,888 | 2,846 |
| Interest on plan assets | 128 | 50 |
| Actuarial gain / (loss) | 15 | (174) |
| Employer contributions | 212 | 208 |
| Employee contributions | 52 | 49 |
| Benefits paid | (99) | (87) |
| Administration expenses | (4) | (4) |
| | <hr/> | <hr/> |
| At 31 August | 3,192 | 2,888 |
| | <hr/> | <hr/> |

The estimated value of employer contributions for the year ended 31 August 2024 is £231,000.

26 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the requirements of the Academy Trust Handbook 2022, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the trust's financial regulations and normal procurement procedures, unless otherwise stated.

No other related party transaction took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9. Key management personnel compensation disclosure is included in note 8.

St Margaret's Church of England Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Agency Arrangements

The academy trust acts as an agent in respect of educational excursions. In the accounting period ending 31 August 2023 the trust received £222,698 (2022: £114,476) and paid £214,466 (2022: £88,545) in respect of school trips. An amount of £9,909 is included in sundry creditors in relation to outstanding balances payable by the academy (2022: £1,677 included within sundry creditors).

The academy also acts as an agent for Liverpool Schools Sports Partnership which is a city-wide initiative to encourage active lifestyles for young children. The South Central hub is based at St Margaret's. In the accounting period ending 31 August 2023 the trust received £138,128 (2022: £156,924) and paid £143,543 (2022: £123,020) in respect of LSSP activities. An amount of £133,726 (2022: £139,141) is included in other creditors relating to balances payable to LSSP.

LSSP managed a Teacher Training project, funded via Sport England, that was completed prior year. In the accounting period ending 31 August 2023 the trust received £20,100 (2022: £0) and paid £47,900 (2022: £52,600) in respect of final transactions for the project. No outstanding balances remain for this project at the year end.

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the trust received £24,294 (2022: £22,884) and disbursed £18,247 (2022: £12,273) from the fund. An amount of £16,658 (2022: £10,611) is included in other creditors relating to undistributed funds that is repayable to the ESFA if it hasn't been used in the next academic year.

28 Post Balance Sheet Events

On 1 October 2023, all the operations, assets and liabilities of St Margaret's Church of England Academy were transferred to The Liverpool Joint Catholic and Church of England Academies Trust (operating as All Saints Multi Academy Trust) for £nil consideration. St Margaret's Church of England Academy as a separate legal entity ceased to trade from that date, hence these financial statements have been prepared on a non-going concern basis.