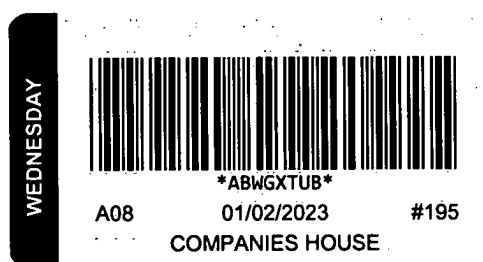




PARADIGM TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



PARADIGM TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Helleur J Martin L Pipe (appointed 8 June 2022) D Syndercombe Court P Wallace (appointed 22 October 2021) A Watson D Willis (resigned 4 July 2022)
Directors	V Hiscock B Holledge, Chief Executive D Hughes M Hydes (resigned 20 September 2022) V Karas P Loft J Martin, Vice Chair L Pipe (resigned 3 May 2022) A Rahman D Syndercombe Court P Wallace (resigned 9 October 2021) D Willis, Chairman
Company registered number	08469218
Company name	Paradigm Trust
Registered office	Culloden Primary Academy Dee Street London E14 0PT
Principal operating office	Piper's Vale Primary Academy Raeburn Road Ipswich IP3 0EW
Company secretary	Emma Vehit
Chief Executive Officer	Bill Holledge

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Senior management team

Bill Holledge, Chief Executive Officer and Accounting Officer
Jon Ruddock, Chief Finance Officer
Bridget Holland, HR Director
Ben Carter, Principal at Culloiden Primary Academy and Director of School Improvement
Janet Baker, Principal at Solebay Primary Academy
Abbie Thorrington, Principal at Ipswich Academy
Claire Willis, Principal at Murrayfield Primary Academy
Kimberly Morton, Principal at Piper's Vale Primary Academy
Kevin Jones, Principal at Old Ford Primary Academy
Naomi Shenton, Principal at Woodbridge Road Academy
Ben Rogers, Director of Curriculum and Pedagogy
Emma Vehit, Company Secretary
Julie Anderson, Operations systems lead and Director of Payroll

Culloiden Primary Academy Senior Management Team

Principal	B Carter
Assistant Principal	C Baker
Assistant Principal	A Gofur
Assistant Principal (Interim)	T Ward
Assistant Principal (Interim)	S Rashid
Assistant Principal	K Nicholas Raymond
Assistant Principal	E Jansen Van Rensburg
Location	London

Ipswich Academy Senior Management Team

Principal	A Thorrington
Assistant Principal	A Cook
Assistant Principal	S Fox
Assistant Principal	K Mills
Assistant Principal	B Wheatley
Location	Ipswich

Murrayfield Primary Academy Senior Management Team

Principal	C Willis
Assistant Principal	R Blackman
Assistant Principal	R Horsfield
Location	Ipswich

Old Ford Primary Academy Senior Management Team

Principal	K Jones
Assistant Principal	L Sherling
Assistant Principal	M Proestos
Assistant Principal	H McNulty
Assistant Principal	K Neill
Assistant Principal	E Young
Location	London

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Piper's Vale Primary Academy Senior Management Team

Principal	K Morton
Assistant Principal	N Christian
Assistant Principal	D Primus
Location	Ipswich

Solebay Primary Academy Senior Management Team

Principal	J Baker
Assistant Principal	R Begum
Assistant Principal	R Chetty
Assistant Principal (Interim)	F Goodship
Assistant Principal (Interim)	S Smith
Location	London

Independent auditors	MA Partners Audit LLP
	Statutory Auditor
	7 The Close
	Norwich
	Norfolk
	NR1 4DJ

Bankers	Lloyds Bank
	Stratford Westfield Branch
	PO Box 1000
	BX1 1LT

Solicitors	Stone King LLP
	16 St John's Lane
	London
	EC1M 4BS

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Review of the year

The overriding feature of 2021/22 was Paradigm's response to the recovery phase of the global pandemic. Although in many ways the year was less dramatic than had been the case previously, in other ways it was the most challenging of the pandemic period as we returned to a full, pre-pandemic education model, despite significant instability caused by high levels of pupil and staff absence. We invested significant time and energy into all aspects of pupil attendance management and, as a result, our levels of pupil attendance were consistently higher than national benchmarks throughout the year - which was a key success. In addition, the team at Ipswich Academy played a crucial role in relation to facilitating pupil vaccination - another important moment in the pandemic recovery process.

Against this backdrop, preparations for the opening of our special, free school (Woodbridge Road Academy) - for pupils with complex communication and interaction needs - continued at pace. A principal was appointed, as well as both pupils and staff being recruited. The school opened successfully in September 2022 - albeit in temporary accommodation. The pre-registration Ofsted inspection was very successful and construction has now started at our permanent site.

One pleasing aspect of this stage of pandemic recovery has been the opportunity to hold face-to-face events again. In December, we had two fantastic days of staff training led by international teaching expert Doug Lemov, who visited Paradigm from the USA. And then in January we had a very positive and enjoyable leadership conference in Essex - focused on inspirational leadership - using Shakespeare's Henry V as a vehicle to consider leadership styles.

Another challenge - which was also a privilege - was the opportunity to welcome a significant number of refugees to our schools. Solebay in particular stepped up to offer education for those who needed it the most - admitting 25 pupils from Afghanistan; Iraq; Iran and Kuwait. The school absorbed the pupils very well and was able to respond to pupils' immediate emotional/mental health needs and also provide intensive English language support.

A highlight of the year was the much anticipated Ofsted inspection at Piper's Vale Primary - the first since the school joined Paradigm. A 'good' outcome was achieved (the first for the school since 2007) with the inspection report describing the school as having 'a sense of ambition and belonging' and 'a hive of activity with music, singing and physical education activities going on.' The school was also praised for the strength of its teaching of reading as well as for its special education unit - with the inspector commenting that the complex needs of pupils are well understood by the adults that care for them and that leaders ensure staff know how to adapt their teaching, so pupils access the same ambitious curriculum as their peers. The inspection was a long time coming but when it did arrive it absolutely confirmed our evaluation of the quality of education provided.

Curriculum remained a major focus during the year - with network groups comprising subject leads from each school meeting on a regular basis to develop, implement and evaluate a knowledge-based curriculum which flows seamlessly from nursery to Y9. This has been a real success - as evidenced from feedback from the external, independent reviewers which Paradigm commissions.

Paradigm has focused on supporting the development of key enrichment activities and experiences that will serve the dual purpose of enhancing the curriculum and building on our pupils' social and cultural capital through the Hinterland project. We have also moved forward with our work to offer a wide range of instrumental music opportunities, regardless of parent/carer ability to make financial contributions, with the result that Paradigm pupils have been learning to play violin; piano; flute; drums; cornet and guitar.

The year has seen Paradigm's central functions continue to provide excellent support to our schools while developing additional capacity. We have continued to implement our estates and IT management strategies and work on key infrastructure projects has moved forward. We conducted a staff engagement survey - action plans have been developed as a result but it was very pleasing to see strong results across all areas.

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

Paradigm's responsibility to develop the next generation of teachers has remained a key priority for the year. We successfully trained nine teachers last year, five of whom we were pleased to appoint for 2022/2023.

With the closure of EssexITT, we have taken the opportunity to identify two new providers which share our commitment to education. To support our recruitment in increasingly challenging times, we have broadened the routes into teaching that we offer, with increased unsalaried placements alongside our existing salaried route. The salaried programme is designed for trainees who are ready to work in the classroom from the beginning with a salary being offered from the start. The unsalaried route is a more traditional teacher-training route with the trainee working closely alongside a class teacher. We have continued to benefit from partnership with the Institute of Education/UCL, enhancing our leadership and management training offer.

It is pleasing to note that all of the above has been achieved against the backdrop of the challenging financial regime which has affected all state-funded schools.

The Board continues to provide committed and expert non-executive leadership, with Directors supporting and challenging from a vantage point of deep familiarity with the schools.

Despite the challenges caused by the pandemic, 2021/22 has been a hugely successful year for Paradigm and we are well placed to build further on these foundations in 2022/23.

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

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

Paradigm Trust ('Paradigm' or 'the Trust') operates a multi-academy trust for pupils aged 2-16 serving catchment areas in London and Ipswich. It has a pupil capacity of 3,857 (2021: 3,839) and had a roll of 3,333 (2021: 3,204) in the school census on 6 October 2022.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The Trust's Memorandum and Articles of Association is the primary governing document of the Trust.

The Directors of Paradigm Trust are also the Directors of the charitable company for the purposes of company law.

Details of the Directors who served during and to the date these accounts are approved are included in the reference and administrative details on page 1.

b. Members' liability

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

c. Directors' indemnities

The Trust has opted into the Department for Education's risk protection arrangement (RPA). This protects Directors and Officers from claims arising from negligent acts, errors or omissions occurring while on Trust business. RPA provides cover up to £10,000,000 on any one claim.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

All current Directors and Members are asked to be vigilant to any new potential Directors who would be a good fit for Paradigm.

In previous years when seeking additional Directors to join the Board, contact was made with Academy Ambassadors, a not-for-profit organisation set up to support academies across England by finding senior figures from the world of business and the professions to join the Boards of Multi-Academy Trusts.

When looking for a parent Director, the recruitment process only differs when we ask parents/carers across the Trust to express their interest in becoming a parent Director. The process is then the same as recruiting an independent Director.

Potential Directors that are a good match for the Trust meet with the Chairman, other Directors and management.

Provisions relating to the appointment of Directors are contained in the Trust's Articles of Association, and can be summarised as follows:

- the Members are entitled to appoint up to seven Directors;
- the Chief Executive Officer is a Director;
- there are up to two parent Directors; and
- the Board is entitled to co-opt up to four additional Directors.

e. Policies adopted for the induction and training of Directors

Training and induction provided for new Directors is assessed based on their existing experience. Directors have many years' experience as members of school governing bodies and/or Directors of other organisations. Directors attend seminars, conferences and similar events to keep abreast of developments in the education sector and internal training with specific emphasis on safeguarding and child protection is also organised including attendance by Directors at staff inset days.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

f. Organisational structure

Paradigm is led by a team of Members and Directors. Directors provide strategic leadership and oversight, via the Board of Directors ('the Board'). The Board meets monthly during term time and receives reports and recommendations from the three Board committees, and the Chief Executive Officer (CEO).

The Chief Executive Officer has responsibility for the day-to-day management and implementation of the decisions of the Directors. The Chief Executive Officer is also the Accounting Officer.

The Trust has three Board committees - the Education Committee, the Operations and Finance Committee and the Audit and Risk Committee.

Education Committee

The Education Committee monitors and considers:

- the educational performance of each of Paradigm's schools;
- educational aims and the setting of appropriate performance targets.

It is also responsible for adopting, monitoring and reviewing the Trust curriculum statements.

Operations and Finance Committee

The Operations and Finance Committee (OFC) considers:

- Paradigm's financial priorities;
- the management accounts;
- the appropriate charging of expenses; and
- draft budgets submitted by Paradigm schools.

The committee also:

- ensures that Paradigm has proper insurance cover and that the regulations relating to funding are complied with;
- sets and monitors human resource policies/contractual terms;
- is responsible for the annual pay review and oversees performance related pay;
- monitors the Trust's procurement strategies; and
- monitors the management of the Trust's estate including health and safety and energy efficiency.

The Operations and Finance Committee has an Investment Sub-Committee which has delegated authority to invest any available funds in strict adherence to the Trust's investment and reserves policies.

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

Structure, governance and management (continued)

Audit and Risk Committee

The Audit and Risk Committee (ARC) advises the Board on:

- the adequacy and effectiveness of internal financial control;
- risk management;
- control and governance processes;
- securing value for money;
- the terms of appointment and the remuneration of the external auditor and the internal audit service provider; and
- audit strategy.

It also receives the Trust annual child protection audit reports and the local authority safeguarding audit reports.

Executive Committee

The CEO convenes and chairs an Executive Committee which comprises the CEO; Principals from each school; together with the heads of the HR and finance functions, the Company Secretary, the Operations systems lead and Director of Payroll and the Director of Curriculum and Pedagogy (as required). The Executive Committee meets on a monthly basis with all attendees able to propose items for consideration. The purpose of the Executive Committee is to facilitate collaboration across Paradigm, providing a forum for sharing ideas, resources and concerns.

Community Forum

The Principal of each school within Paradigm may recommend to the Board that there should also be a community forum to provide an opportunity to raise the profile of the school in the local community and engage with a wider group of benefactors/supporters. A community forum is currently active for the Suffolk academies.

Academy council

Each school within Paradigm also has an academy council, which facilitates communication between parents/carers and the relevant academy Principal. All parents/carers are invited to each meeting and are able to suggest topics for discussion, ask questions of the Principal about the operation/ performance of the school as well as raising any issues of concern.

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

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust comprises Directors, Principals, the Chief Executive Officer, Chief Finance Officer, HR Director, Director of School Improvement, the Company Secretary and the Director of Pedagogy and Curriculum.

All Directors of the Trust, other than the CEO, offer their services on a voluntary basis.

The process and parameters for setting and reviewing employees' pay is set out in the Trust's pay policy, last reviewed in May 2020 in consultation with the trade unions recognised by the Trust. The Trust recognises the role that the pay policy has in helping to recruit and retain staff of the highest calibre, and ensuring staff are appropriately remunerated.

The Operations and Finance Committee has the delegated authority to make decisions on employee reward, recognition and pay awards, including annual cost of living increases.

All Trust staff have an annual performance management meeting with their line manager, the focus of which is supporting performance and professional development. Directors are involved in the annual performance management meeting for all key management personnel within the Trust. Responsibility for the performance management of the CEO is delegated by the Board of Directors to its Operations and Finance Committee.

Arrangements for reviewing the CEO's pay follow the requirements within the Academy Trust Handbook, and ensure that:

- the procedure for determining the CEO's pay is agreed by the Board in advance, and documented
- decisions reflect independent and objective scrutiny by the Board and that conflicts of interest are avoided
- the factors determining pay are clear, including whether performance considerations and the degree of challenge in the role have been taken into account
- the pay is defensible relative to the public sector market; and
- the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained.

In deciding on the level of cost of living increase to be applied to teaching and support staff (including key management personnel) the Trust takes into account (but is not bound by) national agreements regarding such matters, i.e. that for teachers as published annually in the School Teachers' Pay & Conditions Document; and the National Agreement for Local Government Employees (for support staff). Cost of living increases agreed for teaching staff (including the CEO and Principals) are effective from 1st September each year, and for support staff (including the CFO and HR director) 1st April.

Additionally, those staff whose contract specifies a salary range are, subject to completion of six months' service in role, entitled to receive an annual incremental increase of one point until they reach the top of their range, unless they have been advised in written form that their performance is not meeting the required standards. Incremental increases are on 1st September for teaching staff and on 1st April for support staff.

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

Structure, governance and management (continued)

h. Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where a Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1% - 50%	2
51% - 99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	340
Total pay bill	12,921,495
Percentage of total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Paradigm is committed to school improvement and collaborates with a range of organisations to help develop and spread best practice.

Paradigm has a number of educational business partners including BT, The Mercers' Company and Ropes Trust and is very grateful for the contributions they have made to improve the work of Paradigm's schools. We have also worked closely with the Phoenix school in planning for the opening of Woodbridge Road Academy.

Culloden Primary Academy and Old Ford Primary Academy continue to engage with the Tower Hamlets Education Business Partnership which makes links between local businesses and the schools.

Ipswich is a DfE designated Opportunity Area of which Murrayfield Primary Academy, Piper's Vale Primary Academy and Ipswich Academy are a part. Paradigm is particularly involved with the Opportunity Area's development of learning behaviour project and early years transition project to support pupils and their families with being ready for school and remove the barriers to attending school. Ipswich Academy is one of the schools within the Opportunity Area collaborating on: mathematics and English interventions; behaviour; and mental health.

Ipswich Academy, Murrayfield Primary Academy and Piper's Vale Primary Academy are part of a Suffolk headteachers peer review scheme.

Paradigm Trust has continued to play an active role in the 'education sector leads' group which is led by Suffolk County Council and is also making strategic contributions to both the Ipswich Priority Area Partnership Board and the Eastern Trust Alliance. The Trust is an active member of the Confederation of School Trusts and is working with other trusts in East London to establish a structured collaboration with the London Borough of Tower Hamlets. We have also established a partnership with South Suffolk Learning Trust and Suffolk County Council's Virtual School to implement innovative and agile approaches to supporting vulnerable pupils while also developing deeper relationships with social care senior managers.

Paradigm Trust trainee and early career teachers benefit from our partnerships with training providers in Tower Hamlets and Suffolk. We specialise in applying the best educational research and thought to the classroom. Our School Direct salaried programme is designed for trainees who are ready to work in the classroom right from the beginning with a salary being offered from the start. We also offer unsalaried placements for trainees to work alongside experienced teachers as they train. To enhance our leadership and management training offer, we have established a partnership with the Institute of Education/UCL.

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

Structure, governance and management (continued)

Related parties and other connected charities and organisations (continued)

Paradigm's London schools have also worked closely with:

- Sustran Bike IT Tower Hamlets, in conjunction with TFL, to encourage our pupils to walk, cycle and use public transport when travelling to and from school. Culloden Primary Academy has retained the TFL Stars Gold level for the past two consecutive years and, as a result, Culloden Primary Academy was chosen to benefit from the School Streets project. School Streets aims to encourage activity, reduce pollution and help growth in learning and development.
- Poplar Harca to support parent/carer community groups on the Aberfeldy estate. In addition, Culloden Primary Academy has had the privilege of contributing ideas towards street artistry in the local area of Aberfeldy. Pupils brainstormed ideas and explained what they would like to see as part of the redevelopment of the Aberfeldy estate.

Through its Room 13 art studio, Old Ford Primary Academy has links with an international network of similar studios. Room 13 Old Ford Primary Academy has completed commissions for Galliard Homes and is working in partnership with the Roman Road Trust on a plastic reduction project. Galliard Homes is also providing financial support to regenerate an outdoor learning space.

j. Disabled persons

In accordance with the Trust's equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

Paradigm takes all reasonable steps to ensure that there is appropriate access for all persons to all main areas of Paradigm's schools. Paradigm supports the recruitment and retention of staff and students that have disabilities and will, where possible, ensure that any necessary support is provided. In the event of a student or member of staff becoming disabled, every effort is made to ensure that they receive all the necessary support that is required.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The Trust's objects are set out in the Articles of Association and are restricted to advancing for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing:

- schools offering a broad and balanced curriculum; and/or
- educational institutions which provide education for children who may not receive suitable education unless alternative provision is made for them; and/or
- 16 to 19 academies; and/or
- schools organised to make special educational provision for pupils with special educational needs.

The Trust also aims to promote for the benefit of the inhabitants of the areas in which the academies are situated, the provision of facilities for recreation with the object of improving the condition of life of the local population.

In line with the objects set out in the Trust's Articles of Association, its schools aim to provide a broad, balanced and relevant curriculum through outstanding teaching to ensure high educational standards are achieved by all of its pupils. This includes those pupils with special educational needs and disabilities and in particular, pupils attending our new special free school at Woodbridge Road Academy, the Deaf Support Base at Cullogen Primary Academy or the SEN units at Murrayfield Primary Academy and Piper's Vale Primary Academy.

b. Objectives, strategies and activities

In the academic year ending 31 August 2022, Paradigm continued to consolidate the achievements of its existing schools.

All Paradigm schools serve communities in areas of acute deprivation, where there are high levels of unemployment and the proportion of pupils receiving free school meals is much higher than the national average.

Paradigm's vision is to develop and sustain great schools where we can make the biggest difference for pupils.

Our values are:

- integrity - doing the right thing even when no one is watching.
- community - working together; learning from, and supporting, others.
- excellence - enabling everyone to achieve more through education.

The Directors recognise that equal opportunities should be an integral part of good practice in the workplace. Paradigm aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

c. Public benefit

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. In particular, the additional guidance on the advancement of education for the public benefit and are satisfied that the Trust is compliant. Further details of how Paradigm has achieved this are set out in the strategic report below.

Strategic report

Achievements and performance

a. Achievements and performance

Taking account of the impact of the pandemic, all of the Paradigm schools have delivered strong academic outcomes.

The schools maintain strong links within the communities they serve. This has included work to engage parents/carers in the life of the schools. High profile events such as music concerts and sports days continue to demonstrate the quality of provision to the local communities and beyond. We engage with local stakeholders through our academy councils and other mechanisms as appropriate.

High quality teaching continues to be the most important feature of the success of Paradigm. Much work has been carried out to ensure that all staff have the resources and support to carry out their responsibilities with consistently high quality. Professional development features prominently in this work and at all levels within the schools. The impact of this work is assessed regularly by employing external experts to verify the quality of teaching and the impact on learning.

b. Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Promoting the success of the Trust

The Board, alongside the Trust's employees, is committed to maintaining a reputation for high standards of business conduct, with integrity being prominent in our key values.

Paradigm is dedicated to ensuring a positive impact upon its wider community and the environment. When formulating strategy and making decisions, Directors always consider the likely consequences in the longer term, both for the Trust's employees but also all stakeholders and the local areas in which our schools are located.

We are working with an external marketing company in order to promote the successes of Paradigm over the coming year.

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

Strategic report (continued)

Financial review

Overall, the Trust has maintained its secure financial position during the year, despite the ongoing difficulties associated with the national pandemic, particularly around agency costs. Despite this, we have been able to allocate some reserves for the development of key enrichment activities in our schools through our Hinterland and music tuition programmes. We have received catch-up funding from the DfE including school led tutoring, which has also been supplemented by an allocation from reserves to ensure the maximum impact for our pupils.

Paradigm's income is derived in the main from the DfE via the Education and Skills Funding Agency ('ESFA') in the form of recurrent revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the academic year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Financial Statements.

The Trust also receives grants for fixed assets from the DfE. In accordance with the Charities document, '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), such grants are shown in the Statement of Financial Activities as restricted income. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Further funds are sought from educational grants sponsorship, letting of sport facilities and the outsourcing of our outstanding central services capabilities

Old Ford Primary Academy forms part of Tower Hamlets Grouped Schools Private Finance Initiative (PFI) contract. On conversion to an academy, in accordance with the requirements for PFI schools converting to academy status, the Trust was obliged to enter into a separate agreement that formed part of the PFI contract, which runs until 2027. Ownership of the land and buildings at the school was not transferred into the Trust. The nature of the arrangements is deemed to be akin to serviced accommodation, and payments under the PFI contract are treated as a financial commitment in the Financial Statements. These PFI arrangements are considered by the Board to be far from ideal from the point of view of the school but are outside of the Board's control.

During the academic year ended 31 August 2022, the Trust received incoming resources (excluding the value of net assets received from the transfer of academies) of £24,528,799 (2021: £24,108,451). Unrestricted and restricted general funds (excluding pension) generated a deficit of £237,235 (2021: £109,750) for the year.

The pension asset has increased to £389,000 (2021: liability of £7,305,000).

The net book value of tangible fixed assets at 31 August 2022 was £39,991,505 (2021: £39,835,620); movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were primarily used for providing educational and associated support services to pupils and the community.

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

a. Reserves policy

The policy of the Trust is to carry forward at least a minimum level of resources designed to meet the long term cyclical needs of the schools as well as any unforeseen contingencies. As part of its monitoring of financial performance the Operations and Finance Committee as well as the Board review the forecast impact on reserves and the implications for future years spending.

Reserves are pooled centrally, other than any restricted funds which cannot be pooled. At the end of every year, any surplus generated by each school is transferred back into the central reserve. This is intended to facilitate the use of surplus funds in accordance with the Trust's objects.

The Board has already committed to spend some of its reserves during the forthcoming year on:

- supporting the development of key enrichment activities and experiences that will serve the dual purpose of enhancing the curriculum and building on our pupils' social and cultural capital through the Hinterland project and music tuition
- providing any surplus funds required to support any fall out from the global pandemic and the current challenging financial landscape.

In the next year, it is anticipated that surplus funds will be used to:

- support additional investment in schools, as required, in order to secure improvements
- continue to develop the capacity of the Trust - both educationally and operationally - so that it is able to respond to opportunities to grow and increase its contribution to the national educational system
- ensure that school operations are protected in the context of changes to funding arrangements or any unexpected expenditure, particularly in relation to pay announcements and rising energy costs.

The Operations and Finance Committee is authorised to determine the designation of reserves and to approve expenditure of designated reserves.

The Trust held fund balances at 31 August 2022 of £42,979,132 (2021: £36,335,866) comprising £39,323,083 (2021: £40,136,582) of restricted fixed assets, £389,000 surplus (2021: £7,305,000 deficit) of pension reserve, £1,396,072 (2021: £1,862,498) of restricted funds and £1,870,977 (2021: £1,641,786) of unrestricted funds.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

b. Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns whilst ensuring the investment instruments are such that there is no material risk of loss to these cash funds.

This helps to ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements and there is no material risk of loss in the capital value of any cash funds invested.

Cash flow statements projecting forward for at least the next 12 months are prepared monthly and monitored to ensure there are adequate liquid funds to meet all payroll related commitments, outstanding supply creditors that are due for payment and any other identified contingencies. Cash flow statements are reported to the Operations and Finance Committee on a monthly basis together with investment performance.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements, (being cash available for investment in 32 day notice, 3 month, 6 months or 1 year accounts and excluding current account or no notice accounts), this surplus may be invested in at least two of the following at any one time with no more than 60% of this surplus in any one account:

- interest bearing deposit accounts or money market facilities (including fixed term bonds with a term not exceeding one year) with any single institution that has a credit rating or implied credit rating (at the time of deposit) of A3 (Moody's) or A- (S&P) or A / F3 or better (Fitch). Companies with these ratings or higher are considered to be stable entities with robust capacities for repaying their financial commitments and are considered investment grade "High". These will be monitored on a regular basis.
- treasury deposits or Absolute Return Bonds with maturity dates which do not result in the cash funds being unavailable for longer than one year.

It is permissible to have surplus cash invested on a rolling basis so that there is a phased increase or decrease in invested funds provided that Paradigm can revert to a fully liquid position within six months.

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

c. Principal risks and uncertainties

Paradigm operates a comprehensive risk management process, with risks being considered at a range of levels across the organisation and captured in a Trust register. The CEO leads the management activity relating to risk, with the Audit and Risk Committee providing non-executive challenge and scrutiny.

The register is reviewed by senior managers (CEO; Principals; service heads) on a termly basis, including discussion at the Executive Committee, with updates provided to the Audit and Risk Committee in line with this schedule. The Audit and Risk Committee uses the risk register to monitor changes to the risk environment and the implementation of agreed risk mitigation actions.

It is formally received by the Board on a six monthly basis, unless there are developments which mean that it is necessary to escalate risks more rapidly.

A school-level/educational risk register is also in place. This is maintained by the CEO. Principals share their evaluation of school-level risks with their Link Director, a member of the Board attributed to the school for guidance/advice/internal scrutiny.

The key residual risks identified in the risk register include:

- adverse funding changes;
- failure to recruit sufficient pupils, resulting in funding difficulties;
- inability to recruit, retain and develop sufficient high quality staff;
- industrial actions (unions).

If risks were to be listed in order of inherent risk, it is likely that child protection/safeguarding risks would be rated most highly. Paradigm has robust controls in place to address child protection/safeguarding risks and thus these do not feature in the list of key residual risks.

Paradigm does not hold significant financial instruments and therefore considers that its only material financial risk is cash flow risk. It manages this risk on a continuous basis throughout the year by actively monitoring cash inflows and outflows and reconciling its cash position monthly.

d. Key financial performance indicators

The Trust has adopted a number of financial KPIs which are shown below, to help monitor our financial performance and efficiency, both internally between our own academies and externally as compared to our peers.

	2021/22	2020/21	2019/20
Staff costs as % of total resources	71.80%	73.10%	73.52%
Pupil/Teacher Ratio	18.2	19.0	20.3
Revenue per pupil	£7,645	£7,632	£7,217
Total reserves (restricted income and unrestricted income funds)	£3,267k	£3,504k	£3,614k

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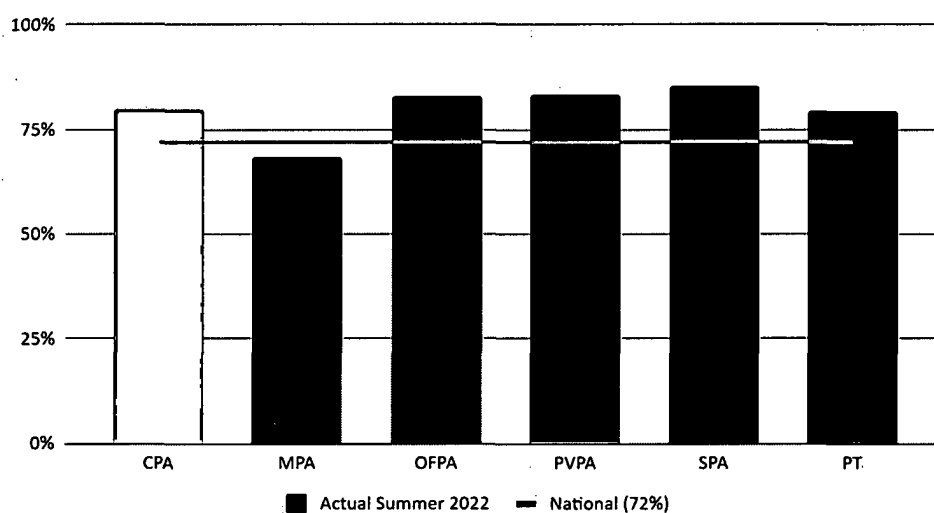
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

e. Key performance indicators - Education

Foundation stage

The proportion of pupils across Paradigm who achieved the good level of development (a blended standard that indicates a reasonable level of readiness for Year 1 across a range of subjects) at the end of the foundation stage was significantly above the national benchmark.

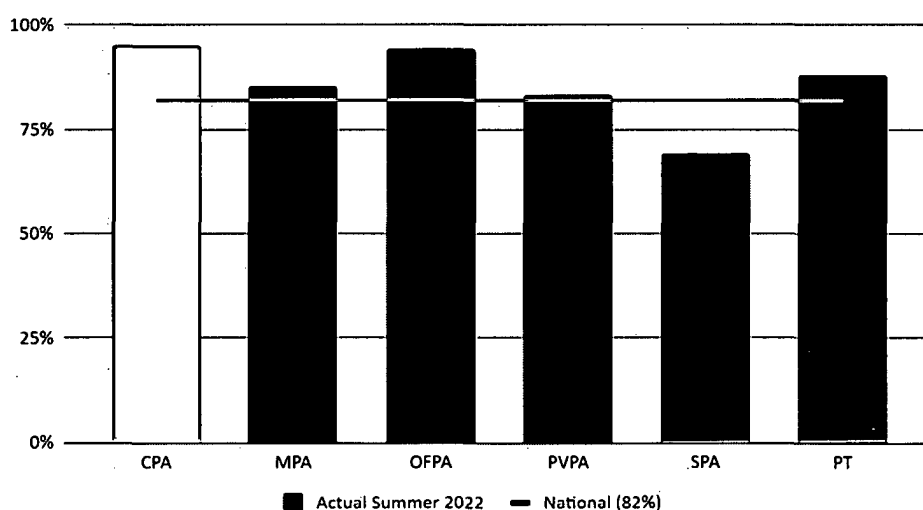
Achievement - EYFS - % Good Level of Development (GLD)



Phonics

In Year 1, pupils are given a test on 40 pseudo and real words they are expected to be able to read. The proportion of pupils across Paradigm who passed the test was significantly in excess of national benchmarks.

Achievement - Phonics Yr1 % pass



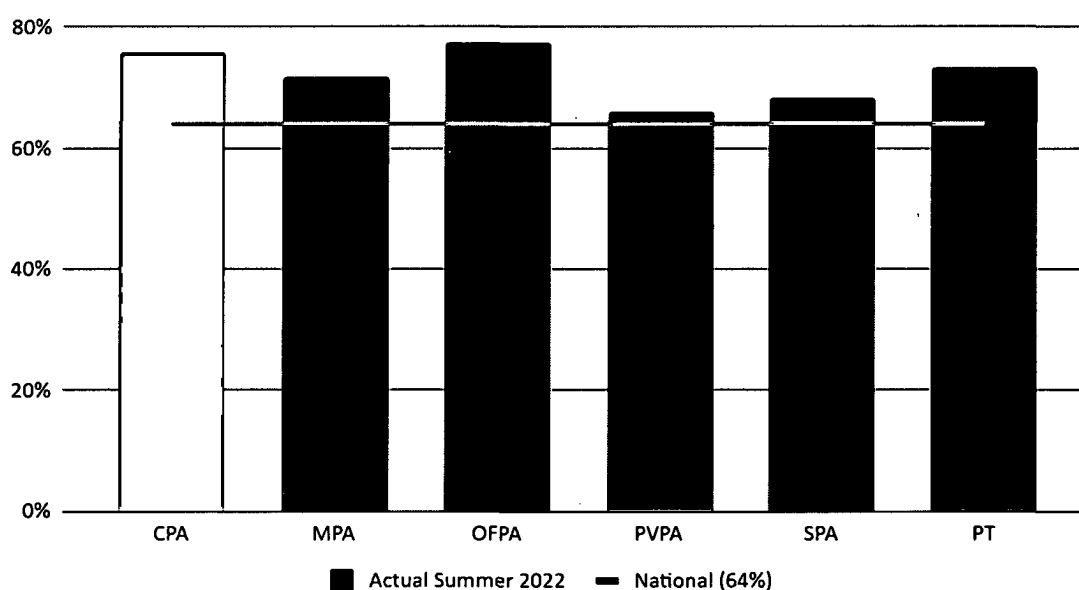
PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

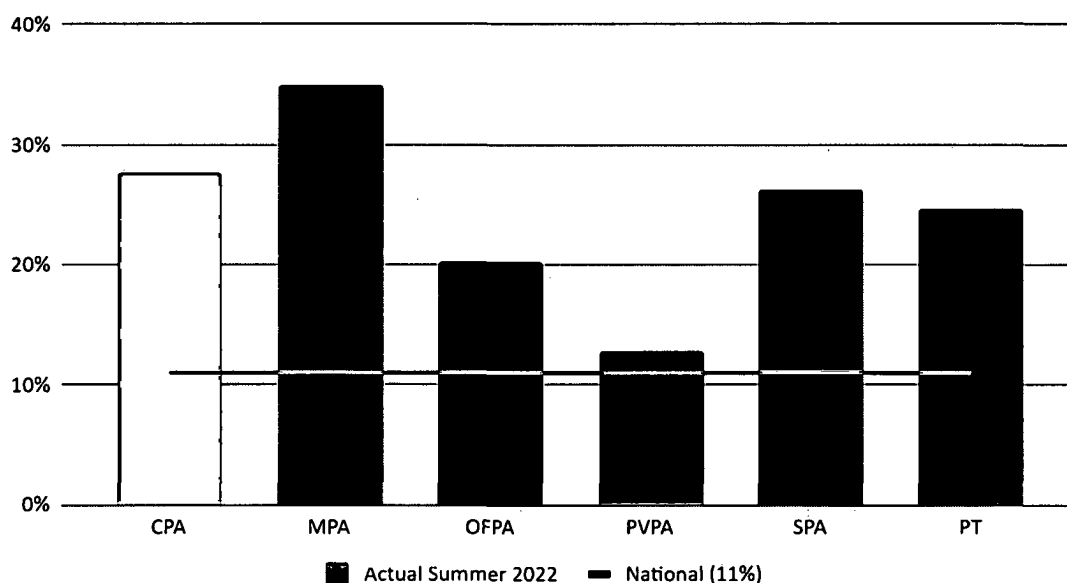
Key Stage 1

The proportion of pupils across Paradigm who achieved the expected standard and the higher standard at the end of Key Stage 1 was significantly higher than the national benchmarks available from pre-pandemic (at the time of writing, no official national data for 2022 was available but it is inevitable that, when published, the national benchmarks for 2022 will be significantly lower than those from pre-pandemic).

Achievement - Key Stage 1 R,W,M at+



Achievement - Key Stage 1 R,W,M Exceeding



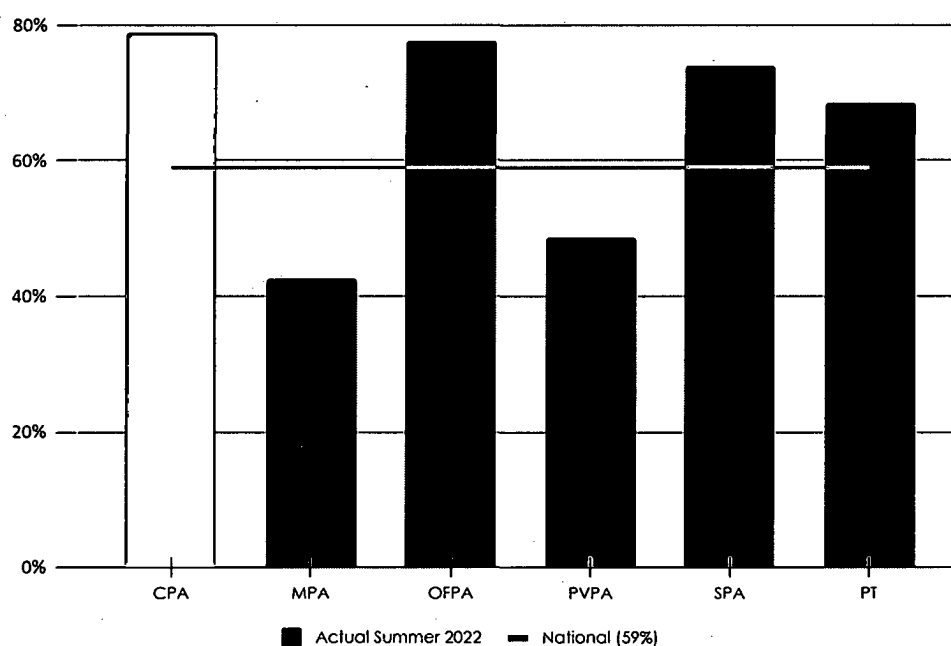
PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

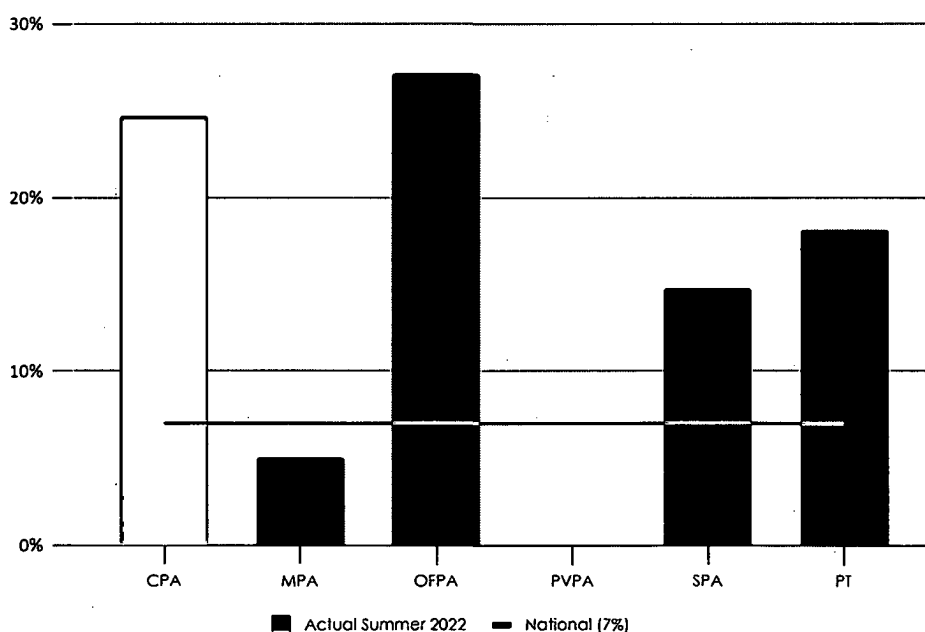
Key Stage 2

The proportion of pupils who achieved the expected standards in reading, writing and mathematics by the end of Key Stage 2 ('KS2') was at or higher than national benchmarks. The amount of progress made by Paradigm pupils during KS2 was in line with, or in excess of, national benchmarks in all subjects.

Achievement - Key Stage 2 R,W,M at+



Achievement - Key Stage 2 R,W,M Exceeding



PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Key stage 3

Examinations were taken by all Key Stage 3 ("KS3") pupils in all subject areas to determine whether students had (by the end of Y7, Y8 and Y9) achieved the Ipswich Academy required standard. Success in these examinations indicates that students are well placed for GCSE study, with the clear potential to achieve a 'good pass' (a grade 5) by the end of Y11. The examinations which took place in summer 2022 demonstrated that students are making good progress relative to their end of KS2 starting points.

Key stage 4

Students at Ipswich Academy made progress at a rate which was in line with the national benchmark. This continues to represent a strong achievement given the socio-economic challenges facing many of our students and where the school was when joining Paradigm.

65% of students achieved grades 9-4 in English and maths combined (compared to 58% in 2019 - the most recent comparable year given the pandemic) and 48% 9-5 in English and maths combined (compared to 36% in 2019).

In addition, Ipswich Academy provided high quality advice to all Y11 students to ensure that they could move onto appropriate education, employment and training destinations.

Fundraising

Paradigm carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Management Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

Paradigm is dedicated to ensuring a positive impact upon its wider community and the environment. Our estate includes a diverse selection of newer and older buildings. The Operations and Finance Committee reviews the Trust's energy efficiency on a regular basis and our Head of Estates is mindful of the need to increase energy efficiency when the opportunity arises. As we are a large company and have energy use over 40,000 KWH below is a table that details the Trust's energy use.

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022:

	2022	2021
Energy consumption used to calculate emissions (kWh)	3,519,186	3,898,293
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	439.9	504.9
Total scope 1	439.9	504.9
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	214.5	268.7
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned vehicles	7.6	4.5
Total gross emissions (in tonnes of CO2 equivalent):	662.0	778.1
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.21	0.24

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

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

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

Measures taken to improve energy efficiency:

Paradigm is continuing to look at all opportunities to improve energy efficiency across the Trust and is in consultation with external companies on how this can be achieved. This is of particular importance given the increase in energy costs. We are mindful of the need to reduce our energy consumption, both in terms of reducing our carbon footprint but also in terms of expense and have an active programme in each of our schools to try and reduce this wherever possible. We have commissioned energy efficiency surveys to take place in all of our schools which should be completed by November 2022 and intend to implement a lighting project at Murrayfield Primary Academy (our pilot school for energy efficiency) in the forthcoming year.

PARADIGM TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

Paradigm will continue to build on the aims and objectives referred to previously by:

- putting in place support interventions, both pastoral and academic, to respond to the global pandemic;
- sustaining high achievement at all of its schools;
- opening a special, free school for pupils with complex communication and interaction needs, in Ipswich, in September 2022 (initially in temporary accommodation);
- embedding coaching as a tool to support staff development across the Trust;
- continuing to develop and refine a shared curriculum, and linked assessment resources, which flow seamlessly KS1-KS3;
- developing our offer of broader learning opportunities, with a particular focus on organising high quality educational visits and making instrumental music tuition readily available;
- forging close partnerships working with additional schools and trusts;
- continuing to horizon scan in relation to changes in funding arrangements and improving the Trust's efficiency through smarter procurement;
- mitigating the effects of the unfunded teachers pay and support staff pay rises alongside the current rise in energy costs;
- strengthening our marketing activities with a view to increasing the number of pupils who attend Paradigm schools and to attract high quality staff;
- exploring opportunities to acquire or establish additional schools;
- focusing on reducing our energy consumption through careful management and energy efficiency programmes.

Funds held as custodian on behalf of others

Paradigm holds and disburses grant funding in line with the agreement from the Ipswich Social Mobility Grant from which Ipswich Academy, Murrayfield Primary Academy and Piper's Vale Primary Academy benefit alongside other schools in the local area. The Directors believe that the allocation of this grant is within its own objectives, to raise pupil achievement.

Disclosure of information to auditors

Insofar as the Directors are aware:

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

Auditors

The auditors, MA Partners Audit LLP, have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the annual general meeting.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 14 December 2022 and signed on its behalf by:



D Willis
(Chairman)

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. Despite the challenges caused by the global pandemic, Paradigm adapted its practices to ensure the Board and committee meetings continued to happen on a regular basis, albeit virtually. The Board of Directors has formally met 9 times during the year.

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

Director	Meetings attended	Out of a possible
V Hiscock	9	9
B Holledge, Chief Executive	9	9
D Hughes	5	9
M Hydes (resigned 20 September 2022)	1	9
V Karas	4	9
P Loft	8	9
J Martin, Vice Chair	9	9
L Pipe (resigned 3 May 2022)	4	6
A Rahman	8	9
D Syndercombe Court	8	9
P Wallace (resigned 9 October 2021)	1	1
D Willis, Chairman	9	9

Pauline Wallace stood down at the end of her term of office as a Director and Chair of the Audit and Risk Committee in October 2021. Pauline had been a Director at Paradigm for 8 years and also the Link Director for Solebay Primary Academy. We are extremely grateful for the support, expertise and endless hours of commitment she has dedicated to support us to be the Trust that we are today. Whilst we are very sad to see her stand down as a Director, she has been appointed as a Member of the Trust. We congratulate Pauline on her appointment as Chair of the UK Endorsement Board and wish her well in this new, prestigious role.

Les Pipe stood down at the end of his term of office as a Director. Les had been a Director at Paradigm for 4 years, a member of the Operations and Finance Committee and also the Link Director for Piper's Vale Primary Academy. We are extremely grateful for the support, expertise and commitment he has dedicated to the Trust. Les was appointed as a Member of the Trust in June 2022.

Mark Hydes resigned as a Director on 20 September 2022. We would like to thank Mark for the contribution he made to the Trust.

PARADIGM TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Trustees, and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from whom the Trust may purchase goods or services. To this end, the Trust has established and maintains a register indicating individuals' business/pecuniary interests. This will include, if appropriate, the company by which they are employed, directorships, significant shareholdings or other appointments of influence within a business or other organisation which may have dealings with the Trust. This is updated on an annual basis. There is also a standing agenda item at every meeting (including committee meetings) called "Declaration of Interest" to allow the Trust and Directors the opportunity to declare any interests relating to items on the agenda.

During the year, 2021-22 terms of reference for each of the committees that feed into the Board were reviewed at committee and Board level and there was a full review of the Scheme of Delegation.

Members of the Trust met in March 2022 at their Annual General Meeting to review the annual report and accounts from 2020-21 and to receive updates on the Trust and financial position. The Members resolved to re-appoint the Auditors and to adopt new Model Articles of Association.

The Board and its committees will have their first external Board effectiveness review in Spring 2023.

The Operations and Finance Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- hold the Accounting Officer accountable for the operation of the Trust;
- inform the decisions of the Board in its decision making process.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
B Holledge, Chief Executive	9	9
D Willis	9	9
J Martin, Chair	9	9
V Karas	5	9
L Pipe (resigned 3 May 2022)	4	6

The Audit and Risk Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- review the risks identified by the CEO and advise the necessary actions required to mitigate these risks;
- receive the internal auditor's report and follow up on any action points arising from these reports;
- scrutinise the financial statements and meet with the external auditors to discuss their findings;
- receive the Trust annual child protection audit reports and the Local Authority safeguarding audit reports.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
J Martin	4	4
P Loft, Chair	3	4
V Hiscock	3	4

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Education Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- monitor the educational performance of each of Paradigm's schools;
- consider educational aims and setting appropriate performance targets;
- adopt, monitor and review the Trust curriculum statements.

Alice Kadri stepped down as a co-opted member of the committee in March 2022. The Trust are extremely grateful for the support and commitment Alice has given to the Trust over a number of years.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
A Kadri, co-opted member (resigned March 2022)	1	3
B Holledge, Chief Executive	4	4
D Syndercombe Court, Chair	4	4
D Hughes	3	4
V Hiscock	2	3

Review of value for money

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

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

The Accounting Officer has delivered improved value for money during the year by:

Improving educational outcomes

Focused, school-level improvement - Paradigm's Ipswich schools have achieved a step change in performance in terms of their achievement data while the London schools have consolidated their existing strengths.

Focus on individual pupils - the Trust has been highly effective in meeting the differing needs of the pupils that it serves, narrowing the gap between disadvantaged and other pupils, and also supporting pupils who have additional needs and/or are higher attaining.

Collaboration - the Trust has continued to work with a wide range of strategic partners (schools and other) in order to spread good practice. Shared curriculum development across the Trust has been a particular success.

Better purchasing

The Trust uses an outsourced procurement function in order to focus on synergies and Trust-wide contracts where possible in order to secure value for money. The Trust has taken opportunities for collaborative working across its schools to reduce and share administration and procurement costs. Services and contracts were regularly appraised for quality and outcome. Where it was thought that improved economies could be achieved, several quotes for work were obtained; a formal tender process operated for larger expenditures. The Trust has made effective use of public sector framework contracts to ensure value for money.

PARADIGM TRUST
(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 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 Paradigm Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with three year financial plans and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Operations and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Directors have appointed Mazars as internal auditors.

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

- IT Security
- Risk management
- GDPR Compliance
- Estates management
- Follow up on previous internal audit reports

The internal auditor reported to the Audit and Risk Committee and findings were discussed by the committee with management and the internal auditor. A number of recommendations for improvements were made and the committee will monitor implementation of the actions agreed with management. The process and findings were then reported to the Board.

PARADIGM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

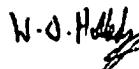
- the work of the internal auditor;
- the work of the external auditors;
- discussions at Board, Operations and Finance Committee and Audit and Risk Committee;
- the work of the executive managers within the Trust who have responsibility for the development; and
- maintenance of the internal control framework.

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

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



D Willis
(Chairman)



B Holledge
(Accounting Officer)

Date: 14 December 2022

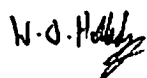
PARADIGM TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



B Holledge
(Accounting Officer)

Date: 14 December 2022

PARADIGM TRUST
(A Company Limited by Guarantee)

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

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

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

The Directors 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 Directors and signed on its behalf by:



D Willis
(Chairman)

Date: 14 December 2022

PARADIGM TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARADIGM TRUST**

Opinion

We have audited the financial statements of Paradigm Trust (the 'Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

PARADIGM TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARADIGM TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

PARADIGM TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARADIGM TRUST (CONTINUED)**

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Trust and considered that the most significant are the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Trust complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

PARADIGM TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARADIGM TRUST (CONTINUED)**

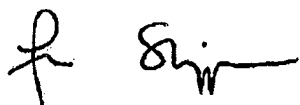
Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

Use of our report

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



Frank Shippam BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MA Partners Audit LLP

Statutory Auditor

Chartered Accountants

7 The Close

Norwich

Norfolk

NR1 4DJ

Date: 15 December 2022

PARADIGM TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 5 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Paradigm Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Paradigm Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Paradigm Trust's funding agreement with the Secretary of State for Education dated 28 August 2013 and 22 December 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

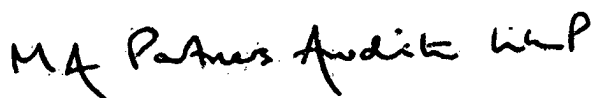
Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Directors and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Part 8: Schedule of requirements (the "musts") of the Academy Trust Handbook 2021.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MA Partners Audit LLP
Statutory Auditor
Chartered Accountants
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 15 December 2022

PARADIGM TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	1,500	64,330	449,951	515,781	616,803
Other trading activities	5	73,707	10,664	-	84,371	80,990
Investments	6	12,055	-	-	12,055	3,564
Charitable activities:						
Funding for the Trust's educational operations		209,780	23,706,812	-	23,916,592	23,407,094
Total income		297,042	23,781,806	449,951	24,528,799	24,108,451
Expenditure on:						
Charitable activities		67,851	25,640,252	1,176,430	26,884,533	25,726,954
Total expenditure	7	67,851	25,640,252	1,176,430	26,884,533	25,726,954
Net income / (expenditure)		229,191	(1,858,446)	(726,479)	(2,355,734)	(1,618,503)
Transfers between funds	19	-	87,020	(87,020)	-	-
Net movement in funds before other recognised gains/(losses)		229,191	(1,771,426)	(813,499)	(2,355,734)	(1,618,503)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	8,999,000	-	8,999,000	(1,776,000)
Net movement in funds		229,191	7,227,574	(813,499)	6,643,266	(3,394,503)

PARADIGM TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,641,786	(5,442,502)	40,136,582	36,335,866	39,730,369
Net movement in funds	229,191	7,227,574	(813,499)	6,643,266	(3,394,503)
Total funds carried forward	<u>1,870,977</u>	<u>1,785,072</u>	<u>39,323,083</u>	<u>42,979,132</u>	<u>36,335,866</u>

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

The notes on pages 44 to 79 form part of these financial statements.

PARADIGM TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08469218


BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	38,991,505	39,835,620
		<u>38,991,505</u>	<u>39,835,620</u>
Current assets			
Debtors	16	1,284,015	1,219,501
Investments	17	1,999,000	1,000,000
Cash at bank and in hand		2,582,653	3,702,836
		<u>5,865,668</u>	<u>5,922,337</u>
Creditors: amounts falling due within one year	18	(2,267,041)	(2,117,091)
Net current assets		<u>3,598,627</u>	<u>3,805,246</u>
Total assets less current liabilities		<u>42,590,132</u>	<u>43,640,866</u>
Net assets excluding pension asset / liability		<u>42,590,132</u>	<u>43,640,866</u>
Defined benefit pension scheme asset / liability	26	389,000	(7,305,000)
Total net assets		<u><u>42,979,132</u></u>	<u><u>36,335,866</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	39,323,083	40,136,582
Restricted income funds	19	1,396,072	1,862,498
Restricted funds excluding pension liability / asset	19	<u>40,719,155</u>	<u>41,999,080</u>
Pension reserve	19	389,000	(7,305,000)
Total restricted funds	19	<u>41,108,155</u>	<u>34,694,080</u>
Unrestricted income funds	19	<u>1,870,977</u>	<u>1,641,786</u>
Total funds		<u><u>42,979,132</u></u>	<u><u>36,335,866</u></u>

PARADIGM TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08469218

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 39 to 79 were approved and authorised for issue by the Directors and are signed on their behalf, by:



D Willis
(Chairman)

Date: 14 December 2022

The notes on pages 44 to 79 form part of these financial statements.

PARADIGM TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(250,874)	396,490
Cash flows from investing activities	22	(869,309)	(43,038)
Change in cash and cash equivalents in the year		(1,120,183)	353,452
Cash and cash equivalents at the beginning of the year		3,702,836	3,349,384
Cash and cash equivalents at the end of the year	23, 24	<u>2,582,653</u>	<u>3,702,836</u>

The notes on pages 44 to 79 form part of these financial statements

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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:

Depreciation is provided on the following bases:

Freehold buildings	- 50 years straight line
Long-term leasehold buildings	- 45-50 years straight line
Long-term leasehold land	- Over the term of the lease
Furniture and equipment	- 7 years straight line
Plant and equipment	- 10 years straight line
Computer equipment	- 3 years straight line
Leasehold improvements	- 5-10 years straight line

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

1.7 Debtors

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

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

Cash investments with a maturity date of at least three months from the date of acquisition or opening of the deposit or similar account are recognised as short-term investments.

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Agency arrangements

The Trust acts as an agent in distributing funds from the Suffolk social mobility project. Payments received and subsequent disbursements are excluded from the statement of financial activities as the Trust does not have control over the charitable applications of the funds. The funds received and paid and any balances held are disclosed in note 30.

1.13 Fund accounting

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

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

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

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

PARADIGM TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In assessing the carrying value of tangible fixed assets the Directors estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial period.

Critical areas of judgement:

The school building at Old Ford Primary Academy is under a 25 year PFI contract. In the opinion of the Directors, the risks and rewards of ownership have not transferred to the Trust. The London Borough of Tower Hamlets continues to recognise the asset within their balance sheet as part of property, plant and equipment. Consequently no value for land and buildings related to this contract have been included in these financial statements.

PARADIGM TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	1,500	64,330	-	65,830	187,398
Capital grants	-	-	449,951	449,951	429,405
Total 2022	<u>1,500</u>	<u>64,330</u>	<u>449,951</u>	<u>515,781</u>	<u>616,803</u>
<i>Total 2021</i>	<u>250</u>	<u>-</u>	<u>616,553</u>	<u>616,803</u>	

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

4. Funding for the Trust's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	18,268,119	18,268,119	17,441,384
Other DfE/ESFA grants				
Pupil Premium	-	1,651,381	1,651,381	1,593,324
Teachers' pension grant	-	33,521	33,521	533,238
Trust Capacity Fund	-	-	-	257,881
Universal Infant Free School Meals	-	235,988	235,988	231,150
Teachers' pay grant	-	11,864	11,864	184,245
Supplementary grant	-	221,994	221,994	-
School Led Tutoring	-	197,237	197,237	-
Schools Direct funding	-	(12,273)	(12,273)	156,982
Rates relief	-	103,387	103,387	122,434
PE and Sports Grant	-	97,750	97,750	98,260
Pre-opening funding	-	190,000	190,000	-
Other ESFA grants	-	31,912	31,912	175,121
	-	21,030,880	21,030,880	20,794,019
Other Government grants				
LA - Early years funding	-	956,453	956,453	912,894
LA - High needs top up	-	951,631	951,631	896,463
LA - Meals funding	-	186,856	186,856	197,924
LA - SEN Unit funding	-	203,433	203,433	95,684
LA - Pupil Premium	-	12,416	12,416	15,538
Other LA grants	-	148,811	148,811	63,304
	-	2,459,600	2,459,600	2,181,807
Other income from the Trust's educational operations	209,780	3,533	213,313	151,338
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	194,212	194,212	241,560
Other DfE/ESFA COVID-19 funding	-	18,587	18,587	38,370
	-	212,799	212,799	279,930

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

4. Funding for the Trust's educational operations (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Total 2022	209,780	23,706,812	23,916,592	23,407,094
<i>Total 2021</i>	93,839	23,313,255	23,407,094	

The Trust received £194,212 of funding for catch-up premium which was fully spent in the year.

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	40,355	-	40,355	27,888
Other income	33,352	10,664	44,016	53,102
Total 2022	73,707	10,664	84,371	80,990
<i>Total 2021</i>	80,990	-	80,990	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	12,055	12,055	3,564
<i>Total 2021</i>	3,564	3,564	

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

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	<i>Total 2021 £</i>
Trust's educational operations					
Direct costs	15,933,828	-	2,323,153	18,256,981	17,854,036
Allocated support costs	3,381,894	2,888,077	2,357,581	8,627,552	7,872,918
Total 2022	<u>19,315,722</u>	<u>2,888,077</u>	<u>4,680,734</u>	<u>26,884,533</u>	<u>25,726,954</u>
<i>Total 2021</i>	<u>18,807,649</u>	<u>3,094,078</u>	<u>3,825,227</u>	<u>25,726,954</u>	

8. Charitable activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Educational operations	<u>18,256,981</u>	<u>8,627,552</u>	<u>26,884,533</u>	<u>25,726,954</u>
<i>Total 2021</i>	<u>17,854,036</u>	<u>7,872,918</u>	<u>25,726,954</u>	

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8. Charitable activities (continued)

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Direct staff costs	14,128,955	14,483,285
Learning resources and other direct costs	2,043,802	1,760,722
Trip costs	227,082	69,419
Staff development and other staff costs	246,030	192,379
Agency supply costs	1,558,843	1,303,823
Examination fees	52,269	44,408
Total 2022	18,256,981	17,854,036

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension interest	130,000	87,000
Support staff costs	3,296,520	2,798,375
Depreciation	1,176,430	1,222,753
Technology costs	104,891	64,593
Other support costs	285,419	305,823
Premises costs	2,047,185	2,250,896
Insurance	72,219	62,962
Agency supply costs	85,374	29,787
Catering	975,475	816,657
Governance costs	454,039	234,072
Total 2022	8,627,552	7,872,918

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

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the trust	123	-	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	(49,737)	(49,737)
Depreciation of tangible fixed assets	(1,176,430)	(1,222,753)
Fees paid to auditors for:		
- audit	(16,000)	(14,000)
- other services	(2,325)	(14,505)
	<u>(1,244,492)</u>	<u>(1,298,995)</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	12,724,788	12,864,038
Social security costs	1,318,176	1,332,666
Pension costs	3,382,511	3,080,491
	<u>17,425,475</u>	<u>17,277,195</u>
Agency staff costs	1,644,217	1,333,610
Staff restructuring costs	-	4,465
Staff development and other staff costs	246,030	192,379
	<u>19,315,722</u>	<u>18,807,649</u>

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

11. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	4,465
	<u>-</u>	<u>4,465</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £Nil).

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	176	194
Administration and support	74	75
Management	35	37
Classroom support staff	156	170
	<u>441</u>	<u>476</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	158	166
Administration and support	46	44
Management	33	36
Classroom support staff	110	113
	<u>347</u>	<u>359</u>

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FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

d. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	15	11
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	1	1
In the band £190,001 - £200,000	1	1

e. Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,558,379 (2021 - £1,485,724).

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

12. Central services

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

- Advisory
- Company secretarial
- Data and performance
- Finance
- Governance
- Human resources
- Legal
- Operations
- Procurement
- Teaching and learning

The Trust charges for these services on the following basis:

Costs charged to each school based on pupil numbers

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Culloden Primary Academy	523,365	501,336
Ipswich Academy	836,976	726,684
Old Ford Primary Academy	540,973	521,664
Solebay Primary Academy	190,092	213,804
Murrayfield Primary Academy	223,428	203,076
Piper's Vale Primary Academy	200,472	198,852
Woodbridge Road Academy	40,000	-
Total	2,555,306	2,365,416

In addition, GAG income for each academy is pooled. An appeals mechanism is in place in accordance with the Academy Trust Handbook should a Principal feel that the academy has been unfairly treated.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Directors' remuneration and expenses

One Director has been paid remuneration or has received other benefits from an employment with the Trust. This Director only receives remuneration in respect of services they provide undertaking the roles of CEO under their contract of employment. The value of Directors' remuneration and other benefits was as follows:

		2022	2021
		£	£
B Holledge, Chief Executive	Remuneration	190,000 -	190,000 -
		195,000	195,000
	Pension contributions paid	45,000 -	40,000 -
		50,000	45,000

During the year ended 31 August 2022, travel and subsistence expenses totaling £208 were reimbursed or paid directly to 1 Director (2021 - £68 to 1 Director).

14. Directors' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme membership.

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

	Freehold property £	Long-term leasehold property £	Furniture, plant and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	8,294,328	35,697,168	689,248	1,646,626	46,327,370
Additions	14,870	72,561	200,322	44,562	332,315
At 31 August 2022	<u>8,309,198</u>	<u>35,769,729</u>	<u>889,570</u>	<u>1,691,188</u>	<u>46,659,685</u>
Depreciation					
At 1 September 2021	513,438	4,388,606	416,108	1,173,598	6,491,750
Charge for the year	74,185	766,707	65,684	269,854	1,176,430
At 31 August 2022	<u>587,623</u>	<u>5,155,313</u>	<u>481,792</u>	<u>1,443,452</u>	<u>7,668,180</u>
Net book value					
At 31 August 2022	<u>7,721,575</u>	<u>30,614,416</u>	<u>407,778</u>	<u>247,736</u>	<u>38,991,505</u>
At 31 August 2021	<u>7,780,890</u>	<u>31,308,562</u>	<u>273,140</u>	<u>473,028</u>	<u>39,835,620</u>

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	34,676	29,396
Other debtors	28,450	-
Prepayments and accrued income	863,845	812,905
VAT recoverable	357,044	377,200
	<u>1,284,015</u>	<u>1,219,501</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Current asset investments

	2022 £	2021 £
Unlisted investments	1,999,000	1,000,000

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	758,882	666,185
Other taxation and social security	319,675	310,084
Other creditors	267,988	292,341
Accruals and deferred income	920,496	848,481
	2,267,041	2,117,091

	2022 £	2021 £
Deferred income at 1 September 2021	301,617	261,126
Resources deferred during the year	324,127	301,617
Amounts released from previous periods	(301,617)	(261,126)
	324,127	301,617

Included within deferred income are the following amounts which all relate to the period post year end:

Universal Infant Free School Meals funding of £143,040
Local Authority funding for Early Years of £27,879
Other grants of £153,208

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General fund	1,641,786	297,042	(67,851)	-	-	1,870,977
Restricted general funds						
General Annual Grant (GAG)	1,833,322	18,268,119	(18,175,389)	(529,980)	-	1,396,072
Rates relief	-	103,387	(103,387)	-	-	-
UIFSM	-	235,988	(235,988)	-	-	-
Pupil Premium	-	1,651,381	(1,651,381)	-	-	-
School Led Tutoring	-	197,237	(197,237)	-	-	-
Teachers' pay grant	-	11,864	(11,864)	-	-	-
Teachers' pension grant	-	33,521	(33,521)	-	-	-
PE and sports grant	-	97,750	(97,750)	-	-	-
Supplementary grant	-	221,994	(221,994)	-	-	-
Other LA grants	-	161,227	(161,227)	-	-	-
Start up grants	5,906	190,000	(195,906)	-	-	-
Other ESFA grants	-	19,639	(19,639)	-	-	-
Early Years funding	-	956,453	(956,453)	-	-	-
Mayor's meals	-	186,856	(186,856)	-	-	-
High Needs	-	951,631	(951,631)	-	-	-
SEN Unit funding	-	203,433	(203,433)	-	-	-
Other	-	14,197	(14,197)	-	-	-
Donations	-	64,330	(64,330)	-	-	-
Catch-up premium	23,270	194,212	(217,482)	-	-	-
Other ESFA Covid funding	-	18,587	(18,587)	-	-	-

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

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Pension reserve	(7,305,000)	-	(1,922,000)	617,000	8,999,000	389,000
	<u>(5,442,502)</u>	<u>23,781,806</u>	<u>(25,640,252)</u>	<u>87,020</u>	<u>8,999,000</u>	<u>1,785,072</u>

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19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Transfer on conversion	37,774,815	-	(760,426)	-	-	37,014,389
DfE group capital grants	1,711,152	413,583	(190,371)	(111,785)	-	1,822,579
Capital expenditure from GAG	414,991	-	(156,347)	24,765	-	283,409
Private sector capital sponsorship	81,405	36,368	(4,247)	-	-	113,526
LA capital grants	7,080	-	(2,655)	-	-	4,425
Donated assets	147,139	-	(62,384)	-	-	84,755
	<u>40,136,582</u>	<u>449,951</u>	<u>(1,176,430)</u>	<u>(87,020)</u>	<u>-</u>	<u>39,323,083</u>
Total Restricted funds	<u>34,694,080</u>	<u>24,231,757</u>	<u>(26,816,682)</u>	<u>-</u>	<u>8,999,000</u>	<u>41,108,155</u>
Total funds	<u>36,335,866</u>	<u>24,528,799</u>	<u>(26,884,533)</u>	<u>-</u>	<u>8,999,000</u>	<u>42,979,132</u>

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

The General Annual Grant (GAG) is for the normal running costs of the schools within the Trust. The following transfers have been made from GAG: £617,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme and £87,020 to restricted fixed asset funds relating to assets purchased from GAG (£24,765) less capital funding used toward revenue costs (£111,785).

Rates relief is received from the ESFA towards the cost of rates for the Trust.

The Pupil Premium income has been provided by the ESFA and Local Authority to help raise the attainment of disadvantaged pupils.

School led tutoring was received from the ESFA to support pupils with missed learning due to the Covid-19 pandemic.

Funding was received from the ESFA to assist with the provision of Universal Infant Free School Meals.

Teachers' pay grant was received from the ESFA to cover the additional costs of the agreed teachers' pay

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19. Statement of funds (continued)

increases initiated in the prior year.

Teachers' pension grant was received from the ESFA to cover the additional costs of the increase in employer pension contributions. From 1 September 2019 the employer contribution rose from 16.48% to 23.68%.

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19. Statement of funds (continued)

The PE and sports grant represents funding received towards the cost of improving PE provision.

Schools Direct income was received as a contribution to the training and salary costs of trainees on the ITT programme.

Teaching school funding includes grant income from the National College for Teaching and Leadership.

A start up grant was received from the ESFA to fund the pre-opening costs relating to Woodbridge Road Academy which opened in September 2022.

Early years funding is utilised to operate nurseries at Culloden Primary Academy, Murrayfield Primary Academy, Old Ford Primary Academy, Piper's Vale Primary Academy and Solebay Primary Academy.

High needs top up funding is received from Local Authorities and is focused on children with special educational needs. This funding is utilised on SEN co-ordinators and additional teaching resources orientated to support normal curriculum learning.

SEN unit income was received to support the SEN Units at Murrayfield Primary Academy and Piper's Vale Primary Academy.

Mayor's meals income was received from London Borough of Tower Hamlets for our London schools to pay for school meals for all key stage 2 children. Further funding was received from the Local Authority to cover the cost of providing food vouchers to eligible pupils during the Covid-19 pandemic.

Trust Capacity Funding was received to help the Trust develop its capacity to grow and take on underperforming schools in higher need areas.

Covid catch-up premium funding was received from the ESFA to support pupils to catch up on missed learning caused by Covid-19.

The pension reserve surplus at the year end was £389,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

Capital funding was received from the DfE, including Schools Condition Allocation and Devolved Formula Capital funding. These amounts are to be used for the improvement and maintenance of the Trust's assets.

Capital funding was received from the private sector for the refurbishment of the swimming pool at Murrayfield Primary Academy and a number of capital projects at Ipswich Academy.

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

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

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General fund	1,497,707	178,643	(34,564)	-	-	1,641,786

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	2,116,327	17,441,384	(17,154,942)	(569,447)	-	1,833,322
Rates relief	-	122,434	(122,434)	-	-	-
Pupil Premium - ESFA	-	1,593,324	(1,593,324)	-	-	-
Pupil Premium - LA	-	15,538	(15,538)	-	-	-
Free school meals - ESFA	-	231,150	(231,150)	-	-	-
Teachers' pay grant	-	184,245	(184,245)	-	-	-
Teachers' pension grant	-	533,238	(533,238)	-	-	-
Supplementary grant	-	156,982	(156,982)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
Start up grants	-	30,000	(24,094)	-	-	5,906
Other ESFA grants	-	105,121	(105,121)	-	-	-
Early years	-	912,894	(912,894)	-	-	-
High Needs	-	896,463	(896,463)	-	-	-
Meals funding	-	197,924	(197,924)	-	-	-
SEN Unit funding	-	158,988	(158,988)	-	-	-
Other	-	57,499	(57,499)	-	-	-
Trust Capacity Fund	-	257,881	(257,881)	-	-	-
Catch-up premium	-	241,560	(218,290)	-	-	23,270
Other ESFA Covid funding	-	38,370	(38,370)	-	-	-
PE and sports grant	-	98,260	(98,260)	-	-	-
Pension reserve	(4,704,000)	-	(1,472,000)	647,000	(1,776,000)	(7,305,000)

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19. Statement of funds (continued)

<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
<u>(2,587,673)</u>	<u>23,313,255</u>	<u>(24,469,637)</u>	<u>77,553</u>	<u>(1,776,000)</u>	<u>(5,442,502)</u>

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Transfer on conversion	38,551,820	-	(777,005)	-	-	37,774,815
DfE group capital grants	1,625,036	412,516	(182,900)	(143,500)	-	1,711,152
Capital expenditure from GAG	541,958	-	(192,914)	65,947	-	414,991
Private sector capital sponsorship	91,786	16,889	(27,270)	-	-	81,405
LA capital grants	9,735	-	(2,655)	-	-	7,080
Donated assets	-	187,148	(40,009)	-	-	147,139
	<u>40,820,335</u>	<u>616,553</u>	<u>(1,222,753)</u>	<u>(77,553)</u>	<u>-</u>	<u>40,136,582</u>
Total Restricted funds	<u>38,232,662</u>	<u>23,929,808</u>	<u>(25,692,390)</u>	<u>-</u>	<u>(1,776,000)</u>	<u>34,694,080</u>
Total funds	<u>39,730,369</u>	<u>24,108,451</u>	<u>(25,726,954)</u>	<u>-</u>	<u>(1,776,000)</u>	<u>36,335,866</u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Central Services	3,267,049	3,504,284
Restricted fixed asset fund	39,323,083	40,136,582
Pension reserve	389,000	(7,305,000)
Total	<u>42,979,132</u>	<u>36,335,866</u>

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Culloden Primary Academy	3,611,536	719,442	461,992	684,647	5,477,617	4,820,831
Ipswich Academy	4,345,396	1,107,295	447,932	888,591	6,789,214	5,645,896
Old Ford Primary Academy	2,981,423	819,506	416,482	886,028	5,103,439	4,534,245
Solebay Primary Academy	1,147,219	341,173	215,164	330,940	2,034,496	1,971,486
Murrayfield Primary Academy	1,542,197	344,131	175,789	341,017	2,403,134	2,056,827
Piper's Vale Primary Academy	1,376,055	351,562	147,996	252,275	2,127,888	2,082,868
Woodbridge Road Academy	79,814	89,935	7,232	18,925	195,906	-
Central Services	850,188	(391,150)	450,566	666,805	1,576,409	3,392,048
Trust	15,933,828	3,381,894	2,323,153	4,069,228	25,708,103	24,504,201

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	38,991,505	38,991,505
Current assets	1,870,977	3,613,288	381,403	5,865,668
Creditors due within one year	-	(2,217,216)	(49,825)	(2,267,041)
Provisions for liabilities and charges	-	389,000	-	389,000
Total	1,870,977	1,785,072	39,323,083	42,979,132

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	39,835,620	39,835,620
Current assets	1,641,786	3,979,589	300,962	5,922,337
Creditors due within one year	-	(2,117,091)	-	(2,117,091)
Provisions for liabilities and charges	-	(7,305,000)	-	(7,305,000)
Total	1,641,786	(5,442,502)	40,136,582	36,335,866

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FOR THE YEAR ENDED 31 AUGUST 2022**

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(2,355,734)	(1,618,503)
Adjustments for:		
Depreciation	1,176,430	1,222,753
Capital grants from DfE and other capital income	(449,951)	(429,405)
Interest receivable	(12,055)	(3,564)
Defined benefit pension scheme cost less contributions payable	1,175,000	738,000
Defined benefit pension scheme finance cost	130,000	87,000
Increase in debtors	(64,514)	(233,870)
Increase in creditors	149,950	821,227
Donated assets	-	(187,148)
Net cash (used in)/provided by operating activities	(250,874)	396,490

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	12,055	3,564
Purchase of tangible fixed assets	(332,315)	(476,007)
Purchase of investments	(999,000)	-
Capital grants from DfE Group	449,951	429,405
Net cash used in investing activities	(869,309)	(43,038)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,582,653	1,280,526
Notice deposits (less than 3 months)	-	2,422,310
Total cash and cash equivalents	2,582,653	3,702,836

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24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	3,702,836	(1,120,183)	2,582,653
Liquid investments	1,000,000	999,000	1,999,000
	<u>4,702,836</u>	<u>(121,183)</u>	<u>4,581,653</u>

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	83,966
	<u>-</u>	<u>83,966</u>

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26. Pension commitments

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

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

Contributions amounting to £255,853 were payable to the schemes at 31 August 2022 (2021 - £263,199) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,599,248 (2021 - £1,659,801).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £802,000 (2021 - £833,000), of which employer's contributions totalled £617,000 (2021 - £647,000) and employees' contributions totalled £185,000 (2021 - £186,000). The agreed contribution rates for future years are 21.3-25.5 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase for pensions in payment/inflation	3.1	2.9
Discount rate for scheme liabilities	4.3	1.65
Inflation assumption (CPI)	3.1	2.9
Rate of increase in salaries (%) LBTH	3.3	3.1
Rate of increase in salaries (%) SCC	3.8	3.6

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

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FOR THE YEAR ENDED 31 AUGUST 2022**

26. Pension commitments (continued)

	2022 Years	2021 Years
<i>Retiring today</i>		
Males (LBTH, SCC)	21.5, 21.9	<i>21.7, 22.1</i>
Females (LBTH, SCC)	23.7, 24.3	<i>23.9, 24.5</i>
<i>Retiring in 20 years</i>		
Males (LBTH, SCC)	22.7, 22.9	<i>23.0, 23.2</i>
Females (LBTH, SCC)	25.5, 26.1	<i>25.7, 26.4</i>

Sensitivity analysis

	2022 £000	2021 £000
Discount rate -0.1%	271	<i>461</i>
Salary increase rate +0.1%	14	<i>22</i>
Pension increase rate +0.1%	261	<i>434</i>

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	8,173,260	<i>7,580,200</i>
Bonds	1,887,120	<i>2,254,170</i>
Property	1,121,400	<i>788,460</i>
Cash	32,220	<i>184,170</i>
Total market value of assets	11,214,000	<i>10,807,000</i>

The actual return on scheme assets was £(272,000) (2021 - £1,469,000).

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26. Pension commitments (continued)

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

	2022 £	2021 £
Current service cost	1,792,000	(1,385,000)
Interest income	184,000	152,000
Interest cost	314,000	(239,000)
Total amount recognised in the Statement of Financial Activities	2,290,000	(1,472,000)

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

	2022 £	2021 £
At 1 September	18,112,000	13,324,000
Current service cost	1,792,000	1,385,000
Interest cost	314,000	239,000
Employee contributions	185,000	186,000
Actuarial (gains)/losses	(9,455,000)	3,093,000
Benefits paid	(123,000)	(115,000)
At 31 August	10,825,000	18,112,000

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

	2022 £	2021 £
At 1 September	10,807,000	8,620,000
Interest income	184,000	152,000
Actuarial (losses)/gains	(456,000)	1,317,000
Employer contributions	617,000	647,000
Employee contributions	185,000	186,000
Benefits paid	(123,000)	(115,000)
At 31 August	11,214,000	10,807,000

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NOTES TO THE FINANCIAL STATEMENTS
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27. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	13,827	14,984

28. Other financial commitments

In addition to the above, the Trust maintains some of its assets under a PFI agreement. The amount due for the following financial year under this agreement is estimated to be **£538,376** (2021 - £516,707). The cost of the PFI agreement changes annually based on pupil numbers and the Retail Price Index plus 1.2%. As such the cost of the PFI agreement for the remainder of the 25 year term would total approximately **£2,641,706** (2021 - £2,855,132).

29. Related party transactions

No related party transactions took place in the period of account, other than certain Directors' remuneration and expenses already disclosed in note 13.

30. Agency arrangements

In 2017 Ipswich Academy received Social Mobility funding of **£240,000**, to be disbursed to schools within the local area. In the current year, **£NIL** (2021 - £9,328) was paid to various schools and academies. The balance of **£NIL** (2021 - £NIL) is included in other creditors.